Nexalis Therapeutics Ltd
(Formerly known as InhaleRx Limited)
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Nexalis Therapeutics Ltd
ACN:	611 845 820
Reporting period:	For the year ended 31 December 2025
Previous period:	For the year ended 31 December 2024

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2. Results for announcement to the market

				$
Loss from ordinary activities after tax attributable to the owners of Nexalis Therapeutics Ltd	up	51.3%	to	(1,829,261)
Loss for the year attributable to the owners of Nexalis Therapeutics Ltd	up	51.3%	to	(1,829,261)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,829,261 (31 December 2024: $1,209,373).

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.49)	(0.03)

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4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The attached Preliminary Financial Report is unaudited.

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11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Nexalis Therapeutics Ltd for the year ended 31 December 2025 is attached.

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12. Signed

Signed ____________________________ Date: 27 February 2026

Nexalis Therapeutics Ltd

(Formerly known as InhaleRx Limited)

ACN 611 845 820

Preliminary Financial Report - 31 December 2025

Nexalis Therapeutics Ltd
(Formerly known as InhaleRx Limited)
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Revenue and income			
Other income	1	767,691	559,676
Expenses			
Directors' fees and costs		(1,270)	(163,907)
Employee benefits expense		(61,075)	(125,453)
Share based payment expense		(13,247)	(24,635)
Consulting costs		(399,568)	(487,907)
Corporate expenses		(176,608)	(173,609)
Marketing expenses		(33,050)	(64,621)
Product development expenditure		(1,759,771)	(622,097)
Other expenses		(15,866)	(18,900)
Finance costs		(136,497)	(87,920)
Loss before income tax expense		(1,829,261)	(1,209,373)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Nexalis Therapeutics Ltd		(1,829,261)	(1,209,373)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Nexalis Therapeutics Ltd		(1,829,261)	(1,209,373)
		Cents	**Cents**
Basic loss per share	10	(0.848)	(0.567)
Diluted loss per share	10	(0.848)	(0.567)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Nexalis Therapeutics Ltd
(Formerly known as InhaleRx Limited)
Statement of financial position
As at 31 December 2025

	Note	Consolidated 2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	2	436,900	194,915
Trade and other receivables	3	690,158	446,896
Prepayments		81,086	70,589
Total current assets		1,208,144	712,400
Total assets		1,208,144	712,400
Liabilities			
Current liabilities			
Trade and other payables	4	1,638,539	741,983
Borrowings	5	426,109	34,062
Employee benefits		2,004	-
Total current liabilities		2,066,652	776,045
Non-current liabilities			
Borrowings	6	315,169	-
Employee benefits		1,323	321
Total non-current liabilities		316,492	321
Total liabilities		2,383,144	776,366
Net liabilities		(1,175,000)	(63,966)
Equity			
Issued capital	7	15,149,113	14,527,183
Reserves	8	(116,318)	(212,615)
Accumulated losses		(16,207,795)	(14,378,534)
Total deficiency in equity		(1,175,000)	(63,966)

The above statement of financial position should be read in conjunction with the accompanying notes

Nexalis Therapeutics Ltd
(Formerly known as InhaleRx Limited)
Statement of changes in equity
For the year ended 31 December 2025

Consolidated	**Issued capital** $	**Reserves** $	**Accumulated losses** $	**Total deficiency in equity** $
Balance at 1 January 2024	14,075,978	(241,346)	(13,169,161)	665,471
Loss after income tax expense for the year	-	-	(1,209,373)	(1,209,373)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,209,373)	(1,209,373)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 7)	451,205	-	-	451,205
Share-based payments	-	28,731	-	28,731
Balance at 31 December 2024	14,527,183	(212,615)	(14,378,534)	(63,966)

Consolidated	**Issued capital** $	**Reserves** $	**Accumulated losses** $	**Total deficiency in equity** $
Balance at 1 January 2025	14,527,183	(212,615)	(14,378,534)	(63,966)
Loss after income tax expense for the year	-	-	(1,829,261)	(1,829,261)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,829,261)	(1,829,261)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 7)	621,930	-	-	621,930
Share-based payments	-	96,297	-	96,297
Balance at 31 December 2025	15,149,113	(116,318)	(16,207,795)	(1,175,000)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Nexalis Therapeutics Ltd
(Formerly known as InhaleRx Limited)
Statement of cash flows
For the year ended 31 December 2025

