UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to

Commission File Number: 1-32001

APTOSE BIOSCIENCES INC.

(Exact Name of Registrant as Specified in Its Charter)

Canada	**98-1136802**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
66 Wellington Street West Suite 5300, TD Bank Tower Box 48 Toronto, Ontario, Canada	**M5K 1E6**
(Address of principal executive offices)	(Zip Code)

(310) 849-8060
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	APTO	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 8, 2024, the registrant had 19,521,183 common shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities law, which we collectively refer to as "forward-looking statements". Such forward-looking statements reflect our current beliefs and are based on information currently available to us. In some cases, forward-looking statements can be identified by terminology such as "may," "would," "could,, "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "continue," "hope," "foresee" or the negative of these terms or other similar expressions concerning matters that are not historical facts.

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, including, among others:

•our risk of imminent bankruptcy;

•we need to obtain substantial funding immediately in order to continue operations and our exploration of strategic alternatives;

•if a financing is completed, it may not be a large enough financing to fully fund the company operations, as such the use of proceeds used during a subsequent bankruptcy proceeding to settle existing liabilities;

•our suppliers or clinical sites may choose to implement work stoppage on key programs, change the terms of contracts or terminate contracts for key programs;

•our conversations with partners to renegotiate existing product license agreements may not be successful;

•our lack of product revenues and net losses and a history of operating losses;

•our compliance plans to address various notifications from Nasdaq and whether such compliance plans will be accepted by Nasdaq;

•our early stage of development, particularly the inherent risks and uncertainties associated with (i) developing new drug candidates generally, (ii) demonstrating the safety and efficacy of these drug candidates in clinical studies in humans, and (iii) obtaining regulatory approval to commercialize these drug candidates;

•our need to raise substantial additional capital in the near future and our ability to raise such funds when needed and on acceptable terms;

•further equity financing, which may substantially dilute the interests of our existing shareholders;

•clinical studies and regulatory approvals of our drug candidates are subject to delays, and may not be completed or granted on expected timetables, if at all, and such delays may increase our costs and could substantially harm our business;

•our reliance on external contract research/manufacturing organizations for certain activities and if we are subject to quality, cost, or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, our business operations could suffer significant harm;

•clinical studies are long, expensive and uncertain processes and the U.S. Food and Drug Administration ("FDA"), or other similar foreign regulatory agencies that we are required to report to, may ultimately not approve any of our product candidates;

•our ability to comply with applicable governmental regulations and standards;

•our inability to achieve our projected development goals in the time frames we announce and expect;

•difficulties in enrolling patients for clinical trials may lead to delays or cancellations of our clinical trials;

•our reliance on third parties to conduct and monitor our preclinical studies;

•our ability to attract and retain key personnel, including key executives and scientists;

•any misconduct or improper activities by our employees;

•our exposure to exchange rate risk;

•our ability to commercialize our business attributed to negative results from clinical trials;

•the marketplace may not accept our products or product candidates due to the intense competition and technological change in the biotechnical and pharmaceuticals, and we may not be able to compete successfully against other companies in our industries and achieve profitability;

•our ability to obtain and maintain patent protection;

•our ability to afford substantial costs incurred with defending our intellectual property;

•our ability to protect our intellectual property rights and not infringe on the intellectual property rights of others;

•our business is subject to potential product liability and other claims;

•potential exposure to legal actions and potential need to take action against other entities;

•commercialization limitations imposed by intellectual property rights owned or controlled by third parties;

•our ability to maintain adequate insurance at acceptable costs;

•our ability to find and enter into agreements with potential partners;

•extensive government regulation;

•data security incidents and privacy breaches could result in increased costs and reputational harm;

•our share price has been and is likely to continue to be volatile;

•future sales of our common shares (the "Common Shares") by us or by our existing shareholders could cause our share price to drop;

•changing global market and financial conditions;

•changes in an active trading market in our Common Shares;

•difficulties by non-Canadian investors to obtain and enforce judgments against us because of our Canadian incorporation and presence;

•potential adverse U.S. federal tax consequences for U.S. shareholders because we are a “passive foreign investment company”;

•our “smaller reporting company” status;

•any failures to maintain an effective system of internal controls may result in material misstatements of our financial statements, or cause us to fail to meet our reporting obligations or fail to prevent fraud;

•our broad discretion in how we use the proceeds of the sale of Common Shares; and

•our ability to expand our business through the acquisition of companies or businesses.

More detailed information about risk factors and their underlying assumptions is included in our Annual Report on Form 10-K for the year ended December 31, 2023, under Item 1A – Risk Factors. Except as required under applicable securities legislation, we undertake no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

PART I—FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

Condensed Consolidated Interim Financial Statements

(Unaudited)

APTOSE BIOSCIENCES INC.

For the three months and nine months ended September 30, 2024 and 2023

APTOSE BIOSCIENCES INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of US dollars)
(unaudited)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 7,962	$ 9,252
Prepaid expenses	912	2,042
Other current assets	1,361	600
Total current assets	10,235	11,894
Non-current assets:		
Property and equipment	30	152
Right-of-use assets, operating leases	664	943
Total non-current assets	694	1,095
Total assets	$ 10,929	$ 12,989
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable to related parties	—	$ 2,554
Accounts payable	1,830	3,492
Accrued liabilities	7,512	8,829
Current portion of lease liability, operating leases	416	394
Total current liabilities	9,758	15,269
Non-current liabilities:		
Lease liability, operating leases	305	621
Loan payable to related parties	10,000	—
Total non-current liabilities	10,305	621
Total liabilities	20,063	15,890
Shareholders' equity:		
Share capital:		
Common shares, no par value, unlimited authorized shares, 19,521,183 and 7,942,363 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	452,302	444,806
Additional paid-in capital	82,262	72,146
Accumulated other comprehensive loss	(4,316)	(4,316)
Deficit	(539,382)	(515,537)
Total shareholders' equity	(9,134)	(2,901)
Total liabilities and shareholders' equity	$ 10,929	$ 12,989

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).
Going concern, see Note 2.
Commitments, see Note 8.
Related party transactions, see Note 9.
Subsequent events, see Note 10 and 12.

APTOSE BIOSCIENCES INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in thousands of US dollars, except for per common share data)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	$ —	$ —	$ -	$ -
Expenses:				
Research and development	4,702	8,256	15,560	27,649
General and administrative	2,263	3,425	8,510	12,580
Operating expenses	6,965	11,681	24,070	40,229
Other income/(expense):				
Interest income	12	232	226	980
Foreign exchange income/(loss)	—	2	(1)	(3)
Total other income	12	234	225	977
Net loss	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,252)
Other comprehensive loss:				
Unrealized (loss) gain on available-for-sale securities	—	—	—	3
Total comprehensive loss	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,249)
Basic and diluted loss per common share	$ (0.37)	$ (1.76)	$ (1.48)	$ (6.14)
Weighted average number of common shares outstanding used in the calculation of (in thousands)				
Basic and diluted loss per common share	18,560	6,495	16,107	6,391

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

APTOSE BIOSCIENCES INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in thousands of US dollars, except for per common share data)
(unaudited)

	Common Shares		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	Shares (in thousands)	Amount				
Balance, December 31, 2023	7,942	$ 444,806	$ 72,146	$ (4,316)	$ (515,537)	$ (2,901)
Shares and warrants issued under the Registered Direct Offering	3,195	1,018	$ 3,122			4,140
Common shares and warrants issued under the Hanmi Subscription Agreement	2,105	2,043	1,659	—	—	3,702
Common shares and warrants issued in S-1 financing	5,649	3,595	4,532	—	—	8,127
Common shares issued under the 2023 Committed Equity Facility	520	717	(82)	—	—	635
Common shares issued under the 2022 ATM	82	97	(118)	—	—	(21)
Stock-based compensation	—	—	1,003	—	—	1,003
Common shares issued under the ESPP plan	28	26	—	—	—	26
Net loss	—	—	—	—	(23,845)	(23,845)
Balance, September 30, 2024	19,521	$ 452,302	$ 82,262	$ (4,316)	$ (539,382)	$ (9,134)
Balance, December 31, 2022	6,158	$ 437,520	$ 68,869	$ (4,318)	$ (464,330)	$ 37,741
Common shares issued under the Hanmi Subscription Agreement	668	3,000	—	—	—	3,000
Common shares issued in exchange for RSUs	38	376	(376)	—	—	—
Common shares issued under the 2023 Committed Equity Facility	336	1,185	—	—	—	1,185
Common shares issued under the 2022 ATM Facility	337	1,828	—	—	—	1,828
Stock-based compensation	—	—	3,242	—	—	3,242
Common shares issued under the ESPP plan	6	29	—	—	—	29
Other comprehensive gain	—	—	—	3	—	3
Net loss	—	—	—	-	(39,252)	(39,252)
Balance, September 30, 2023	7,543	$ 443,938	$ 71,735	$ (4,315)	$ (503,582)	$ 7,776

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

APTOSE BIOSCIENCES INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of US dollars)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash flows used in operating activities:				
Net loss for the period	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,252)
Items not involving cash:				
Stock-based compensation	(13)	599	1,003	3,242
Depreciation and amortization	4	20	28	70
Loss on disposal of property and equipment	—	—	76	—
Amortization of right-of-use assets	92	91	279	286
Interest on lease liabilities	15	23	52	73
Unrealized (gain)/loss on short-term investment	—	(1)	—	(3)
Accrued interest on investments	—	(44)	—	(56)
Changes in non-cash operating assets and liabilities:				
Prepaid expenses	324	29	1,130	646
Other current assets	(768)	(44)	(761)	(4)
Operating lease liabilities	(112)	(117)	(346)	(290)
Accounts payable to related parties	—	—	(2,554)	—
Accounts payable	(5,281)	(690)	(1,662)	(3,515)
Accrued liabilities	2,316	1,045	(1,317)	3,472
Cash used in operating activities	(10,376)	(10,536)	(27,917)	(35,331)
Cash flows from financing activities:				
Proceeds from loan payable to related parties	10,000	—	10,000	—
Issuances of common shares and warrants under the Registered Direct Offering	—	—	4,140	—
Issuance of common shares and warrants under the S-1 Filing	—	—	8,127	—
Shares issuances to Hanmi under subscription agreement	—	3,000	3,702	3,000
Issuance of common shares under 2023 CMPO	—	1,150	694	1,150
Share subscription advance under the 2023 CMPO	—	50	—	50
Issuance of common shares under 2022 ATM Facility	—	694	97	1,837
Cost of offering	—	(5)	(177)	(10)
Issuance of common shares under the ESPP plan	8	13	26	29
Cash from financing activities	10,008	4,902	26,609	6,056
Cash flows from/(used in) investing activities:				
Disposal/(purchase) of property and equipment, net	—	—	18	(29)
Maturity /(acquisition) of investments, net	—	12,953	—	8,051
Cash from/(used in) investing activities	—	12,953	18	8,022
Effect of exchange rate fluctuations on cash and cash equivalents	—	1	—	3
Increase/(decrease) in cash and cash equivalents	$ (368)	$ 7,320	$ (1,290)	$ (21,250)
Cash and cash equivalents, beginning of period	$ 8,330	$ 8,400	$ 9,252	$ 36,970
Cash and cash equivalents, end of period	$ 7,962	$ 15,720	$ 7,962	$ 15,720

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

1.Reporting entity:

Aptose Biosciences Inc. ("Aptose," "the Company," "we," "us," or "our") is a science-driven, clinical-stage biotechnology company committed to the development and commercialization of precision medicines addressing unmet clinical needs in oncology, with an initial focus on hematology. The Company's small molecule cancer therapeutics pipeline includes products designed to provide single agent efficacy and to enhance the efficacy of other anti-cancer therapies and regimens without overlapping toxicities. The Company's executive offices are located in San Diego, California, and our head office address has been changed to 66 Wellington Street West, Suite 5300, TD Bank Tower Box 48, Toronto, Ontario, Canada.

We are advancing targeted agents to treat life-threatening hematologic cancers that, in most cases, are not elective for patients and require immediate treatment. We have two clinical-stage investigational products for hematological malignancies: tuspetinib, an oral, potent myeloid kinase inhibitor, and luxeptinib, an oral, dual lymphoid and myeloid kinase inhibitor.

Since our inception, we have financed our operations and technology acquisitions primarily from equity financing, proceeds from the exercise of warrants and stock options, and interest income on funds held for future investment. Our uses of cash for operating activities have primarily consisted of salaries and wages for our employees, facility and facility-related costs for our offices and laboratories, fees paid in connection with preclinical and clinical studies, licensing fees, drug manufacturing costs, laboratory supplies and materials, and professional fees.

Management recognizes that in order for us to meet our capital requirements, and continue to operate, additional financing will be necessary. We plan to raise additional funds to fund our business operations but there is no assurance that such additional funds will be available for us to finance our operations on acceptable terms, if at all. The Company's current cash and cash equivalents are projected to support operations through January 2025. We have based these estimates on assumptions and plans, which may change and which could impact the magnitude and/or timing of operating expenses and our cash runway, See Note 2(a).

Our ability to raise additional funds has been affected by adverse market conditions, the status of our product pipeline, possible delays in enrollment in our trial, and various other factors and we may be unable to raise capital when needed, or on terms favorable to us. The raising of additional capital, and/or the trade sale of some of the Company's operations to make bulk payments to repay accounts payable, if successful, would potentially alleviate any significant doubt on the Company's ability to continue as a going concern. In the event that debt and/or capital financing is unable to be secured or contemplated trade sale fail to materialize, the Company may need to resolve to other means of protecting its assets in the best interests of its shareholders, including foreclosure or forced liquidation and/or seeking creditors' protection.

We do not expect to generate positive cash flow from operations for the foreseeable future due to the early stage of our clinical trials. It is expected that negative cash flow will continue until such time, if ever, that we receive regulatory approval to commercialize any of our products under development and/or royalty or milestone revenue from any such products exceeds expenses.

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the use of the going concern assumption on which these unaudited condensed interim consolidated financial statements are prepared may not be appropriate based on the factors described in Note 2(a). Management recognizes that in order to meet the capital requirements, and continue to operate, additional financing will be necessary. The Company plans to raise additional funds to fund our business operations through equity financing under other financing activities, as further described in Note 10 and Note 12. Management continues considering other options for raising capital including debt, equity, collaborations, and reorganization to reduce operational expenses. However, given the decrease in the share price, difficulty for micro-cap market capitalization companies to raise significant capital and the matters in Note 10, Share capital, that may impact the Company's ability to raise significant financing in the capital markets, the Company may be unable to access financing when needed. As such, there can be no assurance that the Company will be able to obtain additional liquidity when needed or under acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern, see Note 2(a). The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On May 23, 2023, during the Aptose Annual and Special Meeting of Shareholders, our shareholders voted to approve special resolutions providing for an amendment to our articles of incorporation to effect a reverse share split of our outstanding Common Shares, at a ratio in the range of 1-for-10 to 1-for-20. Our Board of Directors then approved a ratio of 1-for-15 on May 23, 2023. On May 24, 2023, we filed articles of amendment under the *Canada Business Corporations Act* to give effect to the reverse stock split (consolidation) of our Common Shares on the basis of one post-consolidation Common Share for each 15 pre-consolidation Common Shares (the "Reverse Stock Split"). The Common Shares commenced trading on a post-Reverse Stock Split basis at market open on Tuesday, June 6, 2023. All references in this report to historical Common Share prices, numbers of Common Shares, and earnings per share calculations have been presented to reflect the effect of the Reverse Stock Split.

2.Significant accounting policies:

a.Basis of presentation - Going concern

These unaudited condensed consolidated interim financial statements have been prepared in conformity with generally accepted accounting principles in the United States, or GAAP and the rules and regulations of the Securities and Exchange Commission, or SEC, related to quarterly reports filed on Form 10-Q, assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and discharge of liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting year. The Company is in substantial doubt to continue as a going concern; As of September 30, 2024, the Company had negative shareholder's equity of $9.1 million (December 31, 2023 negative shareholder's equity of $2.9 million); an accumulated deficit of approximately $539.4 million (December 31, 2023, $515.5 million); during the nine months period ended September 30, 2024, the Company incurred a net loss of $23.8 million (2023 - $39.3 million) and as of September 30, 2024 we had a working capital of approximately $477 thousand (December 31, 2023, negative working capital of $3.4 million), including approximately $8 million (December 31, 2023, $9.3 million) in cash and cash equivalent balance, and current liabilities of approximately $9.8 million (December 31, 2023, $15.3 million).

The Company faces increasingly challenging financial and business conditions, including an inability to raise sufficient equity and equity-linked financing to fully fund execution of its business plans and to satisfy its $2.5 million Nasdaq shareholder's equity requirement. The Company has financed its activities to date through the issuance of Common Shares and continues to seek capital through various means including the issuance of equity and/or debt. During this year to September 30, 2024, the Company has explored numerous alternatives to ensure the funding of the Company's clinical trials, services and repay its outstanding vendors and increase its equity level, which level has resulted in a major hurdle for the Company to secure required financing.

