

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

1. **Name and Address of Company**

Aion Therapeutic Inc. (the “**Company**”)  
45 Sheppard Avenue E, Ste 703  
Toronto, Ontario, M2N 5W9

2. **Date of Material Change**

June 30, 2022

3. **News Release**

A press release disclosing the material change was released on June 30, 2020, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

Pursuant to an asset purchase agreement (the “**APA**”) with Apollon Formularies PLC (“**Apollon**”), the Company sold four patent applications, and all associated supporting data to Apollon (collectively, the “**Intellectual Property**”) as detailed below:

- Compositions and Methods for Treatment of Cancers;
- Compositions and Methods for Treatment of Inflammation;
- Methods for Treatment of Human Cancers Using Mushroom Compositions; and
- Methods for Treatment of Human Cancers Using Cannabis Compositions

Furthermore, Dr. Stephen D. Barnhill has resigned as a Director of the Company and from all subsidiary level appointments, and Dr. Herbert Fritsche has resigned as Chief Science Officer of Company.

5. **Full Description of Material Change**

On June 30, 2022, the Company entered into the APA with Apollon, pursuant to which the company sold the Intellectual Property to Apollon.

In consideration for the Intellectual Property, Apollon: (i) issued the Company an aggregate of 4,348,679 common shares (each, a “**Share**”) in the capital of Apollon at a deemed price of £0.066 per Share; and (ii) agreed to pay the Company an indefinite royalty fee of 4% of the global net revenue generated by the Intellectual Property (the “**Royalty**”). The Royalty is payable quarterly in arrears, commencing upon the first commercial product sales utilizing the Intellectual Property.

Furthermore, Dr. Stephen D. Barnhill has resigned as a Director of the Company and from all subsidiary level appointments, and Dr. Herbert Fritsche has resigned as Chief Science Officer of Company, with both resignations effective June 30, 2022.

In connection with Dr. Barnhill’s resignation, the Company issued an aggregate of 5,500,000 common shares (each, a “**Common Share**”) in the capital of the Company at a deemed price of \$0.05 per Common Share to settle all amounts owing by the Company and its subsidiaries to Dr. Barnhill (the “**Settlement Transaction**”). The Common Shares issued to Dr. Barnhill are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with

applicable securities legislation, and such further restrictions as apply under foreign securities laws.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

**(a) a description of the transaction and its material terms:**

The Settlement Transaction constituted a “related party transaction” as Dr. Barnhill was a Director of the Company at the time of the Settlement Transaction and acquired an aggregate of 5,500,000 Common Shares.

**(b) the purpose and business reasons for the transaction:**

The Settlement Transaction was completed in order to settle all amounts owing by the Company and its subsidiaries to Dr. Barnhill.

**(c) the anticipated effect of the transaction on the issuer’s business and affairs:**

The outstanding amounts owing to Dr. Barnhill were settled and as a result, are no longer reflected in the financial statements of the Company.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

In connection with the Settlement Transaction, Dr. Barnhill received 5,500,000 Common Shares.

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Prior to the completion of the Settlement Transaction, Dr. Barnhill held, directly or indirectly 7,000,000 Common Shares and 900,000 stock options. Upon closing of the Settlement Transaction, Dr. Barnhill held an aggregate of 12,500,000 Common Shares and 900,000 stock options, representing approximately 8.48% of the issued and outstanding Common Shares on an undiluted basis. In the event that Dr. Barnhill exercises his stock options, he would hold an aggregate of 13,400,000 Common Shares, or approximately 9.04% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

**(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The APA was unanimously approved by all disinterested directors of the Company. Dr. Barnhill is the Chairman and Chief Executive Officer of Apollon and abstained from

voting to approve the APA. No special committee was established in connection with the APA or Settlement Transaction.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than APA, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the APA or the Settlement Transaction. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the APA or the Settlement Transaction.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Settlement Transaction by Dr. Barnhill does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Settlement Transaction, which the Company deems reasonable in the circumstances in order to complete the Settlement Transaction in an expeditious manner. The Settlement Transaction was approved by all independent directors of the Company.

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

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Graham Simmonds, Chief Executive Officer at (416) 843-2881.

9. **Date of Report**

This report is dated at Toronto, this 6<sup>th</sup> day of July, 2022.