MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Interim Period Ended December 31, 2025

APPILI THERAPEUTICS INC.

The following Management's Discussion and Analysis ("**MD&A**") of Appili Therapeutics Inc. ("**Appili**", the "**Company**", "**we**", "**us**" or "**our**") is prepared as of February 12, 2026, and provides information concerning the Company's financial condition and results of operations. This MD&A should be read in conjunction with our unaudited interim consolidated financial statements for the three and nine months ended December 31, 2025 and 2024, including the related notes thereto. The preparation of financial information included in the MD&A has been prepared in accordance with International Financial Reporting Standards (the "**IFRS Accounting Standards**") as issued by the International Accounting Standards Board, unless otherwise noted. Unless stated otherwise, all references to "$" are to Canadian dollars ("**CAD**").

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements or forward-looking information (collectively, "**forward-looking statements**") under applicable Canadian securities legislation including, without limitation, statements containing the words "believe," "may," "plan," "will," "estimate," "continue," "anticipate," "intend," "expect," "predict," "project," "potential," "continue," "ongoing" or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by us based on our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include, but are not limited to, statements relating to:

- our ability to continue as a going concern;
- our ability to maintain the listing of the Company's Class A common shares (the "**Common Shares**") on the Toronto Stock Exchange (the "**TSX**");
- our strategy;
- the sufficiency of our financial resources to support our activities;
- potential sources of funding;
- our deployment of resources;
- our ability to obtain necessary funding on favourable terms or at all;
- our expected expenditures and accumulated deficit level;
- the ability of our partner, Saptalis (as defined herein), to successfully utilize a commercial partner to support the sales and distribution of LIKMEZ;
- our outcomes from ongoing and future research and research collaborations;
- our exploration of opportunities through collaborations, strategic partnerships, and other transactions with third parties;
- our plans for the research and development ("**R&D**") of certain product candidates;
- the continued existence of priority review voucher ("**PRV**") programs and the eligibility of certain of our programs for a PRV;
- our ability to obtain funding from the National Institute of Allergy and Infectious Diseases ("**NIAID**"), US Department of Defense (**"USDOD"**), U.S. Air Force Academy ("**USAFA**"), or other potential sources of non-dilutive funding at all and in a timely manner;
- our intention to secure certain regulatory designations, such as Fast-Track status, for our development programs;
- expectations relating to the timing of future milestone payments from Saptalis;
- our strategy for protecting our intellectual property;
- our ability to identify licensable products or research suitable for licensing and commercialization;
- our ability to obtain licences on commercially reasonable terms;
- our plans for generating revenue;
- our plans for future clinical trials;
- our ability to hire and retain skilled staff; and
- our intention with respect to updating any forward-looking statements after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Such statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Appili as of the date of such statements, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to (i) our ability to continue to partner with the NIAID, USDOD and USAFA with respect to the funding of ATI-1701; (ii) the availability of financing on reasonable terms; (iii) the Company's ability to initiate and complete its proposed clinical trials in a timely manner; (iv) the Company's ability to enter into the requisite clinical trial agreements relating to any proposed clinical trials; (v) obtaining positive results of clinical trials; (vi) obtaining regulatory approvals; (vii) general business and economic conditions; (viii) the Company's ability to successfully out-license or sell its current products and in-license and develop new products; (ix) the Company's ability to attract and retain skilled staff; (x) market competition; (xi) the products and technology offered by the Company's competitors; (xii) the Company's ability to protect patents and proprietary rights; and (xiii) the Company's ability to secure the requisite level of patient and site enrollment.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including risks related to:

- working capital and capital resources, including the Company's ability to secure funding from NIAID for VXV-01;
- the Company's ability to identify and source additional non-dilutive funding opportunities;
- the ability of the Company to complete in full the Private Placement (as defined herein);
- limited operating history and early stage of development;
- identifying, developing, licensing and commercializing product candidates;
- regulatory risks;
- market competition;
- the Company's dependence on third parties;
- clinical trial risks;
- third party manufacturing and supplier risks;
- the Company's potential redeployment of resources;
- the ownership and protection of intellectual property;
- litigation and product liability risks;
- the Company's ability to meet certain debt obligation covenants;
- employee matters and managing growth;
- ownership of the Company's securities;
- the possibility of the US government permanently or temporarily suspending payments for existing funding contracts as the Department of Government Efficiency and the US government considers changes to spending priorities;
- ability to attract and retain key personnel;
- the Company's existing credit facility with Long Zone Holdings ("**LZH**");
- the ability of the Company to receive the Termination Fees (as defined herein) from Aditxt Inc. ("**Aditxt**")
- implementation and development delays;
- product deficiencies;
- volatility of share price; and
- the other risks discussed under the heading "*Risk Factors*" in the Company's annual information form dated June 25, 2025 (the "**AIF**").

Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

MARKET DATA

Certain market and industry data (including study results) used in this MD&A were obtained from market research, publicly available information and industry publications. Appili believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. Appili has not independently verified this information and does not make any representation or warranty as to the accuracy of this information.

BUSINESS OVERVIEW

Appili is a pharmaceutical company focused on the acquisition and development of novel treatments targeting unmet needs in infectious disease. Since incorporation in 2015, the Company has been focused on building and advancing a diverse portfolio of anti-infective programs. Key activities have included the acquisition and development of novel technologies, the development of strategic partnerships, targeted hiring and building out drug development capabilities, securing intellectual property, and raising funds through equity capital raises and non-dilutive funding mechanisms.

The Company's anti-infective product development portfolio currently includes three programs, LIKMEZ® (ATI-1501), ATI-1701, and ATI-1801, and one collaboration program: VXV-01 described below.

Subject to the renewal of certain legislation, Appili expects that two of its programs (ATI-1801 and ATI-1701) may be eligible for a PRV if approved by the United States Food and Drug Administration ("**FDA**"). The PRV program was developed to incentivize drug development in US government priority areas including tropical diseases . Once issued, a PRV can be used by its holder to accelerate the review of a subsequent drug or biologic license application. PRVs are transferrable and the secondary market for PRVs is well established with over 40 transactions reported publicly with recent transactions exceeding US$150 million.

ATI-1801

Appili licensed the exclusive worldwide rights to topical antiparasitic product ATI-1801 from the US Army Medical Materiel Development Activity ("**USAMMDA**") in August 2019.

ATI-1801 is a novel topical formulation of paromomycin (15% w/w) under advanced clinical development for the treatment of cutaneous leishmaniasis, a disfiguring infection of the skin that affects hundreds of thousands of people around the world annually and is characterized by the formation of lesions and ulcers that often lead to scarring, disfigurement, disability, and stigmatization of the infected individual (CDC 2020. WHO 2022, Okwor 2016). The disease is a serious impediment to socioeconomic development, especially for women, and a priority for governments and non-governmental organizations (**"NGOs"**) around the word (NIAID 2021, DNDi 2021). Current treatments are often invasive, toxic and/or require hospitalization, limiting access. (Aronson 2016, DNDi 2018).

ATI-1801 has the potential to significantly reduce the burden of the disease by providing patients with a safe and effective therapy that can be used at home. ATI-1801's active ingredient, paromomycin, disrupts protein synthesis within *Leishmania* parasites, effectively stopping their growth and multiplication. Appili licensed the full clinical dossier for ATI-1801 from USAMMDA, including the results of a randomized, vehicle-controlled Phase 3 study which evaluated the safety and efficacy of ATI-1801 for the treatment of cutaneous leishmaniasis in Tunisia. The study met its primary endpoint, with ATI-1801 administered topically once daily for 20 days demonstrating a significant improvement in the rate of clinical cure of the index lesion compared to vehicle at 6 months (82% vs 58%; p-value < 0.0001).