Management recognizes that in order to meet the capital requirements, and continue to operate, additional financing will be necessary. The Company is evaluating strategies to obtain the required additional funding for future operations. These strategies may include, but are not limited to, obtaining equity financing, debt financing, committed equity facilities or other financing instruments and restructuring of operations to decrease expenses. However, given the impact of the volatile financial markets on micro-cap market capitalization companies such as the Company and the matter in Note 10, Share capital and 12, Subsequent events, the Company may be unable to access further equity when needed. As the Company is primarily pursuing one compound that is licensed from a related party with significant licensing payments who will have influence on the Company, other investors may not be willing to invest in the Company. As such, there can be no assurance that the Company will be able to obtain additional liquidity when needed or under acceptable terms, if at all. The Company's current cash and cash equivalents are projected to support operations through January 2025. We have based these estimates on assumptions and plans, which may change and which could impact the magnitude and/or timing of operating expenses and our cash runway. The unaudited condensed consolidated interim financial statements do not reflect any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

b.Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions, balances, revenue, and expenses are eliminated on consolidation.

c.Significant accounting policies, estimates and judgments:

During the nine months ended September 30, 2024, there have been no changes to our significant accounting policies as described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on March 26, 2024.

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of

the unaudited condensed consolidated interim financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from those estimates. The unaudited condensed consolidated interim financial statements include estimates, which, by their nature, are uncertain.

The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

d.Recent Accounting Pronouncements

We have adopted no new accounting pronouncements during the three months and nine months ended September 30, 2024. There were various accounting standards and interpretations issued recently, none of which are expected to have a material impact on our financial position, operations or cash flows.

e.Foreign currency:

The functional and presentation currency of the Company is the US dollar.

f.Concentration of risk:

The Company is subject to credit risk from the Company's cash and cash equivalents and investments. The carrying amount of the financial assets represents the maximum credit exposure. The Company manages credit risk associated with its cash and cash equivalents and investments by maintaining minimum standards of R1-low or A-low investments and the Company invests only in highly rated corporations and treasury bills, which are capable of prompt liquidation.

3.Cash and cash equivalents:

Cash and cash equivalents as of September 30, 2024, consist of restricted cash of $1,416 thousand (December 31, 2023 - $2,764 thousand) and of restricted deposits in high interest savings accounts, money market funds and accounts with maturities of less than 90 days totaling of $6,546 thousand (December 31, 2023 - $6,488 thousand).

On August 27, 2024, the Company received $10 million from a loan payable to a third party. Under the terms of the loan agreement (the "Hanmi Loan Agreement"), the proceeds of $10 million are restricted for use solely in connection of Tuspetinib related business operations, unless otherwise authorized by the related party. See Note 9, Related party transactions.

4.Prepaid expenses:

Prepaid expenses as of September 30, 2024 and December 31, 2023 are shown below. Other prepaid expenses primarily consist of subscriptions, software, conference deposits and deposits for general and administrative items.

	September 30, 2024	December 31, 2023
Prepaid research and development expenses	$ 662	$ 720
Prepaid insurance	71	882
Other prepaid operating expenses	179	440
Total	$ 912	$ 2,042

5.Right-of-use assets:

	September 30, 2024	December 31, 2023
Right-of-use assets, beginning of period	$ 3,124	$ 3,100
Additions to right-of-use assets	—	24
Right-of-use assets, end of period	3,124	3,124
Accumulated amortization	(2,460)	(2,181)
Right-of use assets, NBV	$ 664	$ 943

6.Fair value measurements and financial instruments:

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 - inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following table presents the fair value of Company's assets that are measured at fair value on a recurring basis for the periods presented:

	September 30, 2024	Level 1	Level 2	Level 3
Assets				
High interest savings account	$ 6,546	—	6,546	—
Total	$ 6,546	$ —	$ 6,546	$ —

	December 31, 2023	Level 1	Level 2	Level 3
Assets				
High interest savings accounts	$ 2,002	—	2,002	—
United States Treasury Bills	4,486	—	4,486	—
Total	$ 6,488	—	$ 6,488	—

7.Accrued liabilities:

Accrued liabilities as of September 30, 2024 and December 31, 2023 consisted of the following:

	September 30, 2024	December 31, 2023
Accrued personnel related costs	$ 876	$ 1,989
Accrued research and development expenses	6,466	6,527
Other accrued expenses	170	313
Total	$ 7,512	$ 8,829

8.Lease liability:

Aptose leases office space in San Diego, California. The lease for the San Diego office space is scheduled to expire in May 31, 2026. We leased office space in Toronto, Ontario, Canada, which lease expired on June 30, 2024. The Company has not included any extension periods in calculating its right-to-use assets and lease liabilities. The Company also enters into leases for small office equipment.

Minimum payments, undiscounted, under our operating leases are as follows:

Years ending December 31,	
2024	$ 113
2025	462
2026	197
Total	$ 772

The following table presents the weighted average remaining term of the leases and the weighted average discount rate:

	September 30, 2024	December 31, 2023
Weighted-average remaining term – operating leases (years)	1.7	2.4
Weighted-average discount rate – operating leases	7.90 %	7.38 %

Lease liability, current portion	$ 416	$ 394
Lease liability, long-term portion	305	621
Total	$ 721	$ 1,015

Operating lease costs and operating cash flows from our operating leases are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Operating lease cost	$ 107	$ 114	$ 331	$ 359
Operating cash flows from operating leases	$ 112	$ 117	$ 346	$ 290

9.Related party transactions:

Hanmi Pharmaceutical Co. Ltd.

On November 4, 2021, Aptose entered a licensing agreement (the "Hanmi Licensing Agreement") with the South Korean company Hanmi Pharmaceutical Co. Ltd. ("Hanmi") for the clinical and commercial development of tuspetinib. Under the terms of the Hanmi Licensing Agreement, Hanmi granted Aptose exclusive worldwide rights to tuspetinib for all indications. Hanmi received an upfront payment of $12.5 million, including $5 million in cash and $7.5 million in Common Shares. Aptose issued Hanmi 215,703 Common Shares under this upfront licensing payment. Hanmi will also receive up to $407.5 million in future milestone payments contingent upon achieving certain clinical, regulatory and sales milestones across several potential indications, as well as tiered royalties on net sales. The Hanmi milestone payments based on progression of research as outlined in Note 13 to the Annual report on Form 10-K for the year ended December 31, 2023. The term of the agreement will continue on a product-by-product and country-by-country basis until the expiration of the royalty period for such product in such country. The licenses to Aptose pursuant to the Hanmi Licensing Agreement will survive and become non-exclusive, perpetual, irrevocable and fully paid-up on a product-by-product and country-by-country basis, upon their natural expiration under the terms of the Hanmi Licensing Agreement.

In 2022, the Company and Hanmi also entered into a separate supply agreement for additional production of new drug substance ("API") and drug product to support further tuspetinib clinical development, for which the Company pays Hanmi per batch of production. Expenses related to this supply agreement have been recognized by the Company, amounting to nil and $3.1 million for the nine months ended September 30, 2024 and 2023, respectively. Since inception to September 30, 2024, $7.1 million has been recognized for the period under the supply agreement.

The Company paid supply costs to Hanmi of $2.6 million and $4.5 million in the nine months ended September 30, 2024 and 2023, respectively. Since inception to September 30, 2024, payments of $7.1 million have been made under the supply agreement. At September 30, 2024, the Company did not have either accounts payable or accrued liabilities related to the Hanmi supply agreement. At December 31, 2023, there was $2.6 million in accounts payable and nil in accrued liabilities.

On August 27, 2024, the Company entered into a loan agreement (the "Hanmi Loan Agreement") with the South Korean Company Hanmi Pharmaceutical Co. Ltd ("Hanmi") for $10 million. Under the terms of the Hanmi Loan Agreement, the loan proceeds are restricted to be used for Tuspetinib related business operation purposes, unless otherwise authorized by Hanmi. The use of the funds is also contingent upon the Company meeting specific manufacturing and clinical milestones as outlined in the agreement. The loan is repayable in full on January 31, 2027, with an initial interest period ended on September 30, 2024 and subsequent interest payments due at the end of each three-month period thereafter. Aptose may repay all or any portion of the outstanding principal at any time without penalty, provided that any accrued and unpaid interest on the principal amount being repaid is also settled. The accrued interest on the unpaid principal loan amount is payable at the periods specified on the Hanmi Loan agreement at a rate of 6% per annum. During the ninth months period ended September 30, 2024, Aptose paid $51 thousand of interest on the loan.

On September 2, 2024, and in connection with the Hanmi Loan Agreement, Aptose and Hanmi executed a letter of understanding ("LOU"), which outlines the steps associated with the negotiation of the Future Collaboration Agreement (the "Future Collaboration

Agreement"). This agreement will establish a co-development collaboration for the advancement of tuspetinib. Under the terms of the Future Collaboration Agreement, upon execution, the loan principal and any accrued and unpaid interest under the "Hanmi Loan Agreement" will automatically convert to Hanmi's prepayment of future milestone obligations under the Future Collaboration Agreement. Upon conversion, the Hanmi Loan Agreement, consisting of the $10 million loan principal with any accrued and unpaid interest, would be deemed fully paid and satisfied.

See Note 10, Share capital, for share capital transactions with Hanmi.

10.Share capital:

On April 2, 2024, the Company received a letter (the “Notification Letter”) from Nasdaq stating that the Company was not in compliance with Nasdaq Listing Rule 5550(b)(1) (the “Rule”) because the stockholders’ equity of the Company as of December 31, 2023, as reported in the Company’s Annual Report on Form 10-K, was below the minimum requirement of $2.5 million (the "Stockholders’ Equity Requirement"). The Company submitted a Compliance Plan on May 17, 2024.

On June 28, 2024 , the Company received a letter from Nasdaq stating that Nasdaq had granted the Company an extension until September 30, 2024 to regain compliance with the Rule. On August 1, 2024 the Company filed a preliminary S-1 prospectus to raise financing as part of its Compliance Plan, in addition to funds raised in the 10a.(i), June 2024 Registered Direct Offering.

On July 16, 2024, the Company received a deficiency letter (the “Deficiency Letter”) from the Staff of The Nasdaq Stock notifying the Company that, for the prior thirty consecutive business days, the closing bid price for the Company’s Common Shares have been below the minimum $1.00 per share required for continued listing on Nasdaq pursuant to Nasdaq Listing Rule 5550(a)(2) (the “Minimum Bid Price Requirement”). The Deficiency Letter had no immediate effect on the listing of the Company’s Common Shares, and its Common Shares will continue to trade on Nasdaq. The Company’s Common Shares continue to trade on the Toronto Stock Exchange (“TSX”) under the symbol “APS.” The Company's listing on the TSX is independent and will not be affected by the Nasdaq listing status. The Company has been given 180 calendar days, or until January 13, 2025, to regain compliance with the Minimum Bid Price Requirement. If at any time before January 13, 2025, the bid price of the Company’s Common Shares closes at $1.00 per share or more for a minimum of 10 consecutive business days, the Staff will provide written confirmation that the Company has achieved compliance with the Minimum Bid Requirement. If the Company does not regain compliance with the Minimum Bid Price Requirement by January 13, 2025, the Company may, at Nasdaq's discretion, be afforded a second 180 calendar day period to regain compliance, but if Nasdaq does not grant such extension, the Company's common shares could be delisted from Nasdaq. To qualify for the extension, the Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the bid price requirement. The Company intends to monitor the closing bid price of its Common Shares and may, if appropriate, consider available options, including the possibility of seeking shareholder approval of a reverse stock split, to regain compliance with the Minimum Bid Price Requirement. However, there can be no assurance that the Company will be able to regain compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

As of September 30, 2024, the Company had not gained compliance with the requirement. The Company's stockholder's equity as of September 30, 2024 was negative $9.1 million.

On October 1, 2024, the Company received a staff determination letter from the Listing Department stating that the Company did not meet the terms of the extension because it did not complete its proposed financing initiatives to regain compliance. On October 8, 2024, the Company requested an appeal and hearing; such hearing is scheduled for November 21, 2024. The hearing request has automatically stayed Nasdaq’s delisting of the Company’s Common Shares pending the Panel’s decision. At or prior to the hearing, the Company plans to present to Nasdaq information demonstrating that it has regained compliance with the continued listing standards under the Nasdaq Listing Rules, or alternatively a plan to regain compliance and a request for an extension of time to effectuate the plan. Notwithstanding the foregoing, there can be no assurance that the Company will regain compliance with the continued listing standards under the Nasdaq Listing Rules, or that the Panel will grant the Company an extension of time to regain compliance, in the event the Company requests such an extension.

On October 30, 2024, the Company filed Amendment 1 to this S-1, see note 12, Subsequent Events.

The Company has authorized share capital of an unlimited number of Common Shares.

a.Equity issuances:

(i) June 2024 Registered Direct Offering

On June 3, 2024, the Company closed a registered direct offering priced at-the-market under Nasdaq rules of 1,800,000 Common Shares at a purchase price of $1.15 per share and 2,055,000 pre-funded warrants at a purchase price of $1.149 per pre-funded warrant. Additionally, in a concurrent private placement, Aptose issued unregistered series A warrants to purchase up to 3,855,000 Common Shares and series B warrants to purchase up to 3,855,000 Common Shares, each at an exercise price of $1.15 per share. The series A and series B unregistered warrants became exercisable beginning on the effective date of shareholder approval of the issuance of the shares issuable upon exercise of the warrants which was obtained on September 5, 2024. The series A warrants will expire five years from September 5, 2024 and the series B warrants will expire eighteen months from September 5, 2024. The gross proceeds to the Company from the offering was approximately $4.43 million, before deducting the placement agent's fees and other offering expenses. Financing costs of approximately $408 thousand included underwriting costs of 7% and professional fees. In addition, the underwriter received 192,750 warrants, each at an exercise price of $1.44. The unregistered warrants are exercisable on September 5, 2024 and will expire five years from September 5, 2024.

On September 5, 2024, the Company held a Special Meeting of Shareholders pursuant to which, shareholders voted to authorize, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance of Common Shares underlying certain warrants in an amount equal to or in excess of 20% of the Common Shares outstanding immediately prior the issuance of such warrants issued pursuant to that certain securities purchase agreement dated as of May 30, 2024 by and among the Company and certain institutional and accredited investors in connection with the Company's registered direct offering and private placement which closed on June 3, 2024. On September 11, 2024, the Company issued 1,395,000 Common Shares upon the exercise of 1,395,000 Pre-Funded Warrants for a cash proceeds of $1 thousand at an exercise price of $0.001.

(ii) January 2024 Public Offering and Private Placement

On January 31, 2024, the Company announced the closing of a $9.7 million public offering (the "Public Offering") and a $4 million private placement (the "Private Placement") with Hanmi. The Public Offering comprised 5,649,122 Common Shares and warrants at a combined offering price of $1.71. This included 736,842 Common Shares and warrants pursuant to a full exercise by the underwriter of its over-allotment option. The Private Placement comprised 2,105,263 Common Shares sold at a price of $1.90, representing an 11% premium over the price of the Common Shares issued as part of the Public Offering. Nasdaq subsequently issued a letter to the Company regarding the value and the date of the Private Placement, as discussed in this note, below. Financing costs of approximately $1.4 million included underwriting costs of 7% and approximately $0.4 million in professional fees. The Company also issued Hanmi warrants to purchase Common Shares at an exercise price of $1.71 per Share.

On February 29, 2024, the Company received a deficiency letter (the "February Deficiency Letter") from the Nasdaq Listing Qualifications Department of Nasdaq notifying the Company that the Company's Private Placement violated Nasdaq Listing Rule 5635(d) because the Company did not obtain shareholder approval prior to such issuance. Nasdaq stated that the Private Placement involved the issuance of greater than 20% of the issued and outstanding Common Shares of the Company at a discount to the Nasdaq official closing price on January 25, 2024, the date of the subscription agreement between the Company and Hanmi. The February Deficiency Letter had no immediate effect on the listing of the Company's Common Shares. In accordance with the Nasdaq Listing Rules, the Company was given 45 calendar days to submit a plan to regain compliance. The approval of the potential issuance of Common Shares in connection with the Hanmi investment, which would exceed 19.99% of the Corporation's outstanding shares as of the closing date of the Hanmi investment, as required by Nasdaq listing rules, was approved at the June 2024 Annual and General meeting.

In response to a Deficiency Letter from Nasdaq received on February 29, 2024 regarding the private placement with Hanmi and the resulting claimed violation of Nasdaq Listing Rule 5635(d), the Company submitted a plan to regain compliance on April 15, 2024. On April 25, 2024, the Company received a letter from the Listing Qualifications Department (the "Staff") of Nasdaq notifying the Company of the Staff's determination that the Company had regained compliance with Nasdaq Listing Rule 5635(d) and the Staff has determined that the matter is now closed. Pursuant to the Company's plan to regain compliance, on April 26, 2024, the Company announced that it had amended the warrant agreement with Hanmi to prohibit the exercise of the Hanmi warrants in excess of the Nasdaq 19.99% limitation (the "Nasdaq 19.99% Cap"), unless shareholder approval is first obtained to exceed the Nasdaq 19.99% Cap.

