Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
NEXALIS THERAPEUTICS LTD	
ABN	**Quarter ended ("current quarter")**
90 611 845 820	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(202)	(722)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing	(14)	(38)
	(d) leased assets		
	(e) staff costs	(22)	(61)
	(f) administration and corporate costs	(181)	(283)
1.3	Dividends received (see note 3)		
1.4	Interest received		1
1.5	Interest and other costs of finance paid		(41)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		899
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(419)**	**(245)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		(16)
	(d) investments		
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**(16)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		323
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(39)
3.5	Proceeds from borrowings		281
3.6	Repayment of borrowings		(369)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**		**196**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	790	436
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(419)	(245)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(16)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	196
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**371**	**371**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	371	790
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**371**	**790**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	43
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments to related parties and their associates include the following:-

- $22K paid as salary to key management personnel; and
- $21K paid to a director for company secretary and director's fees

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	**-**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

At 30 September 2026, the Company had no financing facilities in place.

On 27 August 2026, the Company entered into a settlement deed with Linlithgow Family Office ("LFO") under which the LFO facility agreement was terminated by mutual agreement and each party released the other from all claims in connection with the facility. No payment is to be made by either party, and the Company retains all funds previously advanced by LFO with no amount repayable. At 30 June 2026, an amount of $641,848 had been recognised as a current liability in respect of the facility. The general security agreement granted by the Company in favour of LFO was terminated and the associated security released.

Under the deed, the 38,449,145 options previously issued to LFO under the facility were cancelled and, in consideration for the mutual releases, the Company issued LFO 15,000,000 new options, each with an exercise price of $0.15 and expiring five years from the date of issue.

No financing facilities have been entered into since quarter end. The Company expects to enter into a forward financing facility in respect of its 2026 Research and Development Tax Incentive claim during the December 2026 quarter. The terms of that facility, including the lender, facility amount, interest rate and maturity, have not yet been finalised.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(419)
8.2	Cash and cash equivalents at quarter end (item 4.6)	371
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	371
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**0.9**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. Net operating cash outflows for the quarter were $419,000. The Company implemented cost reductions during the quarter and expects to implement further reductions, and as a result expects net operating cash outflows to be lower in future quarters.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company expects to enter into a forward financing facility against its 2026 Research and Development Tax Incentive refund during the December 2026 quarter. The Company also intends to undertake a capital raising to fund its ongoing operations and clinical development programs; the timing and structure of the raising have not yet been determined. Given its history of successfully raising capital, including during the current financial year, the Company believes these steps are likely to be successful.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company expects to be able to continue its operations and meet its business objectives on the basis of the expected Research and Development Tax Incentive forward financing in the December 2026 quarter, the cost reductions already implemented and further reductions planned, and the proposed capital raising referred to in 8.6.2. The Board continues to monitor the Company's cash position closely and will manage expenditure in line with available funding.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by the Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.