In response to Appili's recent Type B meeting request, the FDA agreed with the Company's proposed strategy to establish a scientific bridge between previous clinical trial material and new drug product batches. This approach includes developing an appropriately validated in-vitro release test ("**IVRT**") method and manufacturing a new reference standard to use in IVRT studies to support the scientific bridge to products used in prior studies. This will allow completion and submission of a New Drug Application with the FDA much sooner than if additional clinical data were required.

Appili expects to pursue non-dilutive funding and partnership opportunities with NGOs and government agencies which share the Company's focus on tropical diseases to implement the agreed-upon strategy and complete remaining development work.

ATI-1801 has received an Orphan Drug Designation ("**ODD**") from the FDA for the treatment of certain forms of cutaneous leishmaniasis.

Due to the nature of the Company's business and stage of operations, there is no assurance that ATI-1801 will successfully complete the remaining development activities, achieve regulatory approval, or qualify for a PRV, , and there can be no assurance with respect to the time or resources that may be required. See *"Risks and Uncertainties*".

LIKMEZ® (ATI- 1501)

LIKMEZ® (ATI-1501) is Appili's most advanced commercial stage asset, a liquid oral taste-masked reformulation of the antibiotic metronidazole, which has been licensed to Saptalis Pharmaceuticals LLC ("**Saptalis**") for commercialization in the US, and other selected territories.

Metronidazole is a front-line antibiotic for the treatment of anaerobic bacterial and parasitic infections (Quintiles 2016, Solomkin 2010, Flagyl® FDA Label 2018). In many jurisdictions, including the United States and Canada, the only approved oral metronidazole products are in solid dose formats. Elderly and pediatric patients with difficulty swallowing typically crush the tablets to ingest them. Metronidazole has a strong bitter and metallic taste that is exacerbated by crushing and can reduce patient adherence to treatment. LIKMEZ is the first and only FDA approved ready-made suspension of metronidazole, aimed at making it easier for patients to take metronidazole, improving patient adherence to therapy and clinical outcomes.

In December 2019, Appili entered into a development and commercialization agreement with Saptalis for the manufacturing, development, and commercialization of LIKMEZ. Under the terms of the agreement, Appili is eligible to receive multiple milestone and royalty payments on the development and sale of LIKMEZ in the United States. In February 2022, Appili announced an amendment to its licence with Saptalis to expand the territories in which Saptalis will commercialize LIKMEZ to include Europe and Latin America. Under the terms of the amended agreement, Saptalis will assume all responsibilities related to the development and commercialization of LIKMEZ for European and Latin American markets and Appili will be eligible to receive royalties on sales for a specified term.

In May 2023, the United States Patent and Trademark Office ("**USPTO**") published patent claims for ATI-1501 under the US Application No. 18/072,154 filed on November 30, 2022, and titled "*Oral Formulations of Metronidazole and Methods of Treating an Infection Using Same*". Subsequently, in April 2025, additional patents were published in the US and Mexico, further strengthening the composition and preparation methods for the LIKMEZ through 2039. The U.S. patent has been listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book), providing comprehensive protection for LIKMEZ's unique taste-masked composition and therapeutic applications.

In September 2023, Saptalis received approval from the FDA for Metronidazole Oral Suspension 500mg/5mL (ATI-1501) in the United States. The FDA also approved LIKMEZ as the brand name for ATI-1501. In June 2025, Saptalis launched LIKMEZ to patients and doctors in the United States. Appili is entitled to receive additional sales-based milestone payments and royalties from Saptalis based on sale of the product.

Due to the nature of the Company's business and stage of operations, there is no assurance that LIKMEZ commercial sales targets will grow as anticipated or that expected milestone and royalty payments will be received. . See *"Risks and Uncertainties"*.

ATI-1701

Appili licensed the exclusive worldwide rights to biodefense vaccine candidate ATI-1701 from the National Research Council of Canada (**"NRC"**) in December 2017.

ATI-1701 is a novel, live-attenuated vaccine for *Francisella tularensis* ("***F. tularensis***"). F. tularensis is classified as a Category A pathogen by the U.S. National Institutes of Health ("**NIH**") due to its high infectivity, potential for aerosolization, and significant risk to national security and public health. There is currently no approved vaccine for tularemia in the U.S. or other major global markets.

Preliminary studies in mice conducted by the NRC and colleagues have demonstrated 100% survival of ATI-1701-immunized mice compared to no survival in unvaccinated mice after lethal challenge with *F. tularensis* (Conlan 2010, Shen 2010). Vaccine manufacturing activities have been initiated and animal work commenced in 2019. A non-human primate ("**NHP**") study showed that vaccination with ATI-1701 provided >88% survival protection when animals were challenged with a lethal dose of *F. tularensis* at either 28 or 90 days after vaccination. Some of the NHP data have been replicated by a second laboratory, with 87.5% of NHPs surviving a lethal dose of *F. tularensis* 28 days after vaccination. The Company disclosed results from the last cohort of animals challenged 365 days after vaccination, with survival rates of 29% (n = 2/7) reported in the ATI-1701 vaccinated cohort, compared to 0% (n = 0/5) in mock vaccinated controls. Ongoing potency assay development studies have found that as few as 6 colony forming units of ATI-1701 can provide 100% protection against intradermal challenge in mice.

The conventional path for drug development often involves human efficacy studies, which can be impractical for rare diseases like tularemia. The FDA has provided guidance known as the "Animal Rule," (21 CFR 601.90-95) which offers a clear path to approval by relying on well-designed animal studies, potentially expediting the development and availability of this important vaccine. The Animal Rule is an alternative product development path for certain rare diseases like tularemia. According to regulatory guidance from October 2015 titled "Product Development Under the Animal Rule," the FDA may grant marketing approval based on adequate and well-controlled animal efficacy studies for drugs designed to mitigate or prevent serious or life-threatening conditions caused by exposure to toxic substances. This route becomes applicable when human efficacy studies are neither ethical nor feasible, and field trials are impractical. Under the Animal Rule, drugs must still undergo safety evaluation as per existing requirements for establishing the safety of new drugs.

Appili is currently executing the development plan for ATI-1701 under the FDA Animal Rule. This assessment involves developing of appropriate experimental models to demonstrate the efficacy of ATI-1701. Appili has had interactions with the FDA in the form of a pre-IND meeting, confirming the development pathway for the majority of our efforts and is incorporating suggested changes in the development effort. Appili aims to complete the necessary preclinical and clinical testing required under the Animal Rule. The objective is to evaluate the immunogenicity, efficacy, and safety of the ATI-1701 vaccine and ultimately submit a Biological License Application to the FDA.

Appili's development activities related to ATI-1701 have been funded through its current resources and USDOD funding. In May 2023, Appili entered a cooperative agreement with USAFA (the "**USAFA Cooperative Agreement**"), who is working in partnership with the Defense Threat Reduction Agency ("**DTRA**").

In December 2023, Appili announced the issuance of a US patent for ATI-1701 to protect against tularemia. This patent covers the composition and preparation methods for ATI-1701 through 2039.