(iii) Hanmi 2023 Investment

On August 10, 2023, the Company entered into a binding term sheet with Hanmi whereby Hanmi agreed at their sole discretion to invest, up to a maximum of $7 million in Aptose up to a total ownership of 19.99% of Aptose by Hanmi. On September 6, 2023, the Company entered into a subscription agreement with Hanmi, pursuant to which the Corporation

agreed to sell 668,449 Common Shares to Hanmi for proceeds of $3 million. Hanmi held 2,989,415 Common Shares of Aptose as of September 30, 2024.

(iv) 2023 Committed Equity Facility

On May 25, 2023, the Company and Keystone Capital Partners, LLC ("Keystone") entered into a committed equity facility, (the "2023 Committed Equity Facility"), which provides that subject to the terms and conditions set forth therein, we may sell to Keystone up to the lesser of (i) $25.0 million of the Common Shares and (ii) a number of Common Shares equal to 19.99% of the Common Shares outstanding immediately prior to the execution of the 2023 Committed Equity Facility Agreement. with Keystone which respect to the 2023 Committed Equity Facility (subject to certain exceptions) (the “Total Commitment”), from time to time during the 24-month term of the 2023 Committed Equity Facility. Additionally, on May 25, 2023, the Company entered into a Registration Rights Agreement with Keystone, pursuant to which the Company agreed to file a registration statement with the SEC covering the resale of Common Shares that are issued to Keystone under the 2023 Committed Equity Facility. This registration statement became effective on June 30, 2023 and the 2023 Committed Equity Facility commencement date was July 12, 2023 (the "Commencement Date").

Upon entering into the 2023 Committed Equity Facility, the Company agreed to issue to Keystone an aggregate of 25,156 Common Shares (the “Commitment Shares”) as consideration for Keystone’s commitment to purchase Common Shares upon the Company’s direction under the 2023 Committed Equity Facility. The Company issued 7,547 Common Shares, or 30% of the Commitment Shares, on the date of the 2023 Committed Equity Facility Agreement. An additional 7,547 Common Shares, or 30% of the Commitment Shares, were issued to Keystone in October 2023. In the nine months ended September 30, 2024, the Company's issuance of Common Shares to Keystone consisted of 10,062 Commitment Shares.

In the year ended December 31, 2023, the Company's issuance of Common Shares to Keystone comprised 720,494 Common shares sold to Keystone at an average price of $2.91 per Common share for cash proceeds of $2.1 million and 15,094 Commitment Shares. During the nine months ended September 30, 2024, the Company issued 510,101 Common Shares to Keystone at an average price of $1.36 per Common Share for cash proceeds of $694 thousand and 10,062 Commitment Shares. The Company recognized $82 thousand of financing costs associated with professional fees during the nine months ended September 30, 2024. Since inception to April 2024, the time the Committed Equity Facility was terminated, the Company's issuance of Common Shares to Keystone comprised of an aggregate of 1,230,595 Common Shares at an average price of $2.27 per Common Share for aggregate gross cash proceeds of $2.8 million and 25,156 Commitment Shares. From inception to the termination of the Committed Equity Facility, the Company recognized $168 thousand of financing costs associated with professional fees. In April 2024, the Company's issuances of Common Shares to Keystone reached the Total Commitment of the Committed Equity Facility, i.e. 19.99% of the Common Shares outstanding immediately prior to the execution of the 2023 Committed Equity Facility Agreement.

(v) 2022 At-The-Market Facility ("ATM")

On December 9, 2022, the Company entered into an equity distribution agreement pursuant to which the Company may, from time to time, sell Common Shares having an aggregate offering value of up to $50 million through Jones Trading Institutional Services LLC ("Jones Trading") on Nasdaq (the "2022 ATM Facility"). During the current year up to May 30, 2024, the date on which the Company terminated the 2022 ATM Facility, the Company issued 81,591 Common Shares under this 2022 ATM Facility at an average price of $1.22 per share for gross proceeds of $100 thousand ($97 thousand net of share issuance costs). On May 30, 2024, the Company terminated the 2022 At-The-Market Facility. Since inception to May 30, 2024, the date the Company terminated the 2022 ATM Facility, the Company raised a total of $2.1 million of gross proceeds ($2.0 million net of share issuance costs) under the 2022 ATM Facility. Costs associated with the proceeds consisted of a 3% cash commission.

b.Loss per share:

Loss per share is calculated using the weighted average number of Common Shares outstanding and is presented in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net loss	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,252)
Weighted-average common shares – basic and diluted (in thousands)	18,560	6,495	16,107	6,391
Net loss per share – basic and diluted	$ (0.37)	$ (1.76)	$ (1.48)	$ (6.14)

The effects of any potential exercise of the Company's stock options outstanding during the three-month and nine-month periods ended September 30, 2024, and September 30, 2023 have been excluded from the calculation of diluted loss per share, since such securities would be anti-dilutive.

11.Stock-based compensation:

All references in this report to historical Common Share prices, numbers of Common Shares, and earnings per share calculations have been presented to reflect the effect of the Reverse Stock Split.

a.Stock option plan and employee stock purchase plan

Effective June 1, 2021, the Company adopted a new stock incentive plan ("New Incentive Plan") and an employee stock purchase plan ("ESPP").

The New Incentive Plan authorizes the Board of Directors to administer the New Incentive Plan to provide equity-based compensation in the form of stock options, stock appreciation rights, restricted stock, restricted stock units and dividend equivalents.

The Corporation currently maintains its existing share option plan ("Share Option Plan") and 2015 Stock Incentive Plan ("2015 SIP"). Effective June 1, 2021 no further grants will be made under the Share Option Plan or 2015 SIP, though existing grants under the Share Option Plan will remain in effect in accordance with their terms.

The aggregate number of our Common Shares, no par value, that may be issued under all awards under the New Incentive Plan is (i) 691,400, plus (ii) any of our Common Shares subject to any outstanding award under our prior plans that, after June 1, 2021, are not purchased or are forfeited or reacquired by us, or otherwise not delivered to the participant due to termination, cancellation or cash settlement of such award subject to the share counting provisions of the New Incentive Plan.

Under both the Share Option Plan and the New Incentive Plan, the exercise price of each option equals the closing trading price of the Company's stock on the day prior to the grant if the grant is made during the trading day or the closing trading price on the day of grant if the grant is issued after markets have closed. Vesting is provided for at the discretion of the Board of Directors and the expiration of options is to be no greater than ten years from the date of grant.

The Company uses the fair value-based method of accounting for employee awards granted under both plans. The Company calculates the fair value of each stock option grant using the Black-Scholes option pricing model at the grant date. The stock-based compensation cost of the options is recognized as stock-based compensation expense over the relevant vesting period of the stock options using an estimate of the number of options that will eventually vest.

The ESPP, which is administered by the Board of Directors, allows eligible employees of the Company to purchase Common Shares through accumulated payroll deductions up to a maximum 15% of eligible compensation. The ESPP is implemented in consecutive offering periods with a new offering period commencing on the first trading day on or after February 1 and August 1 each year, or on such other date as the Board of Directors will determine and continuing thereafter until terminated in accordance with the Plan. Unless the Board of Directors provides otherwise, the purchase price will be equal to eighty-five percent (85%) of the fair market value of a Common Share on the offering date or the exercise date, whichever is lower.

The maximum number of Common Shares which will be available for sale under the ESPP is 113,333 Common Shares. There were 27,681 and 5,991 Common Shares issued under the ESPP during the nine months ended September 30, 2024 and September 30, 2023, respectively.

Stock option transactions for the nine months ended September 30, 2024 and September 30, 2023 are summarized as follows:

	Nine months ended September 30, 2024		
	Options (in thousands)	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding, beginning of period	1,184	$ 44.78	—
Granted	408	2.00	—
Exercised	—	—	—
Forfeited	(356)	16.05	—
Outstanding, end of the period	1,236	$ 38.75	6.73
Exercisable, end of the period	800	$ 55.34	5.67
Vested and expected to vest, end of period	1,145	$ 41.18	6.57

	Nine months ended September 30, 2023		
	Options (in thousands)	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding, beginning of period	1,100	$ 52.22	—
Granted	217	9.87	—
Exercised	—	—	—
Forfeited	(125)	49.58	—
Outstanding, end of the period	1,192	$ 44.76	7.1
Exercisable, end of the period	718	$ 58.98	6.1
Vested and expected to vest, end of period	1,107	$ 46.42	7.0

As of September 30, 2024, there was $544 thousand of total unrecognized compensation cost related to non-vested stock options, which is expected to be recognized over an estimated weighted-average period of 1.46 years. As of September 30, 2024, total compensation cost not yet recognized related to grants under the ESPP was nil.

The following table presents the weighted average assumptions that were used in the Black-Scholes option pricing model to determine the fair value of stock options granted during the period, and the resulting weighted-average fair values:

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Risk-free interest rate	4.07 %	3.42 %
Expected dividend yield	—	—
Expected volatility	83.1 %	80.3 %
Expected life of options (years)	5 years	5 years
Grant date fair value	$ 1.36	$ 6.53

The Company uses historical data to estimate the expected dividend yield and expected volatility of its Common Shares in determining the fair value of stock options. The expected life of the options represents the estimated length of time the options are expected to remain outstanding.

The following table presents the vesting terms of options granted in the period:

	Nine months ended September 30, 2024 Number of options (in thousands)	Nine months ended September 30, 2023 Number of options (in thousands)
3-year vesting (50%-25%-25%)	20	48
4-year vesting (50%-16 2/3%-16 2/3%-16 2/3%)	388	169
Total stock options granted in the period	408	217

The Company has a stock incentive plan (SIP) pursuant to which the Board may grant stock-based awards comprised of restricted stock units or dividend equivalents to employees, officers, consultants, independent contractors, advisors and non-employee directors of the Company. Each restricted unit is automatically redeemed for one common share of the Company upon vesting. During the nine-month period ended September 30, 2024, the Company granted nil (September 30, 2023 - 38,000) restricted stock units ("RSUs") with immediate vesting and an exercise price of $9.90. On February 6, 2023, all of these RSUs were redeemed for 38,000 Common Shares. The following table presents the vesting and redemption of the RSUs granted in the three months and nine months ended September 30, 2024 and 2023.

	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
	Number of options (in thousands)	Weighted average grant date fair value	Number of options (in thousands)	Weighted average grant date fair value
Outstanding, beginning of period	—	$ —	—	$ —
Granted	—	—	38	9.90
Vested and redeemed	—	—	(38)	9.90
Outstanding, ending of period	—	$ —	—	$ —

b.Share-based payment expense

The Company recorded share-based payment expense related to stock options and RSUs as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Research and development	$ (81)	$ 259	$ 317	$ 1,182
General and administrative	68	340	686	2,060
	$ (13)	$ 599	$ 1,003	$ 3,242

12.Subsequent events

On October 30, 2024, the Company filed an Amendment to the S-1 preliminary prospectus filed on August 1 (the "S-1/A") to raise financing as part of the Compliance Plan. The S-1/A relates to the offering of up to 21,528,525 Common Shares, no par value (“Offered Shares”) together with warrants to purchase up to 10,764,263 Common Shares. Each Offered Share, or a pre-funded warrant (the “Pre-Funded Warrants) in lieu thereof, is being sold together with one half (1/2) common warrant (the “Common Warrants” and together, with the “Pre-Funded Warrants”, the “Warrants”) exercisable for one Common Share. The assumed combined public offering price for each Offered Share and accompanying Common Warrant is $0.3716, which is the last reported sale price of the Company's Common Shares on Nasdaq on October 29, 2024. The completion of the offering is conditional upon the approval of the TSX. In addition, this S-1/A relates to the issuance of Placement Agent Warrants (as defined below) to purchase up to 861,141 shares of the Company's Common Shares issuable to the Placement Agent (as defined below), based on an assumed public offering price of the Offered Shares and Warrants and the underlying Common Shares issuable upon the exercise of Placement Agent Warrants.

Each Common Warrant has an assumed exercise price of $0.3716 per Common Share, which is the last reported sale price of the Company's Common Shares on Nasdaq on October 29, 2024, will be exercisable immediately upon issuance, subject to certain limitations based on the holder’s beneficial ownership of the Company's Common Shares, and will expire five years from the date of issuance. The Offered Shares and Common Warrants are immediately separable and will be issued separately in this offering, but must be purchased together in this offering. The Company is also offering Pre-Funded Warrants to purchase up to 21,528,525 Common Shares to those purchasers whose purchase of Offered Shares in this offering would result in the purchaser beneficially owning more than

4.99% (or, at the election of the purchaser, 9.99%) of the Company's outstanding Common Shares following the consummation of this offering in lieu of the Offered Shares that would result in ownership in excess of 4.99% (or, at the election of the purchaser, 9.99%) following the consummation of this offering. Each Pre-Funded Warrant will be exercisable for one Common Share at an exercise price of $0.0001 per Common Share. Each Pre-Funded Warrant is being issued together with the same Common Warrants described above being issued with each Offered Share. The assumed combined public offering price for each such Pre-Funded Warrant, together with the Common Warrants, is $0.3715, which is equal to the assumed public offering price in this offering of an Offered Share and accompanying Common Warrant less the $0.0001 per Common Share exercise price of each such Pre-Funded Warrant. Each Pre-Funded Warrant will be exercisable immediately upon issuance, subject to certain limitations based on the holder’s beneficial ownership of the Company's Common Shares, and may be exercised at any time until the Pre-Funded Warrant is exercised in full. The Common Warrants are immediately separable and will be issued separately in this offering, but must be purchased together in this offering.

ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbor created by those sections. For more information, see "Cautionary Note Regarding Forward-Looking Statements." When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that impact our business. In particular, we encourage you to review the risks and uncertainties described in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. These risks and uncertainties could cause actual results to differ materially from those projected or implied by our forward-looking statements contained in this report. These forward-looking statements are made as of the date of this management's discussion and analysis, and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by law.

The following discussion should be read in conjunction with our condensed consolidated financial statements and accompanying notes thereto contained in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, and with our audited consolidated financial statements and accompanying notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

All amounts are expressed in United States dollars unless otherwise stated.

OVERVIEW

Aptose Biosciences Inc. ("Aptose," the "Company," "we," "us," or "our") is a science-driven clinical stage biotechnology company committed to the development and commercialization of precision medicines addressing unmet clinical needs in oncology, with an initial focus on hematology. The Company's small molecule cancer therapeutics pipeline includes products designed to provide single agent efficacy and to enhance the efficacy of other anti-cancer therapies and regimens without overlapping toxicities. The Company's executive offices are located in San Diego, California, and our head office is located in Toronto, Canada.

Aptose Programs

Tuspetinib, ("Tuspetinib" or "TUS"), Aptose's lead program, is being developed for frontline combination therapy in newly diagnosed acute myeloid leukemia ("AML") patients to unlock the most significant patient impact and greatest commercial opportunity. AML is a highly aggressive cancer of the bone marrow and blood, and there is a tremendous unmet need for an improved frontline therapy that can extend survival of newly diagnosed AML patients and improve their quality of life. Newly diagnosed AML patients typically fail all frontline (1L) therapies, and responses to subsequent salvage therapies in the relapsed or refractory (R/R) setting are limited, highlighting the need for a more effective triple drug ("triplet") combination therapy to increase survival in the frontline setting.

Current standard of care treatment in the 1L setting for many newly diagnosed AML patients includes a doublet combination of venetoclax and a hypomethylating agent (VEN+HMA). Exploratory triplet therapies using current agents added to VEN+HMA have achieved notable response rates but are compromised because of toxicities and the limited activity across subpopulations of AML patients. In contrast, tuspetinib is a convenient, orally administered, once-daily kinase inhibitor that targets select kinases operative in AML and exerts broad activity across AML populations with adverse genetics. However, tuspetinib avoids kinases that typically cause toxicities associated with other kinase inhibitors and has demonstrated an excellent safety profile. These properties position tuspetinib as an ideal agent for addition to the VEN+HMA backbone therapy to create a superior triplet (TUS+VEN+HMA) frontline therapy to treat newly diagnosed AML.

Aptose plans to develop Tuspetinib in the TUS+VEN+HMA triplet drug combinations in newly diagnosed AML patients, and once the study enrolls, we expect to deliver important clinical data (CR and MRD negativity rates, safety, and survival) over the following 6 to 12 months. It was essential to understand the safety, tolerability, and response activities of tuspetinib as a single agent and as the TUS+VEN doublet combination before advancing to the TUS+VEN+HMA triplet. We therefore performed a clinical trial (TUS) in patients with relapsed or refractory (R/R) AML and then performed a trial with the TUS+VEN doublet therapy in R/R AML patients and now have advanced the TUS+VEN+HMA frontline therapy into newly diagnosed AML patients. See Note 2(a) and Item 1A -Risk Factors.

