14 July 2026

ASX: NX1

ISSUE OF DIRECTOR SHARE RIGHTS IN LIEU OF FEES FOLLOWING SHAREHOLDER APPROVAL

Nexalis Therapeutics Limited (ASX: NX1) (**NX1**, **Nexalis** or **the Company**) advises it has issued share rights in lieu of director fees (**Fees**) for the period 1 January 2026 to 30 June 2026 (**Share Rights**) to director, Sean Williams, and former director, Tony Fitzgerald[1] (**Participating Directors**).

The Share Rights, which were issued effective today, 14 July 2026, were approved by shareholders at the Company's Annual General Meeting held 29 May 2026 (**AGM**). Section 7 of the Explanatory Memorandum accompanying the AGM Notice of Meeting provided that the pricing of the Share Rights being issued would be calculated based on the pricing mechanism below:

- The Participating Directors would receive the number of Share Rights equal to the Fees divided by the 30-day VWAP of the Company's ordinary shares (**Shares**) over the period up to issue of the Share Rights, weighted by a 35% percentage likelihood of successful completion of a Phase 2 trial for any of the Company's clinical trial programs (**Phase 2 Success %**).

- The Phase 2 Success % has been set with reference to a report from the Patent PC dated 27 March 2026[2], which states that drugs in a Phase 1 trial have a likelihood of success of 63%-70%, and of these, only 30%-40% successfully complete a Phase 2 trial. Per the table below, the set 35% Phase 2 Success Rate is above the higher end of this range. This approach is consistent with how the Share Rights were valued in the Company's audited annual financial report for the year ended 31 December 2025.

	Low	High
Phase 1 trial success	63.0%	70.0%
Phase 2 trial success	30.0%	40.0%
Phase 2 Success %	18.9%	28.0%

Under the approved pricing mechanism, based on the 30-day VWAP to 30 June 2026 of $0.0133 and the Phase 2 Success % (being 35%) the price per Share Right would have a deemed issue price of $0.0086.

However, the Board has decided to exercise its discretion and use $0.0250 (which is consistent with the last capital raising in November 2025) instead of the 30-day VWAP in the calculation of the Share Rights. After applying the 35% Phase 2 Success %, the deemed issue price is $0.0163.

As a result, the following Share Rights have been issued to the Participating Directors in lieu of their Fees for the period 1 January 2026 to 30 June 2026:

Director	Director Fees: 1 Jan 26 to 30 Jun 26	Number of Share Rights (Issued at $0.0163)
Sean Williams	$42,924.00	2,641,477
Anthony Fitzgerald[3]	$24,360.00	1,499,077
Total	**$67,284.00**	**4,140,554**

[1] Tony Fitzgerald resigned as a director on 24 June 2026. Accordingly, his Share Rights have been calculated based on a pro-rata of $25,200 of Fees for the period 1 Jan26 to 24 Jun26, being 96.67%.
[2] Clinical Trial Success Rates: How Many Drugs Make It to Market? (Latest Approval Stats) | PatentPC
[3] Pro-rata for the period 1 Jan26 to 24 Jun26

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In keeping with the Company's stated Capital Management strategy:

1. By paying the Directors Fees in the form of Share Rights, the Company preserves available capital to be directed towards its clinical trial program and corporate costs.

2. The Share Rights will only vest upon the successful completion of the first Phase 2 clinical trials for any of IRX-211, IRX-616a or SRX-25. **If the vesting conditions are not met, the Share Rights will lapse and the directors will receive nil remuneration for that period.**

Authorised for release by the Board of Directors.

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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 is currently focused on 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, with the clinical indications under investigation 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.