Previously, ATI-1701 was awarded a total of approximately US$14 million from USAFA, of which US$11.7 million is now allotted to pay for services under the agreement. Notwithstanding previous potential for increases to general & administrative overhead recovery rates, due to ongoing U.S. budget changes and other factors, the Company does not anticipate additional funding from USAFA beyond the US$11.7 million committed to date for ATI-1701. Appili does not expect to be in a position to submit an Investigational New Drug Application for ATI-1701 in the absence of more funding becoming available. During the nine-month period ended December 31, 2025, Appili received reimbursements from USAFA, covering labor expenses, subcontractor and vendor costs, as well as other direct and indirect costs for budgeted program activities.

In May 2025, Appili Director of Non-Clinical Research, Dr. Carl Gelhaus, Ph.D., together with researchers from the USAFA, and other U.S. based researchers published the manuscript, "*The Immune Response to Francisella tularensis*". The review consolidates recent findings on the immune system response to F. tularensis infections and suggests various means by which infections can be controlled. By examining diverse *F. tularensis* strains and animal models, the authors outline promising pathways for effective tularemia vaccine development.

In August 2025, Dr. Carl Gelhaus, and researchers from leading biodefense institutions in the U.S., Canada, and Sweden, published a manuscript in the journal Vaccine, highlighting key findings from multiple preclinical studies. The manuscript, titled, "*Vaccination with a novel live attenuated strain of Francisella tularensis subsp. tularensis protects cynomolgus macaques against aerosol F. tularensis infection*," details studies showing robust and durable protection from lethal tularemia exposure in both rat and non-human primate models.

Appili achieved a key operational milestone with the successful GMP manufacture of ATI-1701 drug substance and drug product at the Walter Reed Army Institute of Research. The GMP drug substance and GMP drug product met all release specifications and the finished drug product may be formally dispositioned for use in future clinical studies, supporting the planned Phase 1 clinical trial.

In September 2025, Dr. Carl Gelhaus, presented at the NATO Chemical, Biological, Radiological and Nuclear Conference, in Switzerland. The presentation included updates on Appili's biodefense vaccine program, highlighting ATI-1701, a potential first-in-class tularemia vaccine, and underscored its potential to address a critical gap in global biodefense preparedness.

Due to the nature of the Company's business and stage of operations, there is no guarantee that ATI-1701 will successfully complete the remaining nonclinical and clinical development required under the FDA's Animal Rule, achieve regulatory approval, or qualify for a PRV, , and uncertainties remain regarding the required time and resources. Please refer to the "*Risks and Uncertainties*" section for further information.

VXV-01

Appili, in collaboration with Vitalex Biosciences, is advancing VXV-01, a novel, dual-antigen vaccine targeting invasive *Candida* infections. A vaccine to prevent *Candida* infections remains a significant unmet medical need due to an increase in cases of resistance to antifungal drugs, and the burden that hospitals face in having to treat such patients. VXV-01 combines the *Candida albicans* surface proteins Als3 and Hyr1 with a proprietary adjuvant to provide broad-spectrum protection against both *Candida albicans* and *C. auris*, both of which are commonly found to be resistant to antifungals.

Recent nonclinical studies demonstrate that immunization with VXV-01 protects against lethal and mucosal *Candida* infections, building upon the safety and efficacy shown for Vitalex's single component Als3-based NDV-3A vaccine in prior clinical trials. The innovative design of VXV-01, targeting antigens present on multiple pathogenic fungi, is intended to provide robust immunity and represents a substantial advancement in the prevention of serious fungal diseases.

In October 2025, Appili was awarded a contract by NIAID, part of the National Institutes of Health, valued at up to US$40 million. The contract is structured as a five-year program with an initial US$3.6 million base period and additional options to support development through IND submission and Phase 1 clinical trials. Appili serves as the prime contractor, overseeing program execution, compliance, and reporting, while Vitalex, in its role as a subcontractor, contributes asset development and scientific expertise. VXV-01 joins Appili's portfolio through an exclusive agreement to negotiate for licensure, enabling pipeline growth with minimal upfront investment.

Under the terms of the agreement with Vitalex, Appili holds an exclusive option to acquire full rights to VXV-01. If this option is successfully exercised, Appili will secure exclusive worldwide rights to the asset. This contractual framework structure positions Appili to potentially transition from development lead to asset ownership, subject to achievement of key development milestones.

Global estimates indicate nearly 6.5 million people annually are affected by invasive fungal infections, causing approximately 3.8 million deaths. Despite this significant health burden, there are currently no fungal vaccines approved for use in humans. VXV-01 aims to address this global burden by providing a first-in-class vaccine solution for high-risk, immunocompromised or otherwise vulnerable populations, helping to prevent severe fungal infections, improve patient outcomes, and strengthen healthcare preparedness.

Due to the nature of the Company's business and stage of operations, there is no guarantee that these objectives will be achieved, and uncertainties remain regarding the required time and resources, and full access to awarded funds. Please refer to the "*Risks and Uncertainties*" section for further information.

Our Business Strategy

The Company was founded to acquire, develop and commercialize novel therapeutics in the area of infectious disease. The strategic decision to focus on infectious disease was driven by the large unmet clinical need in the therapeutic area, as well as the increasing number of regulatory and financial incentives available to support anti-infective R&D. The Company has recruited a team of experienced drug development, government contracting and commercialization professionals to, among

other things: (i) identify high value commercial and R&D anti-infective assets, including those aligned with government priority areas, (ii) teaming with other biotech companies who have assets and/or complementary capabilities to position products for funding opportunities, (iii) leverage available incentive programs to accelerate development, and (iv) maximize market access, reimbursement, and partnerships and alliances to realize stakeholder value. The Appili team has built a portfolio of anti-infective assets through internal innovation and acquisition from partners, and is constantly searching for additional antiviral, antibacterial, antifungal, antiparasitic and vaccine assets for acquisition or partnership.

Appili has successfully raised approximately US$66 million in prior government funding awards, showcasing its ability to develop compelling research proposals for groundbreaking technologies and form strategic partnerships to compete for government funding.

RECENT DEVELOPMENTS

Overall Performance

The Company has no direct sales, though Appili is entitled to royalties and milestone payments from Saptalis for LIKMEZ sales. Accordingly, its ability to ensure continuing operations is dependent on obtaining the necessary financing to complete the development or commercial support of the Company's product portfolio, which includes three active programs (LIKMEZ (ATI-1501), ATI-1701, and ATI-1801) and one partnered product, VXV-01.

The Company had the following recent key developments and achievements since October 2025:

- On October 1, 2025, the Company and its partner Vitalex Biosciences announced that the NIAID, part of the National Institutes of Health, has awarded up to US$40 million in funding to support the development of VXV-01, a vaccine aimed at protecting against invasive fungal infections.

- On November 5, 2025, the Company announced a non-brokered private placement of up to approximately 30,000,000 units of the Company at a price of $0.025 per unit (the "**Units**") for aggregate gross proceeds of up to approximately $750,000 (the "**Private Placement**"). Each Unit consists of one Common Shares and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Subject to receipt of shareholder approval, each Warrant entitles the holder to acquire one Common Share at a price of $0.05 per Common Share for 36 months from the closing date of the Private Placement (the "**Closing Date**"). Pursuant to the requirements of the TSX, the Warrants will not be exercisable until such time as the Company obtains requisite shareholder approval (which excludes the votes of holders of Warrants), such approval to be sought no later than the next Annual General Meeting of the Company's shareholders.