To be precise, we have now completed a dose escalation and dose exploration international Phase 1/2 clinical trial to assess the safety, tolerability, pharmacokinetics, pharmacodynamic responses, and efficacy of TUS single agent in patients with R/R AML. Significant bone marrow blast reductions and clinical responses without dose limiting toxicities were achieved at four dose levels across a broad diversity of mutationally-defined AML populations and with a highly favorable safety profile. Tuspetinib to date has

demonstrated a favorable safety profile and has caused no drug-related QTc prolongations, liver or kidney toxicities, muscle damage, or differentiation syndrome, and no myelosuppression with continuous dosing of patients in remission. At a dose of 80 mg, tuspetinib demonstrated notable response rates in R/R AML patients that had never been treated with venetoclax (VEN-naive AML): CR/CRh=36% among all-comers, CR/CRh=50% among patients with mutated FLT3, and CR/CRh=25% in patients with wildtype FLT3.

Following completion of the single agent dose escalation and exploration trial, tuspetinib advanced into the APTIVATE expansion trial of the Phase 1/2 program to evaluate the TUS+VEN doublet in R/R AML patient populations. The TUS+VEN doublet combination therapy maintained a favorable safety profile: no new or unexpected safety signals were observed, and there were no reported drug-related adverse events of QTc prolongation, differentiation syndrome, or deaths. The TUS+VEN doublet combination also achieved significant bone marrow reductions and clinical responses in heavily pretreated R/R AML patients, including those with mutated TP53, mutated NKRAS, wildtype or mutated FLT3, and those who failed prior therapy with venetoclax ("Prior-VEN") or FLT3 inhibitors ("Prior-FLT3i").

Collectively, the clinical safety and efficacy data with TUS single agent and TUS+VEN doublet in R/R AML patients position tuspetinib for development as the TUS+VEN+HMA triplet in newly diagnosed AML patients. Newly diagnosed AML patients are VEN-naïve, FLT3i-naïve, and HMA-naïve – this patient population is expected to be highly responsive to a tuspetinib-containing triplet therapy. Based on the safety and efficacy profile of tuspetinib, we believe that tuspetinib as part of the TUS+VEN+HMA triplet, if approved, could establish a new standard of care therapy for newly diagnosed patients with mutated or unmutated FLT3 and in patients with other adverse genetic abnormalities. These beliefs related to the potential patient treatment and commercial opportunities are based on management's current assumptions and estimates, which are subject to change, and there can be no assurance that tuspetinib will ever be approved or successfully commercialized and, if approved and commercialized, that it will ever generate significant revenues. See our "Risk Factors – "We are an early-stage development company with no revenues from product sales." and "We have a history of operating losses. We expect to incur net losses and we may never achieve or maintain profitability." in our Annual Report on Form 10-K filed with the SEC on March 26, 2024.

Luxeptinib ("LUX") is an orally administered, highly potent kinase inhibitor that selectively targets defined clusters of kinases that are operative in hematologic malignancies. LUX has demonstrated clinical activity in R/R AML and in R/R B-cell cancer patients but was not consistently achieving the desired exposure levels to drive responses. Absorption of the original G1 formulation hindered the effectiveness of luxeptinib, so a new G3 formulation was developed. Clinical evaluation of the G3 formulation has been completed in a single dose bioavailability study across five dose levels and then with continuous dosing using two different dose levels. The G3 formulation achieved our desired plasma exposure benchmark, with approximately 10-fold better absorption, and better tolerability than the original formulation. We are seeking alternative development paths and collaborations for LUX. Given current funding and our prioritization of tuspetinib, we have decided to pause funding the development of luxeptinib.

PROGRAM UPDATES

Tuspetinib

Indication and Clinical Trials:

Tuspetinib is an oral, highly potent, small molecule inhibitor of kinases operative in myeloid malignancies and known to be involved in tumor proliferation, resistance to therapy and differentiation. Preclinical *in vitro* and *in vivo* studies suggest that Tuspetinib may be an effective monotherapy and combination therapy in patients with hematologic malignancies including AML. An international Phase 1/2 clinical trial in patients with relapsed or refractory AML is ongoing. The dose escalation portion of this study to date has observed evidence of robust clinical activity, including multiple complete responses in R/R AML patients with various disease genotypes, and no toxicity trends that should prevent further dose escalation.

The FDA granted orphan drug designation to tuspetinib for the treatment of patients with AML in October 2018. Orphan drug designation is granted by the FDA to encourage companies to develop therapies for the treatment of diseases that affect fewer than 200,000 individuals in the United States. Orphan drug status provides research and development tax credits, an opportunity to obtain grant funding, exemption from FDA application fees and other benefits. The orphan drug designation also provides us with seven additional years of marketing exclusivity in this indication.

Manufacturing:

Following the Tuspetinib licensing agreement between Aptose and Hanmi on November 4, 2021 (the "Tuspetinib Licensing Agreement"), Aptose received from Hanmi an existing inventory of drug product expected to support continuation of the current Phase

1/2 study. The Company and Hanmi also entered into a separate supply agreement in 2022 for additional production of new drug substance and drug product to support further clinical development. Additional batches of API and drug product have been produced by other companies during 2022 and 2023.

Program Updates at Recent Scientific Forums:

Aptose plans to initiate the tuspetinib + venetoclax + azacitidine (TUS+VEN+AZA) triple drug combination study in newly diagnosed AML patients with 40 mg tuspetinib and then to dose escalate the tuspetinib dose to 80 mg, and then to potentially higher doses as appropriate. Safety and activity as a single agent were demonstrated with the 40 mg dose of tuspetinib in R/R AML patients. This 40 mg dose represents one dose level below the 80 mg single agent recommended phase 2 dose (RP2D) of tuspetinib in R/R AML patients, this dose escalation approach which is the typical FDA recommended starting dose for drug combination studies.

On June 14, 2024, Aptose presented tuspetinib (TUS) clinical findings as a clinical poster presentation and preclinical findings as a e-poster at the European Hematology Association (EHA) 2024 Hybrid Congress in Madrid, Spain. Highlights of the findings include:

- Tuspetinib Monotherapy (TUS) and Tuspetinib + Venetoclax (TUS+VEN) Doublet Therapy Show Broad Clinical Activity and Strong Safety Data in relapsed or refractory (R/R) Acute Myeloid Leukemia (AML) and Differentiate TUS from other Investigational Drugs in AML
- TUS Monotherapy and TUS+VEN Doublet Therapy Active in Difficult-to-treat Genetic Subgroups, FLT3 Wildtype AML
- TUS Shown to Target VEN Resistance Mechanisms and Retain Activity on VEN-Resistant AML Cells in Preclinical Study
- Tuspetinib + Venetoclax + Azacitidine (TUS+VEN+AZA) Triplet Trial to Treat Newly Diagnosed AML Patients; Clinical Sites Being Activated

Our APTIVATE clinical trial of Tuspetinib as a monotherapy (TUS) and in combination treatment with Venetoclax (TUS+VEN) in a very ill AML patient population, yielded excellent and consistent safety findings and demonstrated clinical activity across a broad range of AML – including many with highly adverse genetic mutations. These findings supported advancement of Tuspetinib as an ideal third agent to add to a venetoclax and hypomethylating agent regimen for the frontline treatment of Newly Diagnosed AML patients. Conclusions from the clinical poster, entitled "Safety and Efficacy of Tuspetinib as Monotherapy and Combined with Venetoclax in a Phase 1/2 Trial of Patients with Relapsed or Refractory (R/R) Acute Myeloid Leukemia" include:

- Extensive dose exploration was performed with TUS (93 patients) and TUS+VEN (79 patients) in highly treatment experienced R/R AML patients (prior VEN, FLT3i, HMA, chemotherapy, HSCT)
- TUS monotherapy achieved complete remissions at 40, 80, 120, and 160 mg with no DLT, achieved a 42% CRc and 50% ORR in VEN naïve and FLT3-mutation harboring patients, and achieved responses in patients harboring highly adverse genetics ($TP53^{MUT}$, RAS^{MUT}, other)
- TUS+VEN Doublet remained safe and well tolerated (40mg TUS + 400mg VEN | 80mg TUS + 400mg VEN), and achieved bone marrow blast reductions and responses among diverse R/R AML patients with
adverse mutations and prior failure of VEN
- TUS targets known VEN resistance mechanisms *in vitro* and is clinically active in both $FLT3^{MUT}$ & $FLT3^{WT}$ R/R AML populations even after prior VEN exposure.

The greatest unmet medical need in AML is for an improved frontline therapy in Newly Diagnosed AML patients. Tuspetinib is now being developed as the TUS+VEN+HMA to establish a new standard of care for the treatment of these Newly Diagnosed AML patients that may increase response rates, extend survival, safely improve quality of life, treat a broad spectrum of genetically unique AML patient populations, and blunt the development of resistance to Venetoclax.

- Progress has been made with VEN+HMA in 1L therapy but 1/3 do not respond and median OS <15 months with <25% alive at 3-years.
    - Response rates and OS need improvement, especially in adverse genetic subgroups
    - Emergence of VEN resistance via RAS/MAPK, TP53, and FLT3 clonal expansion, among other mechanisms, leads to relapse or refractory (R/R) AML that does not respond well to subsequent salvage therapies in R/R setting. Indeed, a recent publication (Matthews et. Al., *Blood* 2022; 140, Supplement 1: 1022–1024) showed survival of R/R AML patients receiving chemotherapy after failing prior therapy with HMA-VEN was limited; median OS was a mere 7.2 months, and for older patients (65 and older) the median OS was only 4.3 months

- These findings illustrate that the addition of a 3rd agent is needed to boost responses with VEN+HMA standard of care therapy in frontline therapy of newly diagnosed AML patients, to increase the durability of responses in these patients, and to broadly act across genetic subgroups of patients.

- We believe Tuspetinib is the ideal 3rd Agent for Addition to VEN+AZA to Treat Newly Diagnosed AML
  - TUS has excellent safety alone and in combination with VEN when co-administered
  - TUS has broad activity across genetic subgroups including TP53, RAS/MAPK, & FLT3 mutants
  - TUS mechanism may minimize drug resistance to VEN via inhibition of key AML kinases
  - TUS can be administered with or without food allowing co-administration with VEN
  - Preliminary PK data suggest no clinically meaningful interaction between TUS and VEN requiring dose modification for co-administration.

In addition to the Tuspetinib clinical poster, a separate preclinical abstract was published as an e-poster publication at EHA, entitled "*Tuspetinib Retains Nanomolar Potency Against AML Cells Engineered to Express the NRAS G12D Mutation or Selected for Resistance to Venetoclax'.* The study demonstrated that TUS targets known venetoclax (VEN) resistance mechanisms, retaining nanomolar potency against AML cells engineered to express the NRAS-G12D mutation or selected for resistance to VEN, and in combination with VEN, could prevent emergence of resistance to both agents. TUS resistant cells showed hypersensitivity to VEN such that treatment with both drugs could also interfere with the emergence of TUS resistance.

On March 26, 2024, Aptose announced that more than 170 patients to date received TUS alone or in combination with the BCL-2 inhibitor venetoclax (VEN) during the Phase 1/2 clinical program in the very ill relapsed or refractory (R/R) AML patient population. At the single agent 80 mg dose, TUS achieved a favorable safety profile and an impressive response rate among patients who were naive to VEN. The safety profile of TUS remained favorable when TUS was combined with VEN in R/R AML patients, and responses were achieved in both patients naive to VEN and those who failed prior therapy with VEN. TUS avoids many typical toxicities observed with other agents and achieves broad activity across AML patients with a diversity of adverse genetic abnormalities.

On December 9, 2023, Aptose featured tuspetinib in an oral presentation at the 65th American Society of Hematology (ASH) Annual Meeting and Exposition and announced that a growing body of clinical data for Aptose's lead compound tuspetinib, demonstrates significant benefit as a single agent and in combination with venetoclax in patients with R/R AML in the ongoing APTIVATE Phase 1/2 study. Data were presented in an oral presentation by lead investigator Naval G. Daver, M.D., Professor, Director Leukemia Research Alliance Program, Department of Leukemia, The University of Texas MD Anderson Cancer Center, Houston, TX.

Dr. Daver reported data from more than 100 relapsed/refractory patients from multiple international clinical sites, who had failed prior therapy and then were treated with TUS as a single agent or TUS+VEN. Both TUS and TUS+VEN delivered multiple composite complete remissions (CRc) in this very ill AML population, while maintaining a favorable safety profile across all treated patients. The data demonstrated tuspetinib is active and well tolerated in one of the most challenging and heterogeneous disease settings in oncology – relapsed and refractory AML. Tuspetinib demonstrated broad activity, including activity in patients with FLT3 wild-type AML (accounting for more than 70% of the AML population), FLT3 mutated AML, NPM1 mutated AML, as well as in patients with mutations historically associated with resistance to targeted therapy. Most notably, TUS targets VEN resistance mechanisms, enabling TUS+VEN uniquely to treat the very ill prior-VEN AML population, including both FLT3 mutant and FLT3 wildtype disease. From a broader perspective, the growing body of antileukemic activity, and continued favorable safety profile, support advancement of tuspetinib in a TUS+VEN+HMA triplet for the treatment of frontline newly diagnosed AML patients."

Dr. Daver also pointed out that while patients on the TUS+VEN therapy are early in their treatment cycles, most achieving a response remained on treatment and that responses have begun to mature as dosing continues. Highlights of Dr. Daver's ASH oral presentation include:

- As a single agent at therapeutic doses of 80-160 mg in 68 evaluable patients, TUS was more active in VEN-naive patients, with an overall CRc rate of 29% (8/28). This included a 42% CRc rate (5/12) in FLT3-mutated patients and a 19% CRc rate (3/16) in FLT3-unmutated, or wildtype, AML patients. Responses and blood counts improved with continuous dosing, many patients bridged to an allogeneic stem cell transplant ("HSCT"), durability was observed when HSCT was not performed, and 80 mg was selected as the RP2D. Overall, tuspetinib showed a favorable safety profile with only mild adverse events ("AEs") and no dose-limiting toxicities ("DLTs") up to 160 mg per day, and no drug discontinuations from drug-related toxicity.

•In the TUS+VEN doublet study, 49 patients were dosed with 80 mg of tuspetinib and 200 mg of venetoclax, with 36 evaluable (and 13 patients too early to assess). Patients were heavily exposed to Prior-VEN and Prior-FLT3 inhibitor treatment. TUS+VEN was active in both VEN-naive and prior Prior-VEN R/R AML patients. TUS demonstrated compelling composite complete remission (CRc) rates. Among all evaluable patients, TUS+VEN demonstrated a CRc rate of 25% (9/36); 43% (3/7) in VEN-naive patients, and 21% (6/29) in Prior-VEN patients. Among FLT3 wildtype patients, TUS+VEN demonstrated an overall CRc rate of 20% (5/25); 33% (2/6) in VEN-naive patients, and 16% (3/19) in Prior-VEN patients. Among FLT3 mutant patients, TUS+VEN demonstrated an overall CRc rate of 36% (4/11); a complete response in a VEN-naive patient (1/1); a 30% (3/10) in Prior-VEN patients; and 44% (4/9) in patients treated prior with a FLT3 inhibitor.

On October 29, 2023, Aptose presented two posters related to the clinical and preclinical activity of tuspetinib at the European School of Haematology 6th International Conference: Acute Myeloid Leukemia "Molecular and Translational": Advances in Biology and Treatment, held October 29-31, 2023, in Estoril, Portugal. Clinical findings included 1) data from the APTO-TUS-HV01 clinical trial (the "Food Effect Study") evaluating the pharmacokinetic (PK) properties of tuspetinib in healthy human volunteers in which tuspetinib was administered with our without food, and 2) from an international Phase 1/2 study of tuspetinib as a single agent (TUS) and in combination with venetoclax in patients with R/R AML from across clinical centers in the United States, South Korea, Spain, Australia and other sites. Data from the Food Effect Study in healthy human volunteers demonstrated tuspetinib can be administered with or without food and foresee no clinically meaningful difference in exposure. This is an important finding for patient convenience, as venetoclax is dosed with food and tuspetinib can now be co-administered with venetoclax rather than in staggered dosing. Findings from the Phase 1/2 clinical trial demonstrated tuspetinib as a single agent was well-tolerated and highly active among R/R AML patients with a diversity of adverse genotypes and delivered a 42% CR/CRh cross-evaluable venetoclax (VEN) naive patients at the 80mg daily RP2D. The TUS+VEN doublet has been well tolerated in the APTIVATE international Phase 1/2 expansion trial in R/R AML patients and achieved multiple responses in patients who previously failed venetoclax ("Prior-VEN failure AML"), including Prior-VEN failure patients who also previously failed FLT3 inhibitors, all of whom represent emerging populations of high unmet medical need. Notably, tuspetinib targets venetoclax resistance mechanisms that may re-sensitize Prior-VEN failure patients to venetoclax.