	Note	Consolidated 2025 $	2024 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,375,026)	(1,092,587)
Interest received		5,733	3,652
Interest and other finance costs paid		(8,406)	(42,943)
R&D tax offset received		489,526	763,111
Net cash (used in) operating activities		(888,173)	(368,767)
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		535,230	-
Proceeds from convertible notes		-	401,000
Proceeds from borrowings		1,021,506	-
Share issue transaction costs		(57,573)	(6,350)
Repayment of borrowings		(369,005)	(546,787)
Net cash from/(used in) financing activities		1,130,158	(152,137)
Net increase/(decrease) in cash and cash equivalents		241,985	(520,904)
Cash and cash equivalents at the beginning of the financial year		194,915	715,819
Cash and cash equivalents at the end of the financial year	2	436,900	194,915

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Other income

	Consolidated 2025 $	Consolidated 2024 $
Interest revenue	5,733	3,652
R&D tax rebate	761,958	401,811
Movement in fair value of financial derivative	-	154,213
Other income	767,691	559,676

Note 2. Current assets - cash and cash equivalents

	Consolidated 2025 $	Consolidated 2024 $
Cash at bank	436,900	182,050
Cash on deposit	-	12,865
	436,900	194,915

Note 3. Current assets - trade and other receivables

	Consolidated 2025 $	Consolidated 2024 $
R&D tax rebate receivable	674,243	401,811
GST receivable	15,915	45,085
	690,158	446,896

Note 4. Current liabilities - trade and other payables

	Consolidated 2025 $	Consolidated 2024 $
Trade payables	1,457,531	567,694
Other payables	181,008	174,289
	1,638,539	741,983

Note 5. Current liabilities - borrowings

	Consolidated 2025 $	Consolidated 2024 $
Insurance premium funding	47,652	34,062
R& D Financing	378,457	-
	426,109	34,062

Note 6. Non-current liabilities - borrowings

	Consolidated	
	2025	**2024**
	$	**$**
Funding facility	315,169	-

Note 7. Equity - issued capital

	Consolidated			
	2025 Shares	**2024 Shares**	**2025 $**	**2024 $**
Ordinary shares - fully paid	239,357,323	213,448,224	15,149,113	14,527,183

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 January 2024	189,766,957		14,075,978
Issue of shares to settle CEO fees	3 October 2024	3,444,828	$0.0289	99,900
Issue of shares upon conversion of notes	23 October 2024	17,969,880	$0.0157	281,765
Issue of shares to settle directors fees	16 December 2024	2,266,559	$0.3348	75,890
Less cost of capital raised		-	$0.0000	(6,350)
Balance	31 December 2024	213,448,224		14,527,183
Issue of shares to settle CEO fees	2 October 2025	4,499,914	$0.0333	149,850
Issue of shares	9 December 2025	17,100,000	$0.0250	427,500
Issue of shares	23 December 2025	4,309,185	$0.0250	107,730
Less cost of capital raised		-	$0.0000	(63,150)
	31 December 2025	239,357,323		15,149,113

Note 8. Equity - reserves

	Consolidated	
	2025	**2024**
	$	**$**
Share-based payments reserve	214,792	118,495
Non-controlling interest derecognised	(331,110)	(331,110)
	(116,318)	(212,615)

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Non-controlling interest derecognised
This reserve is used to recognise the non-controlling interest at the time of gaining a 100% ownership interest in a subsidiary.

Note 8. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	NCI derecognised $	Share-based payments $	Total $
Balance at 1 January 2024	(331,110)	89,764	(241,346)
Share based payments	-	28,731	28,731
Balance at 31 December 2024	(331,110)	118,495	(212,615)
Share based payments	-	96,297	96,297
Balance at 31 December 2025	(331,110)	214,792	(116,318)

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Earnings per share

	Consolidated	
	2025 $	**2024 $**
Loss after income tax attributable to the owners of Nexalis Therapeutics Ltd	(1,829,261)	(1,209,373)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	215,682,924	213,448,224
Weighted average number of ordinary shares used in calculating diluted earnings per share	215,682,924	213,448,224
	Cents	**Cents**
Basic loss per share	(0.848)	(0.567)
Diluted loss per share	(0.848)	(0.567)