- On December 17, 2025, the Company closed the first tranche of the Private Placement, issuing an aggregate of 7,100,000 Units for gross proceeds of $177,500. In connection with this first closing, the Company paid certain finders an aggregate of $14,200 and issued an aggregate of 568,000 broker warrants to purchase Common Shares (the "**Broker Warrants**"). Subject to receipt of shareholder approval, each Broker Warrant entitles the holder to acquire one Common Share at a price of not less than C$0.02834 per Common Share until the date that is two years from the Closing Date. Pursuant to the requirements of the TSX, the Broker Warrants will not be exercisable until such time as the Company obtains requisite shareholder approval (which excludes the votes of holders of Broker Warrants), such approval to be sought no later than the next Annual General Meeting of the Company's shareholders.

SELECTED FINANCIAL INFORMATION

		Three Months ended December 31, 2025 ($)	Three Months ended December 31, 2024 ($)
Net loss and comprehensive loss for the period		(949,502)	(524,337)
Basic and diluted loss per share		(0.01)	(0.004)

		As at December 31, 2025	As at March 31, 2025
Cash and short-term investments		212,754	1,228,244
Total assets		547,913	3,032,674
Long-term liabilities		12,460,479	12,294,417

RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 ("Q3 2026"), COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2024 ("Q3 2025")

	Three months ended December 31, 2025 $	**Three months ended December 31, 2024 $**
Income		
Revenue	114,981	108,359
	114,981	108,395
Expenses		
Research and development costs ("**R&D**")	575,336	1,721,529
General and administrative ("**G&A**")	256,957	443,261
Business development ("**BD**")	-	6,422
Financing costs	378,193	522,022
Government assistance	9,613	(2,559,925)
Exchange (gain)/loss	(165,433)	509,388
	1,054,665	642,697
Loss before Income taxes	(939,684)	(534,302)
Income tax expense	9,818	(9,965)
Net loss and comprehensive loss for the period	(949,502)	(524,337)

Income

i. **Revenue**

Revenue increased by $6,622 to $114,981 in Q3 2026 which includes royalty revenue for the third quarter of 2026 and increased sales. Royalty revenue relates to LIKMEZ.

Operating expenses

Net operating expenses increased by $411,968 to $1,054,665 in Q3 2026 compared to $642,697 in the Q3 2025. The net increase in operating expenses was driven by a $2,569,538 reduction in government assistance related to the contract with USAFA to support the ATI-1701 program and foreign exchange losses (net change -$674,820), offset by a $1,146,193 decrease in R&D costs related to the ATI-1701 program, a $186,305 decrease in G&A expenses and a $143,830 decrease in financing costs related to reversal of pre payment penalties on LZH secured loans and fair value modification of LZH loans. Explanations of the nature of costs incurred, along with explanations for those changes in costs are discussed below.

i**.** **R&D expenses**

The Company's R&D expenses are related primarily to costs incurred in performing research and development activities that include non-clinical, clinical manufacturing, and regulatory expenses of its product candidates. The R&D expenses for the period relate to costs incurred for the development of the two product candidates, including ATI-1701, LIKMEZ and general R&D.

R&D expenses consist of the following:

The decrease in R&D expenses of $1,146,193 from $1,721,529 in Q3 2025 to $575,336 in Q3 2026 is mainly attributable to decrease of $971,475 in the ATI-1701 program expenses and a decrease of $143,686 in salaries and benefits and decrease of $19,941 in general R&D expenses. These decreases were offset by a small increase of $60 in stock-based compensation.

	Three months ended December 31, 2025 ($)	**Three months ended December 31, 2024 ($)**
ATI-1701 expenses	28,634	1,000,109
ATI-1501 expenses	1,773	12,729
General R&D expenses	819	20,760
Amortization of property and equipment	1,245	1,440
Salaries and benefits	535,739	679,425
Stock-based compensation	7,126	7,066
Total	**575,336**	**1,721,529**

ATI-1701

The decrease in ATI-1701 program expenses is due to a reduction in activities under the USAFA Cooperative Agreement, for Q3 2026 in comparison to Q3 2025. ATI-1701 program expenses are primarily reimbursed by the USAFA Cooperative Agreement and recorded as government assistance.

LIKMEZ (ATI-1501)

During the Q3 2026, the Company had regulatory expenses related to the program with small decrease of $10,956 compared to Q3 2025.

General R&D Expenses

The decrease in expenses related to general R&D expenses is due to a decrease in ATI-1801 related consultant expenses in Q3 2026 in comparison to Q3 2025.

Salaries and Benefits and Stock-based compensation

Decrease in salaries and benefits are mainly due to year end vacation payable expense reduction and fx.

ii. **G&A expenses**

The Company's G&A expenses include salaries and benefits of the senior executive team and the finance and administrative staff, stock-based compensation expenses, professional fees including legal, auditing and tax, costs associated with the public listing on the TSX, regulatory, investor relations and public relations costs, travel expenses, office rent, operating and information technology costs, director compensation, and directors' and officers' insurance premiums.

G&A expenses consist of the following:

	Three months ended December 31, 2025 ($)	**Three months ended December 31, 2024 ($)**
G&A expenses, excluding salaries	221,675	409,269
Salaries and benefits	32,682	25,293
Stock-based compensation	3,972	6,063
Amortization of property and equipment	(1,372)	2,636
Total	**256,957**	**443,261**

G&A expenses decreased by $186,306 from $443,261 in Q3 2025 to $256,957 in Q3 2026 due to a decrease of $4,008 in depreciation of property and equipment, a decrease of $2,091 in stock-based compensation given the reduction in value of options issued, decrease of $187,594 in G&A expenses, offset by an increase of $7,389 in salaries and benefits.

Stock-based compensation

The decrease in stock-based compensation in Q3 2026 by $2,091 in comparison to Q3 2025, is due to fewer options with lower values being issued in Q3 2026.

G&A expenses, excluding salaries

G&A expenses, excluding salaries, for Q3 2026 decreased mainly due to decreases in legal fees, subscription fees, audit fees, public relation firms, regulatory fees, business advisory fees, accounting services, and investor relation firms.

These decreases are offset by an increase in insurance D&O, advertising & promotion and information technology related charges.

Salaries and Benefits

Salaries and benefits increased slightly in Q3 2026 mainly due to FX changes.

iii. **Financing costs**

Financing costs relate to the valuation of zero interest bearing government loans, LZH secured loans and bridge loan from Bloom Burton.

Under IFRS, the zero-interest bearing government loans from the Atlantic Canada Opportunities Agency ("ACOA") must be initially valued at fair value and the difference between the fair value of the loans and the contribution received must be treated as government assistance. These loans are then accreted to their original value over time. For the loan repayable on a percentage of future gross revenue from LIKMEZ, management is required to revise the estimated cash flows whenever new information related to LIKMEZ and its potential market, including time of entry, market size, etc., is made available. Management recalculates the carrying amount by computing the present value of the estimated future cash flows at the original effective interest rate and any adjustments are recognized in the statements of loss and comprehensive loss as accreted interest after initial recognition.

The decrease of financing costs by $143,829 in Q3 2026 as compared to Q3 2025, is due mainly to the reversal of prepayment penalties on LZH secured loans and the fair value modification of LZH loans.

iv. **Government assistance**

Government assistance consists of investment tax credits, conditionally repayable government loans, repayable government loans and government grants.