Separate from the clinical studies, the preclinical study (entitled: “Tuspetinib Oral Myeloid Kinase Inhibitor Creates Synthetic Lethal Vulnerability to Venetoclax”) presented by Aptose during the ESH Conference investigated the effects of tuspetinib on key elements of the phosphokinome and apoptotic proteome in both parental and TUS-resistant AML cells. In parental cells, tuspetinib inhibits key oncogenic signaling pathways and shifts the balance of pro- and anti-apoptotic proteins in favor of apoptosis, suggesting that it may generate vulnerability to venetoclax. In addition, acquired resistance in the AML cells to tuspetinib generated a synthetic lethal vulnerability to venetoclax of unusually high magnitude. Concurrent administration of TUS+VEN therefore may discourage the emergence of resistance to tuspetinib during treatment.

In conjunction with poster presentations at the ESH Conference, on October 30, 2023, Aptose held a “Clinical Update and KOL Data Review of AML Drug Tuspetinib” that was webcast and featured Dr. Naval Daver, MD, Professor, Director Leukemia Research Alliance Program, Department of Leukemia, The University of Texas MD Anderson Cancer Center, Houston, Texas. Dr. Daver is the lead investigator on Aptose’s APTIVATE trial and is recognized for significant achievements in the development of novel AML treatments, including several combination therapies. Aptose presented data in 49 patients who received the TUS+VEN doublet, showing an overall response rate ("ORR") of 48% among all patients that had achieved an evaluable stage, as well as a 44% ORR among Prior-VEN failure AML patients, including FLT3-unmutated ("wildtype") patients (43% ORR) and FLT3-mutated patients (60% ORR), some of whom also had failed prior therapy with FLT3 inhibitors. The TUS+VEN doublet was well tolerated with no unexpected safety signals. The TUS+VEN doublet may serve the Prior-VEN failure R/R AML patients that represent a rapidly growing population that is highly refractory to any salvage therapy. The compelling data with the TUS+VEN doublet in R/R AML patients suggest a TUS+VEN+HMA triplet may also serve the needs of frontline (1L) newly diagnosed AML patients.

Concurrent with the European Hematology Association (EHA) Annual Congress held June 8-11, 2023, Aptose held an interim clinical update webcast on June 10, 2023, to present highlights from the ongoing clinical development of tuspetinib. Aptose reported completion of the tuspetinib dose escalation and dose exploration Phase 1/2 trial in 77 R/R AML patients, tuspetinib demonstrated a favorable safety profile, and tuspetinib delivered monotherapy responses across four dose levels with no dose-limiting toxicity in mutationally diverse and difficult to treat R/R AML populations, including patients with highly adverse mutations that typically do not respond to monotherapy or combination therapy: TP53-mutated patients with a CR/CRh = 20% and RAS-mutated patients with a CR/CRh = 22%. Aptose also reported completion of a successful End of Phase 1 Meeting with the US FDA for tuspetinib, that a monotherapy RP2D was selected as 80mg daily, and that all development paths remain open, including the single arm accelerated path. Following completion of the dose escalation and dose exploration phases of the Phase 1/2 clinical program, Aptose focused attention on the tuspetinib APTIVATE expansion trial. The APTIVATE trial is designed to identify patient populations sensitive to tuspetinib monotherapy that may serve as development paths for single arm accelerated approval and to use the TUS+VEN doublet in R/R AML patients and identify patient populations of unmet need that are sensitive to the TUS+VEN doublet and can serve as development paths

for accelerated and full approvals. We reported that patient enrollment in the APTIVATE expansion trial has been brisk and preliminary CR activity had already been reported in patients receiving the TUS+VEN doublet who previously failed therapy with venetoclax. During the interim clinical update webcast Aptose also reviewed clinical findings with the new G3 formulation of luxeptinib. Aptose disclosed that continuous dosing with 50mg of the G3 formulation achieves roughly an equivalent pharmacokinetic profile as 900mg original G1 formulation, and that dose escalation with the G3 formulation was anticipated.

On March 23, 2023, Aptose announced the APTIVATE Phase 1/2 expansion trial with tuspetinib had been initiated and already had treated several R/R AML patients in the monotherapy arm, and that patient enrollment had been initiated in the doublet combination treatment arm of the APTIVATE trial with the TUS+VEN doublet. Since then, patients have continued to enroll and receive tuspetinib on the monotherapy arm. Plus, enrollment and dosing of patients on the TUS+VEN doublet arm have been brisk. Clinical investigator interest for tuspetinib is evident, and early signs of antileukemic activity during the APTIVATE trial have fueled the level of excitement for the trial.

Clinical responses to monotherapy with tuspetinib have been observed in a broad range of mutationally defined populations, including those with mutated forms of NPM1, MLL, TP53, DNMT3A, RUNX1, wild-type FLT3, ITD or TKD mutated FLT3, various splicing factors, and other genes. In the March 23, 2023, announcement, Aptose also highlighted an unexpected observation of a 29% CR/CRh response rate with tuspetinib monotherapy in R/R AML patients having mutations in the RAS gene or other genes in the RAS pathway. Responses in RAS-mutated patients are important because the RAS pathway is often mutated in response to therapy by other agents as the AML cells mutate toward resistance to those other agents. Collectively, these observations of broad clinical activity of tuspetinib, along with its favorable safety profile, position tuspetinib for potential accelerated development paths, as well as for doublet, triplet and maintenance therapy indications.

On January 30, 2023, Aptose announced dosing of patients in the APTIVATE Phase 1/2 clinical trial of tuspetinib, and that another clinical response has been achieved by a R/R AML patient receiving 40 mg tuspetinib once daily orally in the original dose exploration trial, the second response at the recently launched low-dose 40 mg cohort. In addition, Aptose elucidated a rationale for the superior safety profile of tuspetinib. While several kinase inhibitors require high exposures that exert near complete suppression of a single target to elicit responses, those agents often cause additional toxicity because they also cause extensive inhibition of that target in normal cells. In contrast, tuspetinib simultaneously suppresses a small suite of kinase-driven pathways critical for leukemogenesis. Consequently, tuspetinib achieves clinical responses at lower exposures with less overall suppression of each pathway, thereby avoiding many of the toxicities observed with competing agents.

Luxeptinib

Given current funding and our prioritization of tuspetinib, we have decided to pause funding the development of luxeptinib. For further information about the historical development of Luxeptinib, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

On March 26, 2024, Aptose announced that during 2023 and early 2024, clinical evaluation of the new G3 formulation of LUX was completed. The G3 formulation was tested in a single dose bioavailability study in 20 patients, including both B-cell cancer and AML patients, and across 5 dose levels (10mg to 200mg). The G3 formulation then was evaluated in R/R AML patients with continuous dosing using two different dose levels (50mg BID and 200mg BID) in a total of 11 patients. Data demonstrated the G3 formulation dosed at 200mg twice daily can achieve 2-3uM steady state plasma levels, with approximately 10-fold better absorption and better tolerability than the original G1 formulation. Thus, the G3 formulation achieved the desired plasma exposure benchmark and can serve as the formulation of choice for future studies with LUX. Aptose is exploring alternative development paths and collaborations to advance LUX as a single agent or in combination with VEN to treat defined R/R patient populations of high unmet need.

Other corporate matters

On February 29, 2024, the Company received a 2024 Deficiency Letter (the “February Deficiency Letter”) from the Nasdaq Listing Qualifications Department of Nasdaq notifying the Company that the Company’s private placement of securities to Hanmi (the "Private Placement") violated 5635(d) of the Nasdaq Listing Rules because the Company did not obtain shareholder approval prior to such issuance. Nasdaq stated that the Private Placement involved the issuance of greater than 20% of the issued and outstanding Common Shares of the Company at a discount to the Nasdaq official closing price on January 25, 2024, the date of the subscription agreement between the Company and Hanmi. The February Deficiency Letter had no immediate effect on the listing of the Company’s Common Shares. In accordance with the Nasdaq Listing Rules, the Company was given 45 calendar days to submit a plan to regain compliance. The Company submitted a plan to regain compliance on April 15, 2024. On April 25, 2024, the Company received a letter from the Listing Qualifications Department (the “Staff”) of Nasdaq notifying the Company of the Staff’s determination that the Company

had regained compliance with Nasdaq Listing Rule 5635(d) and the Staff has determined that the matter is now closed. Pursuant to the Company's plan to regain compliance, on April 26, 2024, the Company announced that it had amended the warrant agreement with Hanmi to prohibit the exercise of the Hanmi warrants in excess of the Nasdaq 19.99% limitation (the "Nasdaq 19.99% Cap"), unless shareholder approval is first obtained to exceed the Nasdaq 19.99% Cap.

On April 2, 2024, the Company received a letter (the "Notification Letter") from Nasdaq stating that the Company was not in compliance with Nasdaq Listing Rule 5550(b)(1) (the "Rule") because the stockholders' equity of the Company as of December 31, 2023, as reported in the Company's Annual Report on Form 10-K, was below the minimum requirement of $2.5 million (the "Stockholders' Equity Requirement"). The Notification Letter had no immediate effect on the Company's continued listing on the Nasdaq Capital Market, subject to the Company's compliance with the other continued listing requirements. Pursuant to the Notification Letter, the Company had 45 calendar days to submit a plan to evidence compliance with the Rule (a "Compliance Plan"). The Company submitted a Compliance Plan on May 17, 2024.

On July 16, 2024, the Company received a deficiency letter (the "Deficiency Letter") from the Staff of The Nasdaq Stock notifying the Company that, for the prior thirty consecutive business days, the closing bid price for the Company's Common Shares have been below the minimum $1.00 per share required for continued listing on Nasdaq pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Requirement"). The Deficiency Letter had no immediate effect on the listing of the Company's Common Shares, and its Common Shares will continue to trade on Nasdaq. The Company's Common Shares continue to trade on the Toronto Stock Exchange ("TSX") under the symbol "APS." The Company's listing on the TSX is independent and will not be affected by the Nasdaq listing status. The Company has been given 180 calendar days, or until January 13, 2025, to regain compliance with the Minimum Bid Price Requirement. If at any time before January 13, 2025, the bid price of the Company's Common Shares closes at $1.00 per share or more for a minimum of 10 consecutive business days, the Staff will provide written confirmation that the Company has achieved compliance with the Minimum Bid Requirement. If the Company does not regain compliance with the Minimum Bid Price Requirement by January 13, 2025, the Company may, at Nasdaq's discretion, be afforded a second 180 calendar day period to regain compliance, but if Nasdaq does not grant such extension, the Company's common shares could be delisted from Nasdaq. To qualify for the extension, the Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the bid price requirement. The Company intends to monitor the closing bid price of its Common Shares and may, if appropriate, consider available options, including the possibility of seeking shareholder approval of a reverse stock split, to regain compliance with the Minimum Bid Price Requirement. However, there can be no assurance that the Company will be able to regain compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

On August 1, 2024, the Company filed a preliminary S-1 prospectus to raise complete a proposed financing as part of its Compliance Plan, in addition to funds raised in the June 2024 Registered Direct Offering. On August 2, 2024, the Company implemented a reduction in force with an approximate $1.2 million per annum decrease in payroll costs.

The Company's stockholder's equity as of September 30, 2024 was negative $9.1 million. As of the date of this report, the Company does not have a market value of listed securities of $35 million, or net income from continued operations of $500,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years, the alternative quantitative standards for continued listing on the Nasdaq Capital Market.

On October 1, 2024, the Corporation received a staff determination letter from the Listing Department stating that the Company did not meet the terms of the extension because it did not complete its proposed financing initiatives to regain compliance. On October 8, 2024, the Company requested an appeal and hearing; such hearing is scheduled for November 21, 2024. The hearing request has automatically stayed Nasdaq's delisting of the Company's Common Shares pending the Panel's decision. At or prior to the hearing, the Company plans to present to Nasdaq information demonstrating that it has regained compliance with the continued listing standards under the Nasdaq Listing Rules, or alternatively a plan to regain compliance and a request for an extension of time to effectuate the plan. Notwithstanding the foregoing, there can be no assurance that the Company will regain compliance with the continued listing standards under the Nasdaq Listing Rules, or that the Panel will grant the Company an extension of time to regain compliance, in the event the Company requests such an extension.

On October 30, 2024, the Company filed an Amendment to the S-1 preliminary prospectus filed on August 1 (the "S-1/A") to raise financing as part of its Compliance Plan. The S-1/A relates to the offering of up to 21,528,525 Common Shares, no par value ("Offered Shares") together with warrants to purchase up to 10,764,263 Common Shares. Each Offered Share, or a pre-funded warrant (the "Pre-Funded Warrants) in lieu thereof, is being sold together with one half (1/2) common warrant (the "Common Warrants" and together, with the "Pre-Funded Warrants", the "Warrants") exercisable for one Common Share. The assumed combined public offering price for each Offered Share and accompanying Common Warrant is $0.3716, which is the last reported sale price of the Company's Common Shares on Nasdaq on October 29, 2024. The completion of the offering is conditional upon the approval of the TSX. In addition, this S-1/A relates to the issuance of Placement Agent Warrants (as defined below) to purchase up to 861,141 shares of the Company's Common Shares issuable to the Placement Agent (as defined below), based on an assumed public offering price of the Offered Shares and Warrants and the underlying Common Shares issuable upon the exercise of Placement Agent Warrants.

Each Common Warrant has an assumed exercise price of $0.3716 per Common Share, which is the last reported sale price of the Company's Common Shares on Nasdaq on October 29, 2024, will be exercisable immediately upon issuance, subject to certain limitations based on the holder's beneficial ownership of the Company's Common Shares, and will expire five years from the date of issuance. The Offered Shares and Common Warrants are immediately separable and will be issued separately in this offering, but must be purchased together in this offering. The Company is also offering Pre-Funded Warrants to purchase up to 21,528,525 Common Shares to those purchasers whose purchase of Offered Shares in this offering would result in the purchaser beneficially owning more than 4.99% (or, at the election of the purchaser, 9.99%) of the Company's outstanding Common Shares following the consummation of this offering in lieu of the Offered Shares that would result in ownership in excess of 4.99% (or, at the election of the purchaser, 9.99%) following the consummation of this offering. Each Pre-Funded Warrant will be exercisable for one Common Share at an exercise price of $0.0001 per Common Share. Each Pre-Funded Warrant is being issued together with the same Common Warrants described above being issued with each Offered Share. The assumed combined public offering price for each such Pre-Funded Warrant, together with the Common Warrants, is $0.3715, which is equal to the assumed public offering price in this offering of an Offered Share and accompanying Common Warrant less the $0.0001 per Common Share exercise price of each such Pre-Funded Warrant. Each Pre-Funded Warrant will be exercisable immediately upon issuance, subject to certain limitations based on the holder's beneficial ownership of the Company's Common Shares, and may be exercised at any time until the Pre-Funded Warrant is exercised in full. The Common Warrants are immediately separable and will be issued separately in this offering, but must be purchased together in this offering.

LIQUIDITY AND CAPITAL RESOURCES

Aptose is an early-stage development company, and we currently do not generate any revenues from our drug candidates. The continuation of our research and development activities and the commercialization of the targeted therapeutic products are dependent upon our ability to successfully finance and complete our research and development programs through a combination of equity financing and payments from strategic partners.

Sources of liquidity:

The following table presents our cash and cash equivalents, investments, working capital and stockholders' equity as of September 30, 2024 and December 31, 2023.

(in thousands)	Balances at September 30, 2024	Balances at December 31, 2023
Cash and cash equivalents	$ 7,962	$ 9,252
Total	$ 7,962	$ 9,252
Working capital	$ 477	$ (3,375)
Stockholders' equity	$ (9,134)	$ (2,901)

Working capital is a non-GAAP measure and represents primarily cash, cash equivalents, investments, prepaid expenses and other current assets less current liabilities. This financial measure provides a fuller understanding of the Company's capital available to fund future operations.

All our cash is maintained at high-credit quality institutions. We minimize the cash levels above the insurance levels required by the Federal Deposit Insurance Corporation and the Canada Deposit Insurance Corporation, with excess cash invested in short-term investments with leading financial institutions. Our short-term investments, maturing within 90 days and classified as Cash and cash equivalents, consist of high interest savings accounts.

Management recognizes that in order for us to meet our capital requirements, and continue to operate, additional financing will be necessary. We plan to raise additional funds in order to fund our business operations. We will seek access to financing but there is no assurance that such additional funds will be available for us to finance our operations on acceptable terms, if at all. The Company's current cash, cash equivalents and investments are projected to support operations through January 2025. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Such adjustments could be material. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting year. The Company is in substantial doubt to continue as a going concern; As of September 30, 2024, the Company had negative shareholder's equity of $9.1 million (December 31, 2023 negative shareholder's equity of $2.9 million; an accumulated deficit of approximately $539.4 million (December 31, 2023, $515.5 million); during the nine months period ended September 30, 2024, the Company incurred a net loss of $23.8 million (2023 - $39.3 million) and as of September 30,

2024, the Company had a working capital of approximately $477 thousand (December 31, 2023, negative working capital of $3.4 million), including approximately $8 million (December 31, 2023, $9.3 million) in cash and cash equivalent balance, and current liabilities of approximately $9.8 million (December 31, 2023, $15.3 million). Our ability to raise additional funds could be affected by adverse market conditions, the status of our product pipeline, possible delays in enrollment in our trial, uncertainty regarding our continued listing on NASDAQ, and various other factors and we may be unable to raise capital when needed, or on terms favorable to us.

