

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended December 31, 2025  
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: 001-41157

**Neuphoria Therapeutics Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

99-3845449

(I.R.S. Employer  
Identification No.)

100 Summit Drive, Burlington, Massachusetts

(Address of principal executive offices)

01803

(Zip Code)

(781) 730-6665

(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 Stock, \$0.00001 par value per share	NEUP	The Nasdaq Stock Market LLC

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 file's). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of February 13, 2026, there were 5,390,895 shares of the registrant's common stock issued and outstanding.

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## Basis of Presentation

Neuphoria Therapeutics Inc. is a Delaware corporation (“Neuphoria”) listed on the Nasdaq Global Market. We were formally known as Bionomics Limited (“Bionomics”) an Australian company that on October 1, 2024 entered into a Scheme Implementation Agreement with Neuphoria to re-domicile from Australia to the State of Delaware pursuant to a Scheme of Arrangement under Australian law. On December 23, 2024, the re-domiciliation of Bionomics was implemented and effectuated in accordance with the Scheme Implementation Agreement, as amended. As a result, (i) holders of ordinary shares of Bionomics received one share of our common stock for every 2,160 ordinary shares of Bionomics held on the Scheme record date; (ii) holders of Bionomics’ American Depositary Shares (“ADS”) with each ADS representing 180 ordinary shares of Bionomics, received one share of Neuphoria’s common stock for every 12 ADSs held on the Scheme record date; and (iii) we became the successor issuer to Bionomics. Prior to our redomiciliation, since July 1, 2024, we had been reporting as a domestic U.S. issuer on SEC Forms 10-K, 10-Q, and 8-K.

The terms “we,” “our,” “us” and the “Company” in this Quarterly Report on Form 10-Q refer to Neuphoria Therapeutics Inc. and its consolidated subsidiaries after December 23, 2024 and Bionomics and its consolidated subsidiaries on and prior to December 23, 2024, unless otherwise specified. When we refer to “you,” we mean the potential holders of the applicable series of securities:

- “shares” or “ordinary shares” refers to our ordinary shares prior to December 23, 2024;
- shares of common stock refers to our common stock, par value \$0.00001 per share beginning December 24, 2024;
- “ADSs” refers to American Depositary Shares, each of which represented 180 ordinary shares prior to December 23, 2024; and
- “ADRs” refers to American Depositary Receipts, which evidence the ADSs.

We use our registered and unregistered trademarks, including Neuphoria™ and Bionomics™, in this Quarterly Report on Form 10-Q (the “Quarterly Report”). This Quarterly Report also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this Quarterly Report appear without the ® and ™ symbols, but those references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trademarks and tradenames.

All references to “\$” and “US\$” in this Quarterly Report mean U.S. dollars. All references to “A\$” in this Quarterly Report mean Australian dollars.

Our fiscal year end is June 30. References to a particular “fiscal year” are to our fiscal year ended June 30 of that calendar year.

Unless otherwise indicated, the condensed consolidated financial statements and related notes incorporated in this Quarterly Report have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and are presented in U.S. dollars.

Certain monetary amounts, percentages and other figures included herein have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

### Cautionary Note Regarding Forward-Looking Statements

*This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “estimate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of filing this report with the Securities and Exchange Commission (the “SEC”) and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements about the following:*

- our lack of operating history and need for additional capital;
- the ability of our clinical trials to demonstrate safety and efficacy of our product candidates and other positive results;
- the timing and focus of our clinical trials and preclinical studies, and the reporting of data from those trials and studies;
- our plans relating to commercializing any product candidates, including the geographic areas of focus and sales strategy;
- the market opportunity and competitive landscape for our product candidates, including our estimates of the number of patients who suffer from the conditions we are targeting;
- the success of competing therapies that are or may become available;
- our estimates of the number of patients that we will enroll in our clinical trials;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our product candidates;
- the timing of initiation and completion, and the progress of our drug discovery and research programs;
- the timing or likelihood of regulatory filings and approvals for our product candidates for various diseases;
- our ability to obtain and maintain regulatory approval of our product candidates;
- our plans relating to the development of our product candidates, including additional indications we may pursue;
- existing regulations and regulatory developments in the United States, Australia, Europe and other jurisdictions;
- risks associated with any pandemic that could adversely impact our preclinical studies and clinical trials;
- our plans and ability to obtain, maintain, protect and enforce our intellectual property rights and our proprietary technologies, including extensions of existing patent terms where available;
- our continued reliance on third parties to conduct additional clinical trials of our product candidates, and for the manufacture of our product candidates for preclinical studies and clinical trials;
- our plans regarding any collaboration, licensing or other arrangements that may be necessary or desirable to develop, manufacture or commercialize our product candidates;
- the need to hire additional or retain key personnel and our ability to attract and/or retain such personnel;
- our estimates regarding expenses, future revenue, capital requirements, and the impact of a fluctuating currency exchange on these estimates;
- our financial performance;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our anticipated use of our existing resources;