Government assistance decreased by $2,569,538 in Q3 2026 as compared to Q3 2025, mainly due to the decreased cost reimbursements from the USAFA Cooperative Agreement to support the development of ATI-1701 for Q3 2026.

v. **Income tax expense**

Income tax expense is due on profits recognized in the US subsidiary.

vi. **Net loss and comprehensive loss**

The net loss and comprehensive loss was $949,502 for Q3 2026, an increase of $425,165 compared to the net loss and comprehensive loss of $524,337 for Q3 2025.

RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2025 ("Q3 2026"), COMPARED TO THE NINE MONTHS ENDED DECEMBER 31, 2024 ("Q3 2025")

	Nine Months ended December 31, 2025 $	Nine Months ended December 31, 2024 $
Income		
Revenue	218,916	113,049
Interest income	-	36
	218,916	113,085
Expenses and other		
R&D	2,369,143	5,796,256
General and Administrative **("G&A")**	1,480,417	1,861,447
Business Development **("BD")**	5,519	6,448
Financing costs	645,819	2,283,416
Government assistance	(764,338)	(7,422,066)
Foreign exchange loss/(gain)	(390,352)	449,131
	3,346,208	2,974,632
Loss before Income taxes	(3,127,292)	(2,861,547)
Income tax expense	64,381	(8,805)
Net loss and comprehensive loss for the period	(3,191,673)	(2,852,742)

Income

i. **Revenue**

Revenue income increased by $105,831 to $218,916 in Q3 2026 due to higher royalty revenue earned. Increase is also on account of increased Sales. The recorded revenue represents royalty income associated with LIKMEZ.

Operating expenses

Overall operating expenses in Q3 2026 increased by $371,574 to $3,346,206 compared to $2,852,742 in Q3 2025, due mainly to a decrease of $3,427,113 in R&D costs mainly due to reduced ATI-1701 program cost, an increase of $839,483 to foreign exchange gain, decrease of $381,029 in G&A expenses and a decrease of $1,637,597 in financing costs, due to reversal of pre payment penalties on Long Zone Holdings Inc. ("**LZH**") secured loans and fair value modification of LZH loans. These decreases were offset by a decrease of $6,657,728 in government assistance due to reimbursement stemming from the USAFA Cooperative Agreement to support the ATI-1701 program. Explanations of the nature of costs incurred, along with explanations for those changes in costs are discussed below.

i. **R&D expenses**

The Company's R&D expenses are related primarily to costs incurred in performing research and development activities that include non-clinical, clinical manufacturing, regulatory and clinical trial expenses of its product candidates. The R&D expenses for the period relate to costs incurred for the development of the two product candidates, including ATI-1701 and LIKMEZ and general R&D.

R&D expenses consist of the following:

The decrease in R&D expenses of $3,427,114 from $5,796,256 in Q3 2025 to $2,369,143 in Q3 2026 is mainly attributable to decrease of $3,118,374 in the ATI-1701 program expenses as the grant comes to close, a decrease of $42,878 in general R&D expenses, a decrease of $238,591 in salaries and benefits. These decreases were offset by a small increase of $1,162 in stock-based compensation.

	Nine Months ended December 31, 2025 ($)	Nine Months ended December 31, 2024 ($)
ATI-1701 expenses	560,335	3,678,709
LIKMEZ expenses	22,239	50,203
General R&D expenses	15,699	58,577
Amortization of property and equipment	3,845	4,313
Salaries and benefits	1,746,102	1,984,693
Stock-based compensation	20,923	19,761
Total	**$2,369,143**	**$5,796,256**

ATI-1701

The decrease in ATI-1701 program expenses is due to decrease in overall activities under the USAFA Cooperative Agreement, for Q3 2026 in comparison to Q3 2025. These are primarily being reimbursed by the USAFA Cooperative Agreement and recorded as government assistance.

LIKMEZ

During Q3 2026, the Company had regulatory expenses related to the program with decrease of $27,964 compared to Q3 2025.

General R&D Expenses

The decrease in expenses related to general R&D expenses is due to a decrease in consultant and rental expenses in Q3 2026 in comparison to Q3 2025.

Salaries and Benefits and Stock-based compensation

Decrease in salaries and benefits are mainly due to reversal of expenses for vacation payable and fx.

ii. **G&A expenses**

The Company's G&A expenses include salaries and benefits of the senior executive team and the finance and administrative staff, stock-based compensation expenses, professional fees including legal, auditing and tax, costs associated with the public listing on the TSX, regulatory, investor relations and public relations costs, travel expenses, office rent, operating and information technology costs, director compensation, and directors' and officers' insurance premiums.

G&A expenses consist of the following:

	Nine Months ended December 31, 2025 ($)	Nine Months ended December 31, 2024 ($)
G&A expenses, excluding salaries	1,328,271	1,641,944
Salaries and benefits	129,414	125,915
Stock-based compensation	19,846	87,648
Amortization of property and equipment	2,886	5,940
Total	**1,480,417**	**1,861,447**

G&A expenses decreased by $381,030 from $1,861,447 in Q3 2025 to $1,480,417 in Q3 2026 due to a decrease of $3,054 in depreciation of property and equipment, a decrease of $67,802 in stock-based compensation given the reduction in value of options issued, decrease of $313,673 in G&A expenses, excluding salaries offset by an increase of $3,499 in salaries and benefits.

Stock-based compensation

The decrease in stock-based compensation in Q3 2026 by $67,802 in comparison to Q3 2025, is due to fewer options with lower values being issued in Q3 2026.

G&A expenses, excluding salaries

G&A expenses, excluding salaries, for Q3 2026 decreased mainly due to decreases in legal fees, subscription fees, public relation firms, business advisory fees, accounting services and investor relation firms.

These decreases are offset by an increase in insurance D&O, advertising & promotion and information technology related charges.

Salaries and Benefits

Salaries and benefits stayed consistent in Q3 2026.

iii. **Financing costs**

Financing costs relate to the valuation of zero interest bearing government loans, LZH secured loans and a bridge loan from Bloom Burton.

Under IFRS, the zero-interest bearing government loans from the ACOA must be initially valued at fair value and the difference between the fair value of the loans and the contribution received must be treated as government assistance. These loans are then accreted to their original value over time. For the loan repayable on a percentage of future gross revenue from ATI-1501, management is required to revise the estimated cash flows whenever new information related to ATI-1501 and its potential market, including time of entry, market size, etc., is made available. Management recalculates the carrying amount by computing the present value of the estimated future cash flows at the original effective interest rate and any adjustments are recognized in the statements of loss and comprehensive loss as accreted interest after initial recognition.

The decrease of financing costs by $1,637,597 in Q3 2026 as compared to Q3 2025, is due mainly to the reversal of prepayment penalties on LZH secured loans and the fair value modification of LZH loans.

iv. **Government assistance**

Government assistance consists of Investment tax credits, conditionally repayable government loans, repayable government loans and government grants.

Government assistance decreased by $6,657,728 in Q3 2026 as compared to Q3 2025, mainly due to the decreased cost reimbursements from the USAFA Cooperative Agreement to support the development of ATI-1701 for Q3 2026.

v. **Income tax expense**

Income tax expense is due on profits recognized in the US subsidiary.

vi. **Net loss and comprehensive loss**

The net loss and comprehensive loss was $3,191,672 for Q3 2026, an increase of $338,930 compared to the net loss and comprehensive loss of $2,852,742 for Q3 2025.

CASH FLOWS

As at December 31, 2025, the Company had cash of $212,754 and negative working capital of $15,660,455 compared to a cash balance of $1,228,244 and negative working capital of $12,680,283, as at March 31, 2025.

To date, operations have been financed through the issuance of equity securities, debt, interest income on funds available for investment, government loans and assistance and tax credits.