The Company faces increasingly challenging financial and business conditions, including an inability to raise sufficient equity and equity-linked financing to fully fund execution of its business plans and to satisfy the $2.5 million NASDAQ's shareholder's equity requirement. Since our inception, we have financed our operations and technology acquisitions primarily from equity financing, proceeds from the exercise of warrants and stock options, and interest income on funds held for future investment. During the current period, the Company has explored numerous alternatives to ensure the funding of the Company's clinical trials, services and to repay its outstanding vendors and to increase its equity level. The raising of additional capital, debt refinancing of the Company, collaborations, and/or the trade sale of some of the Company's assets or operations to make bulk payments to repay outstanding debt and accounts payable, if successful, would potentially alleviate any significant doubt on the Company's ability to continue as a going concern. In the event that capital financing and/or debt refinancing and collaborations is unable to be secured, the Company may need to resolve to other means of protecting its assets in the best interests of its shareholders, including foreclosure or forced liquidation and/or seeking creditors' protection.

As there can be no certainty as to the resolution of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, see "Going Concern Risk", see Item II, Part IA below.

Our ability to raise additional funds could be affected by adverse market conditions, the status of our product pipeline, possible delays in enrollment in our clinical trials, and various other factors and we may be unable to raise capital when needed, or on terms favorable to us. If the necessary funds are not available, we may need to delay, reduce the scope of, or eliminate some of our development programs, potentially delaying the time to market for any of our product candidates.

June 2024 Registered Direct Offering

On June 3, 2024, the Company closed a registered direct offering priced at-the-market under Nasdaq rules of 1,800,000 Common Shares at a price of $1.15 per share and 2,055,000 pre-funded warrants at a purchase price of $1.149 per pre-funded warrant. Additionally, in a concurrent private placement, Aptose issued unregistered series A warrants to purchase up to 3,855,000 Common Shares and series B warrants to purchase up to 3,855,000 Common Shares, each at an exercise price of $1.15 per share. The unregistered series A and series B warrants became exercisable beginning on the effective date of shareholder approval of the issuance of the Common Shares issuable upon exercise of the warrants which was obtained on September 5, 2024. The series A warrants will expire five years from September 5, 2024 and the series B warrants will expire eighteen months from September 5, 2024. The gross proceeds to the Company from the offering was approximately $4.43 million, before deducting the placement agent's fees and other offering expenses. Financing costs of approximately $408 thousand included underwriting costs of 7% and professional fees. In addition, the underwriter received 192,750 warrants, each at an exercise price of $1.44. The unregistered warrants became exercisable on September 5, 2024 for the issuance of the shares issuable upon exercise of the warrants and will expire five years from September 5, 2024.

On September 5, 2024, the Company held a Special Meeting of Shareholders pursuant to which shareholders voted to authorize, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance of Common Shares underlying certain warrants in an amount equal to or in excess of 20% of the Common Shares outstanding immediately prior the issuance of such warrants issued pursuant to that certain securities purchase agreement dated as of May 30, 2024 by and among the Company and certain institutional and accredited investors in connection with the Company's registered direct offering and private placement which closed on June 3, 2024. On September 11, 2024, the Company issued 1,395,000 Common Shares upon the exercise of 1,395,000 Pre-Funded Warrants for a cash proceeds of $1 thousand at an exercise price of $0.001.

January 2024 Public Offering and Private Placement

On January 31, 2024, the Company announced the closing of a $9.7 million public offering (the "Public Offering") and a $4 million private placement (the "Private Placement") with Hanmi. The Public Offering comprised of 5,649,122 Common Shares and warrants at a combined offering price of $1.71. This included 736,842 Common Shares and warrants pursuant to a full exercise by the underwriter of its over-allotment option. The Private Placement comprised 2,105,263 Common Shares sold at a price of $1.90 per share, representing an 11% premium over the price of the Common Shares issued as part of the Public Offering. Financing costs of approximately $1.4 million included underwriting costs of 7% and approximately $0.4 million in professional fees. The Company also issued Hanmi warrants to purchase Common Shares at an exercise price of $1.71 per share.

Hanmi 2023 Equity Investment

On August 10, 2023, the Company entered into a binding term sheet with Hanmi whereby Hanmi agreed at their sole discretion to invest up to a maximum of $7 million in Aptose up to a total ownership of 19.99 percent of Aptose by Hanmi. On September 6, 2023, the Company entered into a subscription agreement with Hanmi, pursuant to which the Corporation agreed to sell 668,449 Common Shares to Hanmi for proceeds of $3 million.

2023 Committed Equity Facility

On May 25, 2023, the Company and Keystone Capital Partners, LLC ("Keystone") entered into a committed equity facility (the "2023 Committed Equity Facility"), which provides that subject to the terms and conditions set forth therein, the Company has the right, but not the obligation, to sell to Keystone, and Keystone is obligated to purchase, up to the Total Commitment during the 24-month term of the 2023 Committed Equity Facility.

Under the 2023 Committed Equity Facility, and subject to its terms and conditions set forth, we may sell to Keystone up to the lesser of (i) $25.0 million of the Common Shares and (ii) a number of Common Shares equal to 19.99% of the Common Shares outstanding immediately prior to the execution of the 2023 Committed Equity Facility (subject to certain exceptions) (the "Total Commitment"), from time to time during the 24-month term of the 2023 Committed Equity Facility. Additionally, on May 25, 2023, we entered into a Registration Rights Agreement with Keystone, pursuant to which the Company agreed to file a registration statement with the SEC covering the resale of Common Shares that are issued to Keystone under the 2023 Committed Equity Facility. This registration statement became effective on June 30, 2023 and the 2023 Committed Equity Facility commencement date was July 12, 2023 (the "Commencement Date").

Upon entering into the 2023 Committed Equity Facility, the Company agreed to issue to Keystone an aggregate of 25,156 Commitment Shares as consideration for Keystone's commitment to purchase Common Shares upon the Company's direction under the 2023 Committed Equity Facility. The Company issued 7,547 Common Shares, or 30% of the Commitment Shares, on the date of the 2023 Committed Equity Facility and an additional 7,547 First Back-End Commitment Shares, or 30% of the Commitment Shares, were issued to Keystone 90 days following the Commencement date for nil cash proceeds. The remaining 10,062 Second Back-End Commitment Shares, or 40% of the Commitment Shares, were issued to Keystone in January 2024, 180 days following the Commencement Date.

In the year ended December 31, 2023, the Company's issuance of Common Shares to Keystone comprised 720,494 Common shares sold to Keystone at an average price of $2.91 per Common share for cash proceeds of $2.1 million and the 15,094 Commitment Shares. During the nine months ended September 30, 2024, the Company issued 510,101 Common Shares to Keystone at an average price of $1.36 per Common Share for cash proceeds of $694 thousand and 10,062 Commitment Shares. The Company recognized $82 thousand of financing costs associated with professional fees during the nine months ended September 30, 2024. Since inception to April 2024, the time the Committed Equity Facility was terminated, the Company's issuance of Common Shares to Keystone comprised of an aggregate of 1,230,595 Common Shares at an average price of $2.27 per Common Share for aggregate gross cash proceeds of $2.8 million and 25,156 Commitment Shares. From inception to the termination of the Committed Equity Facility, the Company recognized $168 thousand of financing costs associated with professional fees. In April 2024, the Company's issuances of Common Shares to Keystone reached the Total Commitment of the Committed Equity Facility, i.e. 19.99% of the Common Shares outstanding immediately prior to the execution of the 2023 Committed Equity Facility Agreement.

At-The-Market Facility

On December 9, 2022, the Company entered into an equity distribution agreement pursuant to which the Company may, from time to time, sell Common Shares having an aggregate offering value of up to $50 million through Jones Trading Institutional Services LLC ("Jones Trading") on Nasdaq (the "2022 ATM Facility"). During the year ended December 31, 2023, the Company issued 336,690 Common Shares under the 2022 ATM Facility at an average price of $5.62 for gross proceeds of $1.9 million ($1.8 million net of share issuance costs). During the current year up to May 30, 2024, the date on which the Company terminated the 2022 ATM Facility, the Company issued 81,591 Common Shares under this 2022 ATM Facility at an average price of $1.22 for gross proceeds of $100 thousand ($97 thousand net of share issuance costs). Since inception to May 30, 2024, the date on which the Company terminated the 2022 ATM Facility, the Company raised a total of $2.1 million of gross proceeds ($2.0 million net of share issuance costs) under the 2022 ATM Facility. Costs associated with the proceeds consisted of a 3% cash commission.

Cash flows:

The following table presents a summary of our cash flows for the three-month and nine-month periods ended September 30, 2024 and 2023:

(in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net cash provided by/(used in):				
Operating activities	$ (10,376)	$ (10,536)	$ (27,917)	$ (35,331)
Investing activities	—	12,953	18	8,022
Financing activities	10,008	4,902	26,609	6,056
Effect of exchange rates changes on cash and cash equivalents	—	1	—	3
Net increase/(decrease) in cash and cash equivalents	$ (368)	$ 7,320	$ (1,290)	$ (21,250)

Cash used in operating activities:

Our cash used in operating activities for the three-month periods ended September 30, 2024 and 2023 was approximately $10.4 million and $10.5 million, respectively. Our cash used in operating activities for the nine-month periods ended September 30, 2024 and 2023 was approximately $27.9 million and $35.3 million, respectively.

Net cash used in operating activities decreased in both the three-month periods and nine-month periods ended September 30, 2024, compared to the same periods in 2023. This was primarily due to reduced operating expenses and accounts payable, with an increase in accrued liabilities over three-month periods and a reduction in accrued liabilities over nine-month periods (see 'Results of Operations'). Our uses of cash for operating activities for both periods consisted primarily of salaries and wages for our employees, facility and facility-related costs for our offices and laboratories, fees and pass-through expenses paid in connection with preclinical and clinical studies, drug manufacturing costs, laboratory supplies and materials, and professional fees.

We do not expect to generate positive cash flow from operations for the foreseeable future as we incur additional research and development costs, including costs related to preclinical testing, clinical trials and manufacturing, as well as operating expenses associated with supporting these activities, and potential milestone payments to our collaborators. It is expected that negative cash flows will continue until such time, if ever, that we receive regulatory approval to commercialize any of our products under development and/or royalty or milestone revenue from any such products exceeds expenses.

Cash flow from (used in) investing activities:

Our cash provided by investing activities for the three-month period ended September 30, 2024 was nil. Our cash provided by investing activities for the three-month period ended September 30, 2023 was $13 million, and consisted of net maturities of investments. Our cash provided by investing activities for the nine-month period ended September 30, 2024 was $18 thousand, and consisted of net acquisition of investments and net disposal of property and equipment. Our cash provided by investing activities for the nine-month period ended September 30, 2023, was $8 million, and consisted of net maturities of investments and net purchases of property and equipment.

The composition and mix of cash, cash equivalents and investments is based on our evaluation of conditions in financial markets and our near-term liquidity needs. We have exposure to credit risk, liquidity risk and market risk related to our investments. The Company manages credit risk associated with its cash and cash equivalents and investments by maintaining minimum standards of R1-low or A-low investments. The Company invests only in highly rated financial instruments which are capable of prompt liquidation. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flows. The Company is subject to interest rate risk on its cash and cash equivalents and investments. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates relative to interest rates on the investments, owing to the relatively short-term nature of the investments.

Cash flow from financing activities:

Our cash flow from financing activities for the three months ended September 30, 2024, was $10 million, consisting of $10 million from the proceeds of a loan payable to related parties and $8 thousand in cash proceeds from the issuance of shares under the ESPP. Our cash flow from financing activities for the three months ended September 30, 2023, was $4.9 million, consisting of $3 million, $1.2 million and $694 thousand resulting from Common Shares issued from the Hanmi subscription agreement, the 2023 Committed Equity

Facility, and the 2022 ATM Facility, respectively, $50 thousand from a stock subscription advance under the 2023 Committed Equity Facility and $13 thousand in cash proceeds from issuance of shares under the Employee Stock Purchase Plan ("ESPP"). Our cash flow from financing activities for the nine months ended September 30, 2024, was $26.6 million, consisting of $10 million from the proceeds of loan payable to related parties, $4.1 million from the issuance of Common Shares under the registered direct offering, $8.1 million from the issuance of Common Shares under the S-1 filing, $3.7 million from the issuance of Common Shares to Hanmi, $694 thousand from the issuance of Common Shares under the Committed Equity Facility, $97 thousand in cash proceeds from issuance of Common Shares under the 2022 ATM Facility, $26 thousand in cash proceeds from issuance of Common Shares under the ESPP, and partly offset by $177 thousand of financing costs. Our cash flow from financing activities for the nine months ended September 30, 2023 was $6.1 million, consisting of $3 million, $1.8 million and $1.2 million resulting from Common Shares issued from the Hanmi subscription agreement, the 2022 ATM Facility and the 2023 Committed Equity Facility, respectively, $50 thousand from a stock subscription advance under the 2023 Committed Equity Facility and $29 thousand in cash proceeds from issuance of shares under the ESPP.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS DESCRIBED UNDER ITEM 7

There were no material changes to our contractual obligations and commitments described under Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which can be found on EDGAR at www.sec.gov/edgar.shtml and on SEDAR+ at www.sedarplus.ca.

RESULTS OF OPERATIONS

A summary of the results of operations for the three-month and nine-month periods ended September 30, 2024 and 2023 is presented below:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Revenues	$ —	$ —	$ —	$ —
Research and development expenses	4,702	8,256	15,560	27,649
General and administrative expenses	2,263	3,425	8,510	12,580
Other income, net	12	234	225	977
Net loss	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,252)
Other comprehensive income/(loss)	—	—	—	3
Comprehensive loss	$ (6,953)	$ (11,447)	$ (23,845)	$ (39,249)
Basic and diluted loss per common share	$ (0.37)	$ (1.76)	$ (1.48)	$ (6.14)

Net loss for the three-month period ended September 30, 2024 decreased by $4.5 million to $7.0 million, as compared to $11.4 million for the comparable period in 2023. Net loss for the nine-month period ended September 30, 2024 decreased by $15.5 million to $23.8 million, as compared to $39.3 million for the comparable period in 2023.

Components of net loss are presented below:

Research and Development

Research and development expenses consist primarily of costs incurred related to the research and development of our product candidates and include:

•External research and development expenses incurred under agreements with third parties, such as contract research organizations, consultants, members of our scientific advisory boards, external labs and contract manufacturing organizations; and

•Employee-related expenses, including salaries, benefits, travel, and stock-based compensation for personnel directly supporting our clinical trials, manufacturing and development activities.

Subject to successful new financing activities, we expect our research and development expenses to be lower during 2024 than in 2023; for the foreseeable future, as we advance tuspetinib into more extensive clinical trials, costs will increase unless the program is partnered.

The research and development expenses for the three-month and nine-month periods ended September 30, 2024, and 2023 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Program costs – Tuspetinib	$ 4,067	$ 5,814	$ 10,656	$ 18,659
Program costs – Luxeptinib	(225)	648	287	2,643
Program costs – APTO-253	—	2	13	28
Personnel-related expenses	941	1,523	4,274	5,108
Stock-based compensation	(81)	259	317	1,182
Depreciation of equipment	—	10	13	29
Total	$ 4,702	$ 8,256	$ 15,560	$ 27,649

Research and development expenses decreased by $3.6 million to $4.7 million for the three-month period ended September 30, 2024, as compared to $8.3 million for the comparative period in 2023. Changes to the components of our research and development expenses presented in the table above are primarily as a result of the following events:

•Program costs for tuspetinib were $4.1 million for the three-month period ended September 30, 2024, compared with $5.8 million for the comparative period in 2023. The lower program costs for tuspetinib in the current period represent the reduction of activity in our APTIVATE clinical trial, reduced manufacturing costs, and related expenses. In the comparative period in 2023, tuspetinib program costs included the healthy volunteer study, which was completed in 2023.

•Program costs for luxeptinib decreased by approximately $873 thousand, primarily due to lower clinical trial and manufacturing activities.

•Program costs for APTO-253 decreased by approximately $2 thousand. The Company discontinued further clinical development of APTO-253.

•Personnel-related expenses decreased by $582 thousand, primarily related to fewer employees in the current three-month period.

•Stock-based compensation decreased by approximately $340 thousand in the three months ended September 30, 2024, compared to the three months ended September 30, 2023, primarily due to stock options granted with lower grant date fair values, in the current period and option forfeitures recorded in the current period.

Research and development expenses decreased by $12.0 million to $15.6 million for the nine-month period ended September 30, 2024, as compared to $27.6 million for the comparative period in 2023. Changes to the components of our research and development expenses presented in the table above are primarily as a result of the following events:

•Program costs for tuspetinib were $10.7 million for the nine-month period ended September 30, 2024, a decrease of $8 million compared with $18.7 million for the comparative period in 2023. The lower program costs for tuspetinib in the current period represent the reduction of activity in our APTIVATE clinical trial, reduced manufacturing costs, and related expenses. In the comparative period in 2023, tuspetinib program costs included the healthy volunteer study, which was completed in 2023.

