QUARTERLY ACTIVITIES, CASHFLOW REPORT AND OPERATIONS UPDATE

30 April 2026

Quarter ended 31 March 2026

Melbourne, Australia – Nexalis Therapeutics Ltd (ASX: NX1), ('**Nexalis**', '**NX1**' or '**the Company'**), is pleased to provide its quarterly activities report for the period ended 31 March 2026, marking the transition from clinical preparation to active execution across its development pipeline.

Key highlights for the quarter include:

1. IRX-616a Phase 1 trial commenced, with first participant screened and first patient dosed in the first-in-human study for Panic Disorder ('**PD**').
2. Advancement of IRX-211 Phase 2 program, with pre-screening and recruitment readiness activities progressing across clinical sites to treat patients suffering with Breakthrough Cancer Pain ('**BTcP'**);
3. Completion of SRX-25 Phase 1 protocol, with advancement of intellectual property strategy to support long-term asset positioning to target Treatment-Resistant Depression ('**TRD**').
4. Completion of Company rebrand to Nexalis Therapeutics (ASX: NX1), reflecting the evolution of market positioning following recent addition of oral esketamine asset (SRX-25) to the pipeline.
5. Continued progression across all programs under a fully funded clinical development strategy.

Clinical Development Strategy and Outlook

The March 2026 quarter represents a key inflection point for Nexalis, with the Company transitioning from clinical preparation into active trial execution.

NX1 currently has three drug candidates under development:

1. IRX-211, an inhaled treatment for BTcP, that has secured three sites and progressing toward dosing in the patient population.
2. IRX-616a, an inhaled treatment for PD now dosing and progressing on schedule as planned.
3. SRX-25, an oral treatment for TRD, advancing through structured planning in close consultation with patent attorneys.

The Company is well positioned to deliver multiple clinical milestones over the coming periods. Nexalis remains focused on:

1. Efficient execution of clinical trials.
2. Maintaining disciplined capital allocation.

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3. Advancing assets toward regulatory approval pathways, including the U.S. FDA.
4. Taking a disciplined approach to increasing market awareness of the Company's positioning and future commercial potential.

The Company's clinical trial programs aim to demonstrate the safety, tolerability and efficacy for treating a targeted range of pain and mental health related conditions. The Company's objective is to obtain a US Food & Drug Administration ('**FDA**') New Drug Approval ('**NDA**') for each indication.

Corporate Update

During the quarter, the Company successfully completed its transition from InhaleRx Limited to Nexalis Therapeutics Ltd, with the new ASX ticker NX1 effective from 17 February 2026.

The rebrand reflects the Company's strategic evolution beyond inhaled therapies, incorporating the addition of the SRX-25 oral program and positioning Nexalis as a diversified clinical-stage drug development company targeting pain management and mental health indications.

Clinical Programs

IRX-616a – Panic Disorder (Phase 1)

Significant progress was achieved during the quarter with the commencement of the Phase 1 clinical trial for IRX-616a.

Key developments included:

1. Initiation of a randomised, double-blind, placebo-controlled, single ascending dose study in healthy volunteers.
2. Establishment of independent Safety Review Committee ('**SRC**') oversight to support dose escalation.
3. First eligible participant screened and recruited in the first-in-human study.
4. First patient dosed, marking the transition to active clinical execution, dosing now underway with the 3rd cohort.

The study is designed to evaluate the pharmacokinetics, safety and tolerability of IRX-616a, informing subsequent development in acute anxiety-related indications.

The trial remains on track to progress through sequential dose cohorts, with data from this study expected to underpin future Phase 2 development in the target patient population.

IRX-211 – Breakthrough Cancer Pain (Phase 2)

During the quarter, the Company continued to advance the IRX-211 Phase 2 clinical program, focusing on site readiness and patient recruitment preparation.

Key activities included:

1. Continued pre-screening and patient identification activities at the lead clinical site.
2. Progression of recruitment readiness and site activation activities.
3. Ongoing engagement with clinical sites to support efficient trial execution.

4. In addition to the lead site in Melbourne, the Company has progressed further with training two additional sites, both with Genesis Care.
5. This expands the potential patient recruitment pool across NSW, VIC and WA.