Operating activities

During the period ended December 31, 2025, $1,045,568 was used in operating activities, including a reported net loss or $3,191,672 prior to being adjusted for add-backs of $705,963 (non-cash finance costs), $40,770 (stock-based compensation), -$406,402 (unrealized foreign exchange translation (LZH)), $6,861 (amortization of property equipment), -$277 (unrealized loss from changes in foreign currency) and a net decrease of $(1,799,190) in cash as a result of changes in working capital.

Financing activities

During the nine months ended December 31, 2025, the Company made repayment of long-term debt of $59,954 and $73,544 for the payment of accreted interest involving cash, raised $177,500 through issuance of Common Shares and Warrants (under the Private Placement) and paid issuance costs of $14,200.

LIQUIDITY AND CAPITAL RESOURCES

The Company prepares and updates the cash flow forecasts on a regular basis to manage the Company's liquidity, ensuring that the Company has sufficient cash to meet operational needs.

The Company aims to maintain adequate cash and cash resources to support planned activities which include: supportive activities for pre-IND and IND-enabling activity costs for ATI-1701 including regulatory, manufacturing and non-clinical activities; other early-stage R&D activities on other exploratory programs; business development costs incurred relating to assessing and evaluating new drug product candidates that fit within the Company's strategic focus; administration costs, and intellectual property maintenance and expansion.

It is common for early-stage biotechnology companies to require additional funding to further develop product candidates until successful commercialization of at least one product candidate. Appili's product candidates are still in the development stage of the product cycle and therefore are not generating revenue to fund operations. The Company continuously monitors its

liquidity position, the status of its development programs, including those of its partners, cash forecasts for completing various stages of development, the potential to license or co-develop each product candidate, and continues to actively pursue alternatives to raise capital, including the sale of its equity securities, debt and non-dilutive funding.

At December 31, 2025, the Company had approximately $0.4 million of existing and identified potential sources of cash including:

- cash of $0.2 million; and
- amounts receivable and investment tax credits receivable of $0.2 million.

During the quarter ended December 31, 2025, the Company identified certain receivables from Aditxt with a significant risk of non-recovery. In accordance with the Company's accounting policy, these receivables were assessed for impairment based on an evaluation of the counterparty's financial position, payment history, and expected future cash flows. As at 30 June 2025, the Company recognized an impairment loss of $1,399,360 in relation to these receivables. This impairment is included in bad debt expense within the statement of profit or loss. During the quarter ended December 31, 2025 a recovery of $348,760 was made against these impaired losses.

Appili's activities related to ATI-1701 have been funded through its current resources and government funding. On May 5, 2023, Appili signed the USAFA Cooperative Agreement for the ATI-1701 program. On December 5, 2025, Appili secured a further commitment of $82,694 for ATI-1701 from USAFA, who is working in partnership with DTRA. With this additional commitment , Appili's ATI-1701 program had been awarded a total of US$11.7 million from USAFA.

Under the terms of the USAFA Cooperative Agreement, Appili has been reimbursed for direct costs and labour associated with budgeted program activities and will recover a portion of its overhead costs. During FY 2026, Appili submitted invoices for such costs amounting to US$875,348 and has been reimbursed as at December 31, 2025.

USAFA serves as the prime contractor to DTRA for this program as USDOD agency. The USAFA Cooperative Agreement establishes Appili as the top-tier performer responsible for managing ATI-1701 development activities.

Due to ongoing U.S. budget constraints and other factors, the Company does not anticipate additional funding beyond the US$11.7 million committed to date for ATI-1701. Without additional funding, Appili does not expect to be in position to submit an IND application for ATI-1701 to the FDA.

Going Concern

While the Company has potential sources of cash of approximately $0.2 million as at December 31, 2025, as well as potential access NIAID award funding, management does not believe these resources will be sufficient to fund operations and current working capital requirements, for the next twelve months, unless further financing is obtained in the near term. The ability of the Company to continue as a going concern and finance its current working capital requirements in the near term is dependent upon successfully raising additional capital to fund the Company's R&D activities, general and administration expenses, and any expansion of operations through equity financings, non-dilutive funding, and partnerships. As there can be no assurance that the Company will be successful in its efforts to raise additional financing, collect any portion of the Termination Fee or secure alternative funding on terms satisfactory to the Company, there is substantial doubt about the Company's ability to continue as a going concern. The Company is currently analyzing financing alternatives that could include equity and/or debt financings, government, or other non-dilutive funding and/or new strategic partnership agreements to fund some or all costs of development. There can be no assurance that the Company will be able to obtain capital sufficient to meet any or all of its needs. The availability of equity or debt financing will be affected by, among other things, R&D activity, the Company's ability to obtain regulatory approvals, the market acceptance of the Company's products, the state of the capital markets generally, strategic alliance agreements and other relevant commercial considerations. In addition, if the Company raises additional funds by issuing equity securities, the existing security holders will likely experience dilution, and any incurring of indebtedness would result in increased debt service obligations and could require the Company to agree to operating and financial covenants that would restrict the Company's operations. There can be no assurance that the Company will have sufficient capital to fund its ongoing operations, develop or commercialize any products without future financings. Any failure on Appili's part to raise

additional funds on terms favourable or at all may require the Company to significantly change or curtail the current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in the Company not taking advantage of business opportunities, the termination or delay of clinical trials for our products, curtailment of product development programs. Such adjustments or delays could be material.

In addition, the Arrangement Agreement (as defined herein) was terminated as of May 30, 2025. As a result of this termination, the Company's ability to continue as a going concern will be materially and adversely impacted.

RELATED PARTY TRANSACTIONS

For the period ended December 31, 2025, the Company obtained no additional loans from Bloom Burton (March 31, 2025- $400,000). As at December 31, 2025, the principal and interest outstanding under the original bridge loan and the secured bridge loan was $772,910 (March 31 2025 - $747,428) and the carrying amount of the bridge loans was $700,000 (March 31, 2025- $700,000), included in long-term debt.

CONTRACTUAL OBLIGATIONS

- On March 28, 2022, the Company executed the original loan agreement (the "LZH Loan Agreement") with LZH providing for a senior secured loan for gross proceeds of US$3,600,000 (CAD$4,500,000) ("First Tranche Loan"). The loan is secured by a general security over all the assets of the Company, including intellectual property.

- On March 28, 2022, the Company entered into a licencing agreement which entitled LZH an exclusive licence to commercialize the Company's future approved products in Latin America, Canada, and Israel, excluding ATI-1501 in Latin America, which was recently licenced to existing partner Saptalis. The Company will receive a supply price for products sold by LZH or its sublicensees, as well as royalties on net sales.

- On March 17, 2023, the Company entered into an amended and restated secured loan agreement with LZH, amending and restating the LZH Loan Agreement (the "**Amended LZH Loan Agreement**"). Pursuant to the terms of the Amended LZH Loan Agreement, LZH provided an additional loan of $2,500,000 ("**Second Tranche Loan**") which supplements the First Tranche Loan.

- On May 5, 2023, the Company signed the USAFA Cooperative Agreement. The initial commitment was US$7.3 million for the ATI-1701 program. On October 25, 2023, the Company secured a further commitment for ATI-1701 from USAFA. With this additional US$6.6 million award, the Company's ATI-1701 program has been awarded a total US$14 million in USAFA commitments. Subsequent to December 31, 2025, the total funding commitment was capped at US$11.7 million.