•Program costs for luxeptinib decreased by approximately $2.4 million to $287 thousand for the nine months ended September 30, 2024, as compared to $2.6 million in the comparative period, primarily due to lower clinical trial and manufacturing activities.

•Program costs for APTO-253 decreased by approximately $15 thousand, due to the Company’s decision on December 20, 2021 to discontinue further clinical development of APTO-253.

•Personnel-related expenses decreased by $834 thousand, primarily related to fewer employees in the current nine-month period and partially offset by salary increases.

•Stock-based compensation decreased by approximately $865 thousand in the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023, primarily due to stock options granted with lower grant date fair values, in the current period and option forfeitures recorded in the current period.

General and Administrative

General and administrative expenses consist primarily of salaries, benefits and travel, including stock-based compensation for our executive, finance, business development, human resources, and support functions. Other general and administrative expenses are professional fees for auditing and legal services, investor relations and other consultants, insurance and facility-related expenses.

We expect that our general and administrative expenses to support the trial will decrease related to cost reduction steps undertaken as part of our Nasdaq Compliance Plan submitted on May 17, 2024.

The general and administrative expenses for the three-month and nine-month periods ended September 30, 2024, and 2023 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
General and administrative, excluding items below	$ 2,191	$ 3,075	$ 7,809	$ 10,479
Stock-based compensation	68	340	686	2,060
Depreciation of equipment	4	10	15	41
Total	$ 2,263	$ 3,425	$ 8,510	$ 12,580

General and administrative expenses for the three-month period ended September 30, 2024 were $2.3 million, as compared to $3.4 million for the comparative period in 2023, a decrease of approximately $1.2 million. The decrease was primarily due to the following:

- General and administrative expenses, other than stock-based compensation and depreciation of equipment, decreased by approximately $884 thousand in the three months ended September 30, 2024, primarily as a result of lower salaries expenses in the period.
- Stock-based compensation decreased by approximately $272 thousand in the three months ended September 30, 2024, as compared to the three months ended September 30, 2023, due to stock options granted with lower grant date fair values in the current period and option forfeitures recorded in the current period.

General and administrative expenses for the nine-month period ended September 30, 2024 were $8.5 million, as compared to $12.6 million for the comparative period in 2023, a decrease of approximately $4.1 million. The decrease was primarily due to the following:

- General and administrative expenses, other than stock-based compensation and depreciation of equipment, decreased by approximately $2.7 million in the nine months ended September 30, 2024, primarily as a result of lower salaries expenses and professional fees expensed in the period.
- Stock-based compensation decreased by approximately $1.4 million in the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023, due to stock options granted with lower grant date fair values in the current period and option forfeitures recorded in the current period.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Policies and Estimates

We periodically review our financial reporting and disclosure practices and accounting policies to ensure that they provide accurate and transparent information relative to the current economic and business environment. As part of this process, we have reviewed our selection, application and communication of critical accounting policies and financial disclosures. Management has discussed the development and selection of the critical accounting policies with the Audit Committee of the Board of Directors and the Audit Committee has reviewed the disclosure relating to critical accounting policies in this Management's Discussion and Analysis.

Significant Accounting Judgments and Estimates

A "critical accounting policy" is one which is both important to the portrayal of our financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. For additional information, please see the discussion of our significant accounting policies in Note 2 to the Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on

March 26, 2024. There were no material changes to our critical accounting policies and estimates during the three months ended September 30, 2024.

The Company records expenses for research and development activities based on management's estimates of services received and efforts expended pursuant to contracts with vendors that conduct research and development on the Company's behalf. The financial terms vary from contract to contract and may result in uneven payment flows as compared to services performed or products delivered. As a result, the Company is required to estimate research and development expenses incurred during the period, which impacts the amount of accrued expenses and prepaid balances related to such costs as of each balance sheet date. Management estimates the amount of work completed through discussions with internal personnel and the contract research and contract manufacturing organizations as to the progress or stage of completion of the services. The Company's estimates are based on a number of factors, including the Company's knowledge of the status of each of the research and development project milestones, and contract terms together with related executed change orders. Management makes significant judgments and estimates in determining the accrued balance at the end of each reporting period.

Although management does not expect our estimates to be materially different from amounts actually incurred, if the estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in the Company reporting amounts that are too high or too low in any particular period. As of September 30, 2024, the Company has recorded $662 thousand in prepaid expenses and approximately $6.5 million in accrued liabilities related to its research and development activities. If the estimates are too high or too low by a factor of 10% this would mean that prepaid expenses would be over or understated by approximately $66 thousand, and accrued liabilities would be over or understated by approximately $650 thousand. On a combined basis, this could mean an increase or decrease in research and development expenses by approximately $716 thousand. To date, there have been no material differences between the estimates of such expenses and the amounts actually incurred.

Other important accounting policies and estimates made by management are the valuation of contingent liabilities, the valuation of tax accounts, and the assumptions used in determining the valuation of share-based compensation, as described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Management's assessment of our ability to continue as a going concern involves making a judgment, at a particular point in time, about inherently uncertain future outcomes and events or conditions. However, the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern without a significant restructuring and/or financing, and, accordingly, of the appropriateness of the use of the going concern assumption in the preparation of the unaudited condensed interim consolidated financial statements. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. While the Company has been successful in obtaining financing to date, there can be no assurance that the Company will achieve profitability and be able to do so in the future on terms favorable for the Company. Please see the "Liquidity and Capital Resources" section in this Quarterly Report on Form 10-Q for a discussion of the factors considered by management in arriving at its assessment.

Updated share information

As of November 8, 2024, we had 19,521,183 Common Shares issued and outstanding. In addition, there were 1,212,355 Common Shares issuable upon the exercise of outstanding stock options and there were 16,946,491 Common Shares issuable upon the exercise of the outstanding warrants.

ITEM 3 – QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Under SEC rules and regulations, as a smaller reporting company, we are not required to provide this information.

ITEM 4 – CONTROLS AND PROCEDURES

As of the end of our fiscal quarter ended September 30, 2024, evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the United States Exchange Act of 1934, as amended (the "Exchange Act")), was carried out by our management, with the participation of our principal executive officer and principal financial officer. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that as of the end of our fiscal quarter ended September 30, 2024, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

It should be noted that while our principal executive officer and principal financial officer believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors or fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during our fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

We are not involved in any material active legal actions. However, from time to time, we may be subject to various pending or threatened legal actions and proceedings, including those that arise in the ordinary course of our business. Such matters are subject to many uncertainties and to outcomes that are not predictable with assurance and that may not be known for extended periods of time.

ITEM 1A – RISK FACTORS

FOR INFORMATION REGARDING FACTORS THAT COULD AFFECT THE COMPANY'S RESULTS OF OPERATIONS, FINANCIAL CONDITION AND LIQUIDITY, SEE THE RISK FACTORS DISCUSSED IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2023, UNDER ITEM 1A – RISK FACTORS. ADDITIONS TO THE RISK FACTORS DISCLOSED UNDER ITEM 1A – RISK FACTORS OF THE ANNUAL REPORT INCLUDE:

- our risk of imminent bankruptcy;
- we need to obtain substantial funding immediately in order to continue operations and our exploration of strategic alternatives;
- our suppliers may choose to stop working on programs, change the terms of contracts or terminate contracts for key programs;
- our suppliers may change the terms of contracts with the company;
- our risk of not being able to meet the continued listing requirements and other requirements of Nasdaq; and
- one of our contract research organizations represented 34% of our accounts payable as of September 30, 2024. Subsequent to September 30, 2024, we paid $622 thousand and the amount owed as of the date of this filing is nil.

GOING CONCERN RISK

The Company's financial statements have been prepared on a going concern basis under which the Company is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. However, as of the date of this filing, management does not believe that the Company's cash and cash equivalents balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months. The Company's current cash and cash equivalents are projected to support operations through January 2025. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing additional equity or debt financing or in achieving profitability, or that such additional equity or debt financing will be completed on terms satisfactory to the Company and would be sufficient to satisfy any liquidity concerns related to the Company's ability to continue as a going concern. Certain adverse conditions and material uncertainties cast doubt upon the ability of the Company to continue as a going concern without a significant restructuring and/or financing. These include:

- the Company has cash-on-hand of approximately $6.8 million as at the date of this filing;
- the Company has a working capital deficiency (excess current liabilities over current assets);
- the Company currently has had no material sales of marketed products and no material sources of cash other than financings, and there can be no assurance as to the Company's ability to maintain or obtain sufficient financing sources for operations or to meet future obligations.
- uncertainty regarding the Company's Nasdaq listing raises significant doubt about its ability to continue as a going concern without substantial financing.

Due to these adverse conditions and material uncertainties, the use of the going concern assumption in the preparation of the Company's financial statements may not be appropriate. This could result in material adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements should the Company fail to continue as a going concern. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should it be unable to continue as a going concern. If the Company is unable to continue as a going concern, it may be forced to seek relief under applicable bankruptcy and insolvency legislation, which may negatively affect the price and volatility of the common shares and any investment in such shares could suffer a significant decline or total loss in value and would subject the Company to additional risks related to such proceedings.

ITEM 6 – EXHIBITS

Exhibit Number	Description of Document
10.1*	Facility Agreement among the Company and Hanmi Pharmaceutical Co., Ltd dated August 27, 2024
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following consolidated financial statements from the Aptose Biosciences Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) statements of operations and comprehensive loss, (ii) balance sheets, (iii) statements of changes of shareholders' equity, (iv) statements of cash flows, and (v) the notes to the financial statements.
101.SCH	XBRL Taxonomy Extension Schema With Embedded Linkbases Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
*	Filed herewith.
**	In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act, is deemed not filed for purposes of Section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 8th day of November, 2024.

APTOSE BIOSCIENCES INC.

By: /s/ William G. Rice, Ph.D.
William G. Rice, Ph.D.
President and Chief Executive Officer

Exhibit 10.1

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE AND CONFIDENTIAL.

FACILITY AGREEMENT

between

Hanmi Pharmaceutical Co., Ltd.

and

Aptose Biosciences Inc.

This agreement (**"Agreement"**) is dated August 27, 2024.

PARTIES

(1)**Hanmi Pharmaceutical Co., Ltd.** incorporated and registered in the Republic of Korea (the **"Lender"**); and

(2)**Aptose Biosciences Inc.** incorporated and registered in Canada (the **"Borrower"**).

DEFINITIONS

For the purposes of this Agreement, the following definitions apply:

"Business Day" shall mean a day, other than a Saturday or Sunday, or a national / bank holiday in Canada, the United States of America or the Republic of Korea (**"Korea"**). Unless otherwise specifically stated as Business Days, any reference to "days" in this Agreement shall mean calendar days.

"Finance Documents" shall mean this Agreement and the Security Documents.

"Insolvency Event" shall mean any event or circumstance described in Clause ll.5 (*Insolvency*), Clause ll.6 (*Insolvency proceedings*), Clause 11.7 (*Creditors 'process*) or any analogous procedure or step in any jurisdiction.

"Interest Payment Date" shall mean, in relation to an Interest Period, the last day of such Interest Period.

"Interest Period" shall mean, in relation to the Loan, each period determined in accordance with Clause 4 (*Interest*).

"Loan" shall mean the loan made or to be made under the Facility or the principal amount outstanding for the time being of the Loan.

"Material Adverse Effect" shall mean a material adverse effect on:

(a)the financial condition, operations or business of the Borrower;

(b)the ability of the Borrower to perform and comply with its obligations (including payment obligations) under any Finance Document to which it is party;

(c)the legality, validity, enforceability, effectiveness, ranking or priority of any provisions of the Finance Document and/or Security; or

(d)the rights or remedies of the Lender under the Finance Documents.

"Month" shall mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a)if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b)if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will apply only to the last Month of any period.

Security Documents shall mean relevant security documents to be entered into between the Lender and the Borrower in accordance with Clause 8 (*Security*).

AGREED TERMS

1.Facility

The Lender hereby agrees to lend to the Borrower up to US$I0,000,000 (the **"Facility"**). All amounts drawn under the Facility shall be applied by the Borrower solely for the Tuspetinib related business operation purposes, unless it has obtained prior written approval by the Lender, which approval will not be unreasonably conditioned, delayed or withheld.

2.Utilisation

The Facility may be drawn on the date of this Agreement and the amount of the Loan shall not exceed the maximum amount stated in Clause l.

3.Repayment

The Loan shall be secured and shall be repayable by the Borrower in full on January 31, 2027 (the **"Maturity Date"**). The Borrower may, at any time and from time to time, prepay all or any portion of the outstanding principal amount of the Loan without penalty, together with all accrued and unpaid interest on the principal amount being repaid.

4.Interest

(a)Unpaid principal amount with respect to the Loan shall accrue interest at six percent (6%) per annum. Accrued interest on the Loan shall be payable in arrears on each Interest Payment Date.

(b)The Interest Period means the following periods:

(i)Initial Interest Period: The period commencing on the utilisation date of the Loan and ending on September 30, 2024.

(ii)Interest Period after the Initial Interest Period: The period commencing on the last day of the immediately preceding Interest Period and ending on the date falling three (3) Months thereafter.

(iii)An Interest Period that would otherwise overrun the Maturity Date shall end on the Maturity Date.

(iv)If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Interest shall be computed on the basis of the actual number of days elapsed over a year of 365 days (or 366 days in a leap year). In computing such interest, the date of this Agreement shall be included and the date of payment shall be excluded.

5.Default Interest

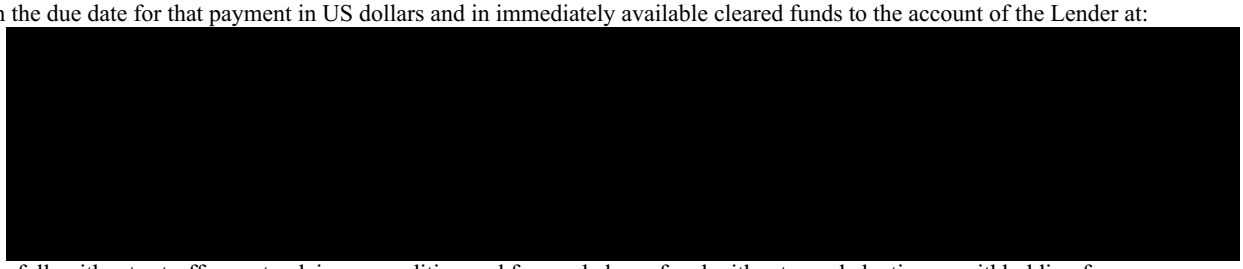
If the Borrower fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment at a rate which is equal to nine percent (9%) per annum plus the rate which would have been payable if the unpaid sum had, during the period of non-payment, constituted the Loan for successive interest periods, each of a duration selected by the Lender. Any interest accruing under this Clause 5 (*Default interest*) shall be immediately payable to the Lender by the Borrower on demand by the Lender.

Default interest (if unpaid) arising on an unpaid sum will be compounded with the unpaid sum at the end of each interest period applicable to that unpaid sum but will remain immediately due and payable.

6.Payments

All payments made by the Borrower to the Lender under this Agreement shall be:

(a)paid on the due date for that payment in US dollars and in immediately available cleared funds to the account of the Lender at:



(b)made in full, without set-off, counterclaim or condition and free and clear of and without any deduction or withholding for, or on account of, tax; provided, the Lender and the Borrower hereby agree to from time to time, to the fullest extent permitted by law, set-off equivalent amounts of loans and other indebtedness they hold against the other party (including, set-off pursuant to the Future Collaboration Agreement defined under Clause 7, and for the avoidance of doubt, any of and all the obligations of the Borrower then due and owing under this Agreement held by the Lender) on an annual basis or at any other intervals mutually agreed to in writing by the Lender and Borrower, in each case, by mutually setting forth in writing the (i) date(s) of incurrence, (ii) reasons for incurrence of any such loans and other indebtedness and (iii) the amount of loans and indebtedness subject to the set-off.

7.Future Collaboration Agreement

The Borrower, the Lender and/or its affiliates are currently negotiating a possibility of entering into a collaboration agreement or amending the License Agreement (defined below) (such new agreement or amendment being referred to as the **"Future Collaboration Agreement"**). Simultaneously with the execution of the Future Collaboration Agreement between the Borrower and the Lender and/or its affiliates, the Loan principal and accrued and unpaid interest under this Agreement (collectively, the **"Converted Loan Amount"**) shall automatically be converted to the Lender's prepayment of future milestone obligations under the Future Collaboration Agreement. Upon such conversion, the Converted Loan Amount shall be deemed fully paid and satisfied under this Agreement, and the future

milestone obligations by the Lender under the Future Collaboration Agreement shall be deemed prepaid by the Lender up to the amount of the Converted Loan Amount.