Timelines during the quarter were impacted by site resourcing constraints and longer-than-anticipated recruitment lead times. These factors are being actively managed, with the Company continuing to work closely with its clinical partners to optimise recruitment pathways and ensure timely progression of the study.

IRX-211 remains a key value driver within the Company's pipeline, targeting a significant unmet need in breakthrough cancer pain with a non-opioid, rapid onset therapeutic approach.

SRX-25 – Treatment-Resistant Depression (Planning Phase)

The SRX-25 program continued to advance during the quarter, transitioning into a more defined development phase.

Key progress included:

1. Finalisation of the Phase 1 clinical trial protocol.
2. Advancement of the Company's intellectual property strategy, including engagement with patent counsel to support defensible positioning of the asset.
3. Continued planning activities to support the initiation of the Phase 1 clinical program.

SRX-25 is being developed as an oral therapy targeting treatment-resistant depression, with the potential to improve accessibility and patient adherence compared to existing treatment modalities.

The Company expects to appoint a Contract Research Organisation ('**CRO**') during the September 2026 quarter in preparation for the Phase 1 trial.

Capital management

Placement

The Company completed a capital raise in the form of a Placement in November 2025 which raised $750,000 (before costs) via the issue of approximately 30 million new fully paid ordinary shares in the company at an offer price of $0.025 to secure working capital for expenditure that is not eligible under the Funding Agreement.

Participants in the Placement received one free attaching investor option for every two shares subscribed (1:2), subject to shareholder approval, exercisable at $0.042 expiring two years from the issue date.

The Placement was structured in two stages, with the second stage of $150,000 approved by shareholders, together with the attaching options, at the EGM on 29 January 2026. Peak Asset Management Pty Ltd ('Peak') was Lead Manager to the Placement.

$173k related to the first stage of the Placement ($600k) was received during the March 2026 quarter.

Entitlement Offer

Following the Placement, the Company issued a non-renounceable entitlement offer ('Entitlement Offer') on the same terms as the Placement – being one (1) new share for every 22 shares held by

eligible shareholders. The Company raised $107,730 (before costs) under the Entitlement Offer, with 4,309,185 new ordinary shares and 2,154,603 options issued on 23 December 2025.

The Company did not place the balance of the shortfall under the Entitlement Offer (5,597,549 shares and attaching 2,798,764 options) before the Closing Date (17 March 2026) allowed under ASX Listing Rules.

Payments to Directors & Related Parties

There were no cash payments to Directors during the March 2026 quarter. It is intended that all current year Director entitlements will be paid in the form of performance rights, subject to shareholder approval being obtained at the May 2026 Annual General Meeting.
$19k in salaries were paid to Key Management Personnel.

Use of funds
The net cash outflow from operating activities during the quarter was $474k, with $284k received (net of costs) in relation to the Placement.

The Company incurred $350k in clinical development costs for the March 2026 quarter and received $281k of funding under the Funding Agreement with LFO.

During the quarter, funds spent on operating activities comprised:

- $350k in clinical development costs;
- $114k in general corporate costs, including: insurance ($39k); tax and audit ($28k); share registry & ASX ($15k); CFO ($13k); company secretary ($12k); and other costs ($7k);
- $19k in salaries paid to employees; and
- $18k in investor relations costs.

The Company received ATO net refunds totaling $27k related to GST during the quarter.

GST is included in the amounts noted above as applicable.

The Company will provide further updates in due course.

Authorised for release by the Board of Directors.

For further information:
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ABOUT NEXALIS THERAPEUTICS LTD (ASX: NX1)

Nexalis Therapeutics Ltd is an Australian Clinical Stage Drug Development Company that is developing rapid onset therapies to address unmet medical needs in pain management and mental health sectors. The Company has secured a funding partner with a facility of up to $52.3m to accelerate the development of IRX-211 to treat Breakthrough Cancer Pain ('**BTcP**'), IRX-616a to treat Panic Disorder ('**PD**') and SRX-25 for the treatment of Treatment-Resistant Depression ('**TRD**').

The overarching goal is to pursue U.S. FDA approval and registration using rapid and cost-effective regulatory pathways, such as 505(b)(2).

There is a significant economic opportunity for NX1 and the Company's shareholders, the clinical indications under investigation have been carefully selected in consultation with regulatory authorities. Bringing new approved medications to market will address critical gaps whereby there's currently mismatched treatment options that can carry dependency concerns.

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