- On June 28, 2023, the Company obtained an unsecured bridge loan from Bloom Burton, amounting to $300,000. The bridge loan bears interest at 1% per annum for the first month increasing to 2% thereafter and matures on July 31, 2024, subject to acceleration in connection with certain corporate events. The Company has since entered into a separate consent and waiver agreement with Bloom Burton, extending the repayment date for the Bridge Loan and Additional Bridge Loan to May 31, 2025.

- On April 1, 2024, the Company and the lender, LZH, entered into a consent and waiver agreement which restructured the terms of the Amended Loan Agreement:

o The First Tranche Loan, including all fees and accrued interest thereon, will be repayable in two lump sum payments:

o A payment of US$ 2,100,132 was due on the closing of the Arrangement if the Arrangement closed by June 30, 2024. In the event the Arrangement closes after that date, the payment will increase by a late payment fee of US$1,553 per day until the payment is made.

o A payment of US$2,047,216 was due on was due on December 31, 2024 if the Arrangement closed by June 30, 2024.

o The Second Tranche Loan, including all fees and accrued interest thereon, will be repayable in two lump sum payments:

o A payment of $1,454,121 was due on the closing of the Arrangement if the Arrangement closed by June 30, 2024. In the event the transaction closes after that date, the payment will increase by a late payment fee of $1,062 per day until the payment is made.

o A payment of $1,383,116 was due on was due on December 31, 2024 if the Arrangement closed by June 30, 2024.

o The consent and waiver agreement provided the requisite consent to the Arrangement and agreed to waive the requirement to secure additional funding and maintain a minimum cash balance of US$360,000 until May 31, 2025, or in the event that the Arrangement does not close.

o With respect to the interest payment due on March 31, 2024, LZH agreed to capitalize interest of $191,545 (relating to the First Tranche Loan) and $96,610 (relating to the Second Tranche Loan) and add it to the principal of the loans. The Company agreed to pay LZH legal costs associated with the amendment amounting to $54,000, which has been recorded as an expense in the consolidated statements of loss and comprehensive loss for the period.

• On April 1, 2024, the Company entered into an arrangement agreement with Aditxt (the "**Arrangement Agreement**"). Under the terms of the Arrangement Agreement, shareholders of the Company will receive (i) 0.0000686251 of a share of common stock of Aditxt and (ii) US$0.0467 cash for each Appili share held. In connection with the Arrangement (as defined in the Arrangement Agreement), Aditxt also agreed to: (i) repay no less than 50% in outstanding senior secured debt at the closing of the Arrangement and to repay the remaining outstanding senior secured debt by no later than March 31, 2024; (ii) assume all of the Company's remaining outstanding liabilities and indebtedness, and (iii) satisfy certain payables of the Company at closing of the Arrangement.

• On April 26, 2024, the Company obtained the second loan from Bloom Burton, amounting to $300,000. The second loan bears interest at 10% per annum (to be accrued on a quarterly basis and capitalized against the principal loan amount). The loan, together with all accrued and capitalized interest, will be due on the earlier of April 26, 2025, or the closing of the Arrangement.

• On June 27, 2024, the Company and the lender, LZH, entered into a supplemental consent and waiver agreement, pursuant to which LZH agreed to capitalize the accrued interested in respect of the quarter ended June 30, 2024 and add it to the principal of the First Tranche Loan and the Second Tranche Loan.

• On June 28, 2024, the Company obtained a further advance on the second loan amounting to $100,000 from Bloom Burton.

• On July 2, 2024, the Company and Aditxt amended certain terms of the Arrangement Agreement as follows: (a) the Outside Date (as defined in the Arrangement Agreement) was changed from July 31, 2024 to August 30, 2024; (b) the deadline to convene the Company's special shareholders' meeting was changed from June 30, 2024 to August 30, 2024; and (c) the deadline for Aditxt to complete the Financing (as defined in the Arrangement Agreement) was changed from June 30, 2024 to August 30, 2024 or such later date as the parties may agree in writing. On July 17, 2024, the Company and Bloom Burton agreed to extend the original bridge loan with principal amounting to $300,000, together with all accrued and capitalized interest thereon, to the earlier of: (i) the date of the Arrangement is completed or (ii) December 31, 2024.

• On July 18, 2024, the Company and Aditxt further amended the Arrangement Agreement terms as follows: (a) the Outside Date (as defined in the Arrangement Agreement) was changed from August 30, 2024 to September 30, 2024, (b) the deadline to convene the Company's special shareholders' meeting was changed from August 30, 2024 to September 30, 2024, and (c) the deadline for Aditxt to complete the Financing (as defined in the Arrangement Agreement) was changed from August 30, 2024 to September 15, 2024 or such later date as the parties may agree in writing.

- On August 21, 2024, the Company and Aditxt further amended the Arrangement Agreement terms as follows, among other things, (a) the Outside Date was changed from September 30, 2024 to November 19, 2024, , and (b) the deadline for Aditxt to complete the Financing was changed from September 15, 2024 to October 18, 2024 or such later date as the parties may agree in writing.

- On November 11, 2024, the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside date for the Arrangement from November 19, 2024 to December 15, 2024 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt paid to the Company the amount of US $115,000 to partially compensate the Company for the additional expenses associated with the delay. In connection with such waiver, the Company also agreed to waive certain requirements with respect to the composition of the board of directors and management team of Adivir post-closing.

- On December 15, 2024, the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside date for the Arrangement from December 15, 2024 to January 31, 2025 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt agreed to pay the Company the amount of US $250,000 in December 2024 and an additional US$250,000 in January 2025 to partially compensate the Company for the additional expenses associated with the delay. In connection with such waiver, the Company also agreed to waive certain requirements with respect to the composition of the board of directors and management team of Adivir post-closing.

- On January 31, 2025, the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside Date for the Arrangement from January 21, 2025 to February 28, 2025 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt agreed to pay the Company the amount of US $250,000 in February 2025 to partially compensate the Company for the additional expenses associated with the delay.

- On February 28, 2025 the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside Date for the Arrangement from February 28, 2025 to March 31, 2025 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt agreed to pay the Company the amount of US$250,000 in February 2025 to partially compensate the Company for the additional expenses associated with the delay. Such amount was received by Appili and is deducted against any Termination Fee (as defined below) owing to the Company.

- On April 2, 2025 the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside Date for the Arrangement from March 31, 2025 to April 30, 2025 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt agreed to pay the Company the amount of US$250,000 in April 2025, such amount, once received by Appili, will be deducted against any Termination Fee owing to the Company. This waiver fee has yet to be received by the Company.

- On April 30, 2025 the Company, Aditxt, and Adivir agreed, among other things, to waive the Outside Date for the Arrangement from April 30, 2025 to May 31, 2025 to allow Aditxt to satisfy the Financing prior to such date. In connection with such waiver, Aditxt agreed to pay the Company the amount of US$250,000 in May 2025, such amount, once received by Appili, will be deducted against any Termination Fee owing to the Company. This waiver fee has yet to be received by the Company.

- On May 19, 2025, Aditxt delivered notice (the "Termination Notice") purporting to terminate the Arrangement Agreement effective as of May 31, 2025.

- On May 30, 2025, Appili delivered its formal termination notice to Aditxt under the Arrangement Agreement. Under the Arrangement Agreement, the Company is entitled to Termination Fee payable by Aditxt upon termination of the Arrangement Agreement in certain circumstances. This Termination Fee is to be reduced by certain amounts previously paid to the Company by Aditxt to extend the outside date under the Arrangement Agreement. As of the date hereof, the amount of US$1,000,000 would be payable to Appili on account of the Termination Fee.

