Appili Therapeutics Reports Financial and Operational Results for Second Quarter of Fiscal Year 2026

New NIAID Non-Dilutive Funding Award of up to US $40Million with US$90 Million in Pending Proposals Across Multiple Infectious Disease Programs

LIKMEZ® (ATI-1501): Building Commercial Momentum in the U.S. Through Re-Launch and Increasing Sales Growth

HALIFAX, Nova Scotia, Nov. 13, 2025 -- Appili Therapeutics Inc. (TSX:APLI; OTCPink: APLIF) (the "Company" or "Appili"), a biopharmaceutical company focused on drug development for infectious diseases and medical countermeasures, today announced its financial and operational results for the second quarter of its fiscal year 2026, which ended on September 30, 2025. All figures are in Canadian dollars unless otherwise stated.

"Strategic government partnerships are foundational to Appili's impact in infectious disease and biodefense," said Dr. Don Cilla, President and CEO of Appili. "The recent award of up to US$40 million for VXV-01, developed in collaboration with Vitalex Biosciences, highlights the confidence the NIAID placed in our execution, and empowers us to accelerate the development of much-needed solutions for urgent public health threats as we pursue additional high-value opportunities".

Non-Dilutive Government Funding Strategy

Appili has submitted multiple funding proposals to U.S. government and other agencies, representing a combined potential award value of approximately US$90 million. If awarded, the awards would support critical development activities, including manufacturing optimization, preclinical and non-clinical studies, regulatory activities, IND submissions, and Phase 1 clinical trials. The Company anticipates that awards from multiple proposals may be announced in the first quarter of calendar 2026.

To date, Appili and its partners have secured over US$66 million in government contracts and grants, demonstrating the strength of its non-dilutive funding model. This strategic approach leverages public sector support for high-priority anti-infective and biodefense programs, providing sustainable capital to accelerate pipeline development without diluting shareholder value. By combining these historic achievements with current proposal submissions, Appili is well-positioned to advance infectious disease and biodefense products while maintaining financial flexibility.

ATI-1801 – Topical Antiparasitic Program with an Aligned Regulatory Path

ATI-1801 is a novel topical formulation of paromomycin (15% w/w), currently in development for the treatment of cutaneous leishmaniasis, a serious and disfiguring skin disease that affects hundreds of thousands of individuals worldwide each year.

Encouraged by recent positive FDA feedback on its scientific bridging strategy, Appili is progressing ATI-1801 toward NDA submission. The Company is pursuing non-dilutive funding from global health organizations and strategic partners to accelerate the FDA-aligned development pathway, expedite regulatory filing, and provide patient access in neglected tropical disease markets.

Additionally, Appili believes that ATI-1801 may be eligible for a Priority Review Voucher ("PRV"), when approved by the FDA. PRVs have recently been monetized for amounts in excess of US$150 million.

LIKMEZ™ (ATI-1501), Commercial Momentum Building in U.S. Market

Saptalis Pharmaceuticals, Appili's manufacturing and commercialization partner, successfully re-launched LIKMEZ® (metronidazole oral suspension, 500 mg/5 mL) in the U.S. market, the first and only FDA-approved liquid oral formulation of metronidazole. Since the re-launch in May 2025, LIKMEZ has seen a steady increase in sales, reflecting strong demand among clinicians and patients seeking improved anti-infective therapy options.

Under the terms of the partnership with Saptalis, Appili is eligible to receive both milestone payments and ongoing royalties from the sales of LIKMEZ in the U.S., creating a growing source of commercial revenue for the Company.

ATI-1701 – Biodefense Vaccine Candidate Achieves Key Manufacturing and Scientific Milestones

ATI-1701, a live-attenuated vaccine candidate for tularemia, progressed through activities funded under the Company's US$11.6 million Cooperative Agreement with the U.S. Air Force Academy.

During the quarter, Appili achieved a key operational milestone with the successful GMP manufacture of ATI-1701 drug substance and drug product at its contract manufacturing organization. The GMP drug product may be used in a Phase 1 clinical trial.

In September 2025, Dr. Carl Gelhaus presented new ATI-1701 data at the NATO Chemical, Biological, Radiological and Nuclear Conference, showcasing its promise as a first-in-class tularemia vaccine for biodefense. A new peer-reviewed publication, co-authored by Dr. Gelhaus, reinforced these findings by demonstrating ATI-1701's durable protection in primate

models, further advancing its momentum as a leading biodefense candidate.