8.Security

Upon the execution of this Agreement and no later than thirty (30) days after the date of this Agreement, the Borrower shall take all necessary actions to provide the Lender with a security interest over all inventory of drug substances and drug products that the Borrower has purchased or manufactured, or will purchase or manufacture, for the purpose of research and development associated with the licensed compound(s) or product(s) under the exclusive license agreement between the Borrower and the Lender as of November 4, 2021 (the **"License Agreement"**), including all related materials, intermediates, and finished goods (collectively, the **"Security"**), including but not limited to executing the relevant security agreements and fulfilling all perfection requirements, to the extent permitted and in accordance with applicable law.

9.Representations

The Borrower makes the representations and warranties set out in this Clause 9 (*Representations*) to the Lender on the date of this Agreement.

9.1.Status

(a)It is a corporation, duly incorporated and validly existing under the laws of Canada.

(b)It has the power to own its assets and carry on its business as it is being conducted.

9.2.Binding obligations

The obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable against it, subject to, in the case of any Security Document to which it is a party, the applicable perfection requirements.

9.3.Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents and the granting of the security interests pursuant to the Security Documents to which it is a party do not and will not:

(a)conflict with:

(i)any law or regulation applicable to it (including without limitation, anti-bribery, anti corruption, anti-money laundering and counter terrorism financing laws and regulations);

(ii)its constitutional documents; or

(iii)any agreement or instrument binding upon it or its assets or would constitute a default or termination event (however described) under any such agreements or instruments;

to an extent which would have a Material Adverse Effect; or

(b)(except as permitted under the Finance Documents) result in the existence of, or oblige it to create, any security over any of its assets.

9.4.Power and authority

(a)It has the power to enter into, perform and deliver, and has taken all necessary corporate actions to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

(b)No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantee or indemnities contemplated by the Finance Documents.

9.5.Validity and admissibility in evidence

All authorisations required or desirable under any applicable law or regulation:

(a)to enable it to lawfully enter into, exercise its rights and comply with and/or perform its obligations in the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents;

(b)to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(c)to enable it to create the Security to be created by it pursuant to any Security Document to which it is a party and to ensure that such Security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect (save for any applicable perfection requirements which shall be satisfied pursuant to the terms of the relevant Security Documents).

9.6.Governing law and enforcement

(a)The choice of the laws of the State of New York, USA, as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.

(b)Any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

9.7.No default

(a)No Event of Default is continuing or is reasonably likely to be expected to result from the making of the utilisation or the entry into, the performance of, or any transactions contemplated by, any Finance Document.

(b)No other event or circumstance is outstanding which constitutes (or, with the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event under any other agreement or instrument which is binding on the Borrower or to which its assets are subject which is likely to have a Material Adverse Effect.

9.8.No misleading information

(a)Any factual information contained in or provided by the Borrower was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b)Any financial projections or forecasts provided by the Borrower have been prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and arrived at after careful consideration.

(c)The expressions of opinion or intention provided by or on behalf of the Borrower for the purposes of the Finance Documents were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.

(d)No event or circumstance has occurred or arisen and no information has been omitted from the information provided by the Borrower for the purposes of the Finance Documents and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections provided being untrue or misleading in any material respect.

(e)All other information supplied by the Borrower was true, complete and accurate in all material respects as at the date it was given and was not misleading in any material respect.

(f)All information provided by the Borrower in accordance with the terms of the Finance Documents:

(i)was true, complete and accurate in all material respects as at the date it was given and was not misleading in any material respect; and

(ii)no information has been given or withheld that results in the information provided being untrue or misleading in any material respect as at the date it was given.

9.9.*Pari passu* ranking

Without limiting Clause 8 (*Security*), its payment obligations under the Finance Documents rank at least *pari passu* in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

9.10.Insolvency event

After the amount loaned hereunder by the Lender to the Borrower hereunder is received from the Borrower, no Insolvency Event is reasonably likely to occur.

9.11.Immunity

(a)Neither it nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process.

(b)In any proceedings taken in its jurisdiction of incorporation in relation to the Finance Documents, it will not be entitled to claim immunity for itself or any of its assets arising from suit, execution or other legal process.

9.12.No proceedings pending or threatened

(a)No litigation, arbitration or administrative proceedings or investigations (including, without limitation, civil, criminal, antitrust or administrative proceedings) (other than those of a frivolous or vexatious nature and discharged, stayed or dismissed within forty-five (45) days of commencement thereof) of or before any court, arbitral body or agency which are reasonably likely to be adversely determined and, if adversely determined, might reasonably be expected to have a Material Adverse Effect, have been started or threatened in writing against the Borrower.

(b)Other than as publicly disclosed, no judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which might reasonably be expected to have a Material Adverse Effect has been made against the Borrower.

9.13.Security

Each Security Document to which it is a party creates in favour of the Lender, the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have in accordance with its terms.

9.14.Legal and beneficial ownership and good title

(a)the Borrower is the sole legal and beneficial owner of, holds good, legal and valid title to its assets over which it purports to grant the Security, free and clear of any security and there is no agreement or arrangement under which it is obliged to share any proceeds of or derived from its assets with any third party.

(b)The Borrower has all appropriate authorisations to use its assets necessary to carry on its business as presently conducted (in each case, where failure to have such authorisations has or would be expected to have a Material Adverse Effect).

9.15.Compliance with law

The Borrower has not breached and is in compliance with all material laws, regulations and orders applicable to it.

10.Undertakings

The undertakings in this Clause 10 (*Undertakings*) shall remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents.

10.1.Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and (upon reasonable request of the Lender) supply certified copies to the Lender of any authorisation required under any applicable law or regulation:

(a)to enable it to perform its obligations under the Finance Documents;

(b)to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document; and

(c)to carry on its business where failure to do so has or is likely to have a Material Adverse Effect.

10.2.Compliance with laws

The Borrower shall comply in all respects with all laws to which it may be subject, if failure so to comply has or is likely to have a Material Adverse Effect.

10.3.*Pari passu*

The Borrower shall ensure that its payment obligations under the Finance Documents to which it is a party rank and continue to rank at least *pari passu* in right of priority and payment with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

10.4.Security and further assurance

(a)The Borrower shall, at its own expense, promptly do all such acts or execute all such documents:

(i)to ensure that each Finance Document is valid, binding and effective and creates the Security which it purports to create;

(ii)to create perfect, preserve, register or maintain the relevant Security created or intended to be created under the relevant Security Document(s) and/or the Finance Document(s) and for the purpose of protecting the rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law; and

(iii)as the Lender may reasonably require (after the occurrence of an Event of Default which is continuing) for the purpose of facilitating the realisation of the assets which are, or are intended to be, the subject of the Security,

including, if necessary, the execution of any mortgage, pledge, transfer, pledge, conveyance, assignment, transfer or assurance of all or any of the assets and the giving of any notice, order or direction, the obtaining of any acknowledgment, and the making of any registration.

(b)The Borrower will, at its own costs, promptly register, file, record or enrol any Finance Document with any court or authority, pay any stamp, registration or similar tax payable in respect of any Finance Document, give any notice or take any other step which, in the reasonable opinion of the Lender, is or has become necessary for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security which it creates (subject to the express terms of the Finance Documents).

(c)The Borrower shall not do, or consent to the doing of, anything which is reasonably likely to prejudice the validity, enforceability or priority of any of the relevant Security.

10.5.Negative pledge

(a)The Borrower shall not create or permit to subsist any security over any of its assets and equity interest without the prior written consent of the Lender.

(b)The Borrower shall not, without the prior written consent of the Lender:

(i)sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(ii)enter into or permit to subsist any title retention arrangement;

(iii)enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv)enter into or permit to subsist any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset.

10.6.Disposals

Other than in the ordinary course of its business, the Borrower shall not enter into, or permit, a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any of the Security without the prior written consent of the Lender.

10.7.Financial indebtedness

The Borrower shall not incur (or agree to incur) or have outstanding any financial indebtedness, other than in the ordinary course of its business, without the prior written consent of the Lender.

10.8.Loans and guarantees

(a)The Borrower shall not:

(i)make any loan, or provide any form of credit or financial accommodation, to any other person; or

(ii)give or issue any guarantee or indemnity to or for the benefit of, or in respect of liabilities or obligations of, any other person or voluntarily assume any liability (whether actual or contingent) of any other person.

(b)Paragraph (a) above does not apply to:

(i)guarantees or indemnities under the Finance Documents; nor

(ii)any other loans, guarantees, advances, indemnities, bonds or letters of credit approved by the Lender.

10.9.Merger

The Borrower shall not, without the prior written consent of the Lender, enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction or business transfer or voluntarily liquidate or dissolve itself.

10.10.Assets

The Borrower shall maintain all its assets necessary for the conduct of its business as conducted from time to time in good working order and condition, ordinary wear and tear excepted.

10.11.Taxes

(a)The Borrower shall pay all taxes required to be paid by it when due and before any penalty is imposed for late payment.

(b)Paragraph (a) above does not apply to any taxes:

(i)being contested by the Borrower in good faith;

(ii)which have been adequately disclosed in its financial statements, and for which adequate reserves are being maintained in accordance with the laws of the relevant jurisdiction; and

(iii)where payment can be lawfully withheld and will not result in the imposition of any penalty described in paragraph (a) above.

10.12.Change of business

The Borrower shall not substantially change the general nature of its business from that carried on at the utilisation date without the prior written consent of the Lender.

10.13.Acquisitions, investments and share capital

The Borrower shall not, without the prior written consent of the Lender:

(a)invest in or acquire any share in or any security issued by any person, or any interest therein or in the capital of any person, or make any capital contribution to any person;

(b)invest in or acquire any business or going concern, or the whole or substantially the whole of the assets or business of any person, or any assets that constitute a division or operating unit of the business of any person; or

(c)enter into any joint venture, consortium, partnership or similar arrangement with any person.

10.14.Business milestone

The Future Collaboration Agreement will be executed in due course, and after such execution, the Borrower shall procure that the business milestones prescribed therein be achieved on each business milestone date.

10.15.Triplet study

The Borrower shall commence dosing of the first patient in the Triplet Study on or before October 31, 2024. Such date can be extended if the Lender consents in writing which consent will not be unreasonably conditioned, delayed or withheld. The Borrower shall maintain key resources necessary to conduct the clinical trials, including, but not limited to, the manpower and the retention of related assets and interests. For the purposes of this Clause, the "**Triplet Study**" shall mean an open-label clinical trial in frontline acute myeloid leukemia within the United States, which shall be designed and conducted by the Borrower.

11.Events of Default

Each of the events or circumstances set out in this Clause 11 (*Events of Default*) shall constitute an Event of Default.

11.1.Non-payment

The Borrower does not pay on the due date any amount payable pursuant to this Agreement unless (a) its failure to pay is caused by administrative or technical error, and (b) payment is made within five (5) Business Days of its due date.

11.2.Specific undertakings

Any requirement of Clause l0.4 (*Security and further assurance*), Clause l0.14 *(Business Milestone*) and Clause 10.15 (*Triplet study*) is not satisfied.

11.3.Other obligations

(a)The Borrower does not comply with any provision of the Finance Documents to which it is a party (other than those referred to in Clause 11.1 (*Non-payment*) or Clause 11.2 (*Specific undertakings*)).

(b)No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within thirty (30) days of the earlier of (i) the Lender giving notice to the Borrower and (ii) the Borrower becoming aware of the failure to comply.

11.4.Misrepresentation

(a)Any representation or statement made or deemed to be made by the Borrower in the Finance Documents to which it is a party or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(b)No Event of Default under paragraph (a) above will occur if the event or circumstance resulting in failure to comply is capable of remedy and is remedied within thirty (30) calendar days of the earlier of (i) the Lender giving notice to the Borrower and (ii) the Borrower becoming aware of such misrepresentation.

11.5.Insolvency

(a)The Borrower is unable (or admits its inability to) or is presumed or deemed to be (or is held or otherwise considered by a court to be) unable or admits inability to pay its debts as they fall due or suspends or threatens to suspend making payments on any of its debts or (by reason of actual or anticipated financial difficulties) commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness.

(b)A moratorium is declared in respect of any indebtedness of the Borrower. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

11.6.Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a)the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision, reorganisation or rehabilitation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

(b)a composition, compromise, assignment or arrangement with any creditor of the Borrower, including any corporate workout proceeding, or an assignment for the benefit of creditors generally of the Borrower or a class of such creditors;

(c)the appointment of a liquidator, receiver, administrator, administrative receiver, judicial manager, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any of its assets; or

(d)enforcement of any security over any part of the assets of the Borrower.

This Clause 11.6 (*Insolvency proceedings*) does not apply to any winding up petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

11.7.Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Borrower the value of which exceeds USD US$900,000 (or its equivalent in any currency or currencies) and is not discharged within thirty (30) days.

11.8.Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business.

11.9.Unlawfulness

(a)It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement to which it is a party or any security interest created or expressed to be created or evidenced by the Security Documents ceases to be effective.

(b)Any obligation of the Borrower under any Finance Document is not or ceases to be legal, valid and binding or enforceable and in full force and effect.

12.Acceleration

(a)Upon the occurrence of an Event of Default pursuant to Clause 11.5 (*Insolvency*) or Clause 11.6 (*Insolvency proceedings*) in respect of the Borrower:

(i)The commitment of the Lender under this Agreement shall immediately be cancelled; and

(ii)All Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents shall immediately be due and payable (without any action, notice or other formality).

(b)Upon and at any time after the occurrence of an Event of Default which is continuing, the Lender may, by notice (the **"Acceleration Notice"**) to the Borrower:

(i)declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(ii)declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Lender;

(iii)exercise any or all of its rights, remedies, powers or discretions under the Finance Documents; and/or

(iv)take any other action which the Lender 1s entitled to take under any Finance Document or any applicable law.

13.Remedies, Waivers, Amendments and Consents

13.1.No amendment of this Agreement shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

13.2.A waiver of any right or remedy under this Agreement or by law, or any consent given under this Agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

13.3.A failure by the Lender to exercise, or delay by it in exercising, any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Agreement. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Agreement by the Lender shall be effective unless it is in writing.

13.4.The rights and remedies provided under this Agreement are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

14.Partial invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

15.Assignment

The Lender may assign any of its rights or transfer any of its rights or obligations under this Agreement. The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lender.

16.Notices

16.1.Any notice or other communication given to a party under or in connection with this Agreement shall be:

(a)in writing;

(b)delivered by hand by pre-paid first-class post or other next working day delivery service; or

(c)sent by email; and

(d)sent to:

(i)the Borrower at:

12770 High Bluff Drive
Suite 120
San Diego, CA 92130, USA
Email: wrice@aptose.com
Attention: Dr. William Rice

Copy to:
Email: casouliere@mccarthy.ca
Attention: Charles-Antoine Souliere, Partner

(ii)the Lender at:

or to any other address or email address notified in writing by one party to the other from time to time.

16.2.Any notice or other communication given by either party shall be deemed to have been received:

(a)if delivered by hand, at the time it is left at the relevant address;

(b)if posted by pre-paid first-class post or other next working day delivery service, on the second working day after posting; and

(c)if sent by email, when received in readable form.

A notice or other communication given as described in this Clause (other than as described in Clause 16.2(b)) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed instead to have been received on the next Business Day.

16.3.This Clause 16 (*Notices*) does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

17.Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts together shall constitute one agreement.

18.Confidentiality

The terms contained herein are confidential, and except for disclosure as necessary to the Borrower's or the Lender's executives, officers and employees, to professional advisors retained by the Borrower or the Lender in connection with the transactions contemplated by this Agreement, and/or as may be required by law, the terms hereof should not be disclosed in whole or in part to any other person or entity without the prior written consent of the Lender (in the case of information provided by the Lender) or the Borrower (in the case of information provided by the Borrower).

19.Governing law and jurisdiction

19.1.This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the State of New York, USA.

19.2.Each party irrevocably agrees that the Seoul Central District Court shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

This Agreement has been entered into on the date stated at the beginning of it.

SIGNATURE PAGES

Borrower

Aptose Biosciences Inc.

By: /s/ William Rice
Name: William Rice
Title: CEO

Lender

Hanmi Pharmaceutical Co., Ltd.

By: /s/ JAE HYUN PARK
Name: JAE HYUN PARK
Title: CEO

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William G. Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aptose Biosciences Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2024

/s/ William G. Rice
Name: William G. Rice, Ph.D.
Title: President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Fletcher Payne, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Aptose Biosciences Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2024

/s/ Fletcher Payne
Name: Fletcher Payne
Title: Senior Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, William G. Rice, the President and Chief Executive Officer of Aptose Biosciences Inc. (the "Company"), hereby certify that, to my knowledge:

1.The Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Report") of the Company fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2024

/s/ William G. Rice
Name: William G. Rice, Ph.D.
Title: President and Chief Executive Officer

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Fletcher Payne, the Senior Vice President and Chief Financial Officer of Aptose Biosciences Inc. (the "Company"), hereby certify that, to my knowledge:

1.The Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Report") of the Company fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: November 8, 2024

/s/ Fletcher Payne
Name: Fletcher Payne
Title: Senior Vice President and Chief Financial Officer