- In connection with the termination of the Arrangement Agreement, and subsequent to the end of the year, Appili secured 3-month extension to the amounts due under each of (1) the amended and restated secured loan agreement with Long Zone Holdings Inc. (the "LZH Loan"), and (2) the unsecured promissory notes with Bloom Burton & Co. Inc. (the "Bloom

Burton Loan"). Pursuant to the terms of such extensions, all amounts owing under the LZH Loan and the Bloom Burton Loan, together with all accrued and unpaid interest, were due October 31, 2025 and December 31, 2025 respectively.

- On September 30, 2025, under a new waiver, LZH agreed to extend the outstanding obligation for the LZH Loan to October 31, 2025, unless the Company completes an equity financing with minimum gross proceeds of at least CDN$750,000 by October 31, 2025, in which case the waiver shall continue in full force and effect until December 31, 2025.

- On December 31, 2025, under a new waiver, LZH agreed to extend the outstanding obligation for LZH Loan to January 31, 2026 unless the Company completes an equity financing with minimum gross proceeds of at least CDN$450,000 by January 31, 2026, in which case the waiver shall continue in full force and effect until March 31, 2026. A further waiver was entered into on January 31 2026 which extended outstanding obligations under the LZH Loan to February 28, 2026, unless the Company completes an equity financing with minimum gross proceeds of at least CDN$450,000 by February 28, 2026, in which case the waiver continues in full force and effect until March 31, 2026

There is no other material change in the contractual obligations of the Company since the beginning of the 2025 fiscal year.

Details on the contractual obligations of the Company can be found in the financial statements and related notes in the audited annual consolidated financial statements for the year ended March 31, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company was not party to any off-balance sheet arrangements as of December 31, 2025.

OUTSTANDING SECURITIES

As of February 11, 2026, the Company has issued and outstanding Common Shares 128,366,120, 11,910,281 stock options and 39,048,000 warrants outstanding.

RISKS AND UNCERTAINTIES

The Company is a clinical-stage company that operates in an industry that is dependent on a number of factors that include the capacity to raise additional capital on reasonable terms, obtain positive results of clinical trials without serious adverse or inappropriate side effects, and obtain market acceptance of its product by physicians, patients, healthcare payers and others in the medical community for commercial success, etc. An investment in the Common Shares is subject to a number of risks and uncertainties. In addition to the risks set out herein, an investor should carefully consider the risks described under the heading "Risk Factors" in the Company's annual information form dated June 26, 2025, filed in respect of the fiscal year ended March 31, 2025. If any of such described risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed, and investors may lose a significant proportion of their investment. There are important risks which management believes could impact the Company's business.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure and internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

The Company maintains DC&P designed to ensure that information required to be disclosed in reports filed under applicable securities laws, is recorded, processed, summarized and reported within the appropriate time periods and that such information

is accumulated and communicated to the Company's management, including the CEO and CFO, to allow for timely decisions regarding required disclosure.

The CEO and the CFO of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures, including adherence to the Disclosure Policy adopted by the Company. The CEO and CFO have evaluated whether there were changes to the disclosure controls and procedures during the period ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, the disclosure controls and procedures. No such changes were identified through their evaluation.

In designing and evaluating the DC&P, the Company recognizes that any disclosure controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met, and management is required to exercise its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Internal Control over Financial Reporting

The Company's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate ICFR. The control framework used by the CEO and CFO of the Company to design the Company's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The CEO and CFO have evaluated whether there were changes to ICFR during the period ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, ICFR. No such changes were identified through their evaluation. There have been no significant changes in the Company's internal controls during the period ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, ICFR.

The Company's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the IFRS as issued by the International Accounting Standards Board. The accounting policies, methods of computation and presentation applied in the consolidated financial statements are consistent with those of previous financial years. The Company's significant accounting policies are detailed in the notes to the audited consolidated financial statements for March 31, 2025.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Critical judgements in applying the Company's accounting policies are detailed in note 3 of the Company's annual audited consolidated financial statements for the year ended March 31, 2025. The unaudited interim condensed consolidated financial statements have been prepared using the same policies and methods as the annual audited consolidated financial statements of the Company for the fiscal year ended March 31, 2025.

FINANCIAL INSTRUMENTS

Financial instruments are defined as a contractual right or obligation to receive or deliver cash on another financial asset. The following table sets out the approximate fair values of financial instruments as at the statement of financial position date with relevant comparatives:

	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Cash	212,754	212,754	1,228,244	1,228,244
Amounts Receivable	165,359	165,359	1,658,373	1,658,373
Accounts Payable and accrued liabilities	4,447,016	4,447,016	4,332,196	4,332,196
Long-term debt	12,460,479	12,460,479	12,294,417	12,294,417

Assets and liabilities, such as commodity taxes, that are not contractual and arise as a result of statutory requirements imposed by governments, do not meet the definition of financial assets or financial liabilities and are, therefore, excluded from amounts receivable and accounts payable and accrued liabilities in this table.

Fair value of items, which are short-term in nature, have been deemed to approximate their carrying value. The above noted fair values, presented for information only, reflect conditions that existed only at December 31, 2025, and do not necessarily reflect future value or amounts, which the Company might receive if it were to sell some or all of its assets to a willing buyer in a free and open market.

Risk management

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk; market risk; and liquidity risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit risk on its cash and short-term investment balances. The Company's cash management policies include ensuring that the cash is deposited in Canadian chartered banks.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including interest rate risk and foreign currency risk.

Interest rate price risk

The Company has limited exposure to interest rate risk on its lending and borrowing activities. The Company has interest-free debt that is either repayable over 84 months or 120 months or becomes repayable when revenue is earned. The Company also has a secured loan of (US $3.6 million based on minimum interest rate of 11% or the US Prime Lending rate plus 3.25% per year, compounded quarterly and paid in arrears, repayable over 24 months and a secured loan of $2.5 million based on minimum interest rate of 11% or the Canadian Prime Lending rate plus 4.3% per year, compounded quarterly and paid in arrears, repayable over 24 months).

Foreign currency risk

Foreign currency risk occurs as a result of foreign exchange rate fluctuations between the time a transaction is recorded and the time it is settled.

The Company does not enter into derivative financial instruments to reduce exposure to foreign currency risk.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

The Company controls liquidity risk through management of working capital, cash flows and the availability and sourcing of financing. As described in note 1 of the audited consolidated financial statements as at March 31, 2025, the Company's ability to accomplish all of its future strategic plans is dependent on obtaining additional financing or executing other strategic options; however, there is no assurance that the Company will achieve these objectives.

The following table outlines the contractual repayments for long-term debt, which includes loans with a set repayment schedule, as well as loans that are repayable based on a percentage of revenues, for the Company's financial liabilities. The long-term debt is comprised of the contributions received described in note 7 of the unaudited interim condensed consolidated financial statements as at December 31, 2025:

	Total **$**	**Year 1** **$**	**Years 2 to 3** **$**	**Years 4 to 5** **$**	**After 5 Years** **$**
Accounts payable and accrued liabilities	4,447,016	4,447,016	-	-	-
Long-term debt	15,011,409	11,983,639	233,806	221,963	2,572,002
	19,458,425	16,430,655	233,806	221,963	2,572,002

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's annual information dated June 25, 2025, filed in respect of the fiscal year ended March 31, 2025, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.