Appili has recently submitted a new application for non-dilutive funding to enable the completion of activities needed to advance ATI-1701 to IND submission with the FDA.

Appili believes that ATI-1701 will be eligible for a PRV, when approved by the FDA, subject to renewal of pending legislation in the U.S., representing the Company's second potentially PRV-eligible asset.

VXV-01 – Collaborated Vaccine Program with Exclusive Acquisition Option and Major U.S. Funding

During the quarter, Appili entered into an agreement with Vitalex to develop and submit a proposal to advance VXV-01, Vitalex's first-in-class, dual-antigen vaccine targeting multidrug-resistant Candida species. The National Institute of Allergy and Infectious Diseases ("NIAID'), part of the National Institutes of Health selected this proposal to award and the project is now under a U.S. government contract. The NIAID contract is valued at up to US$40 million over five years and supports development through IND-enabling activities, IND, and Phase 1 clinical studies.

VXV-01 is designed to address the urgent global need for improved fungal infection prophylaxis, especially in high-risk, immunocompromised groups, where current antifungal treatments are limited by resistance and toxicity.

Under the executed agreement with Vitalex, Appili holds an exclusive option to acquire worldwide rights to the VXV-01 program. If this option is exercised, Appili would own the rights to the product and its intellectual property, enabling control over development, commercialization, and partnering activities. Appili's leadership on VXV-01 diversifies the diseases that Appili is addressing and exemplifies its strategy to expand with minimal upfront risk and to maximize future growth opportunity through U.S. government partnerships and exclusive acquisition rights.

Financial Results

The Company prepares its financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board and Part I of Chartered Professional Accountants of Canada Handbook–Accounting. All figures are in Canadian dollars unless otherwise stated.

For the three months ending September 30, 2025, the Company reported a net and comprehensive loss of $1.0 million ($0.01 per share), representing an increase of $0.3 million compared to the net loss of $0.7 million ($0.01 per share) for the same period in 2024. The higher loss was mainly driven by a $2.1 million reduction in government assistance and a $0.2 million increase in foreign exchange loss, partially offset by a $1.2 million decrease in research and development expenses, $0.7 million decrease in financing costs and a $0.1 million decrease in general and administrative expenses. As of September 30, 2025, the Company's cash balance was $0.3 million, down from $1.2 million as of March 31, 2025.

As of September 30, 2025, the Company had 121,266,120 issued and outstanding Common Shares, 11,910,281 stock options, and 34,930,000 warrants outstanding.

This press release should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the second quarter of the 2026 fiscal year and the related MD&A, copies of which are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

About Appili Therapeutics
Appili Therapeutics is an infectious disease biopharmaceutical company that is purposefully built, portfolio-driven, and people-focused to fulfill its mission of solving life-threatening infections. By systematically identifying urgent infections with unmet needs, Appili's goal is to strategically develop a pipeline of novel therapies to prevent deaths and improve lives. The Company is currently advancing a diverse range of anti-infectives, including an FDA approved ready-made suspension of metronidazole for the treatment of antimicrobial resistant infections, a vaccine candidate to eliminate a serious biological weapon threat, and a topical antiparasitic for the treatment of a disfiguring disease. Led by a proven management team, Appili is at the epicenter of the global fight against infection. For more information, visit www.AppiliTherapeutics.com.

Forward looking statements
This news release contains "forward-looking statements", including with respect to potential value of awards, timing of when awards will be announced, eligibility of ATI-1801 for a PRV, results if awards are received, . Wherever possible, words such as "may," "would," "could," "should," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "potential for" and similar expressions have been used to identify these forward-looking statements. These forward-looking statements reflect the current expectations of the Company's management for future growth, results of operations, performance and business prospects and opportunities and involve significant known and unknown risks, uncertainties and assumptions, including, without limitation, (i) the risk that the Company may not secure any government funding in respect of any proposal submitted prior to the date hereof, (ii) risks relating to the ability of the Company to repay the LZH Loan and the Bloom Burton Loan as and when they become due, and (iii) those risks listed in the annual information form of the Company dated June 25, 2025, and the other filings made by the Company with the Canadian securities regulatory authorities (which may be viewed at www.sedarplus.ca). Should one or more of these risks or uncertainties materialize or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this news release. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

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