- cyber security risks and any failure to maintain the confidentiality, integrity and availability of our computer hardware, software and internet applications and related tools and functions;
- our conducting and completion of a strategic review, and our pursuit of, and ability to successfully identify and execute, strategic transactions;
- our ability to preserve our existing cash resources;
- our expectations regarding the value or recovery that may be available to our stockholders and other stakeholders as part of a strategic alternative transaction process;
- our ability to continue as a going concern;
- our defense of any future litigation that may be initiated against us; and
- other risks and uncertainties, including those listed under “Risk Factors.”

Other risks and uncertainties are discussed more fully under the caption “Risk Factors” in our filings with the SEC, including in Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended June 30, 2025 and in Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q. Accordingly, you should not place undue reliance on forward-looking statements. To the extent permitted by applicable law, we expressly disclaim any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances. We operate in an evolving environment and new risk factors and uncertainties may emerge from time to time. As a result of these factors, we cannot assure you that the forward-looking statements in this report will prove to be accurate.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. You should review the factors and risks and other information we describe in the reports we will file from time to time with the SEC. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respect from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Although we undertake no obligation to revise or update any forward-looking statements in this Quarterly Report, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

**PART I—FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements.**

**Neuphoria Therapeutics Inc.  
Condensed Consolidated Balance Sheets (Unaudited)**

	<b>December 31, 2025</b>	<b>June 30, 2025</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 22,170,414	\$ 14,210,745
Accounts receivable, non-trade	1,109,908	11,948
Restricted cash	79,647	77,945
Prepaid insurance expense	26,954	740,193
Total current assets	<u>23,386,923</u>	<u>15,040,831</u>
Property and equipment, net	-	2,771
Intangible assets, net	4,473,426	4,804,791
Operating lease right-of-use assets	-	102,612
Goodwill	8,737,953	8,638,609
Total assets	<u>\$ 36,598,302</u>	<u>\$ 28,589,614</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 520,709	\$ 1,154,369
Accrued expenses and other current liabilities	2,065,599	2,950,077
Operating lease liability	-	116,314
Total current liabilities	<u>2,586,308</u>	<u>4,220,760</u>
Contingent consideration	1,172,859	1,169,675
Deferred tax liability	425,527	495,113
Accompanying warrants liability	2,712,784	3,701,492
Total liabilities	<u>6,897,478</u>	<u>9,587,040</u>
Commitments and contingencies (Note 17)		
Shareholders' equity:		
Common stock, \$0.00001 par value, 5,377,329 and 1,978,460 shares issued and outstanding at December 31, 2025 and June 30, 2025, respectively	54	19
Additional paid-in capital, net of subscription receivable	218,315,150	200,194,324
Accumulated other comprehensive loss, net of tax	(2,225,265)	(2,845,066)
Accumulated deficit	<u>(186,389,115)</u>	<u>(178,346,703)</u>
Total shareholders' equity	<u>29,700,824</u>	<u>19,002,574</u>
Total liabilities and shareholders' equity	<u>\$ 36,598,302</u>	<u>\$ 28,589,614</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Neuphoria Therapeutics Inc.**  
**Condensed Consolidated Statements of Operations and Other Comprehensive Income (Loss) (Unaudited)**

	<b>Three Months Ended December</b>		<b>Six Months Ended December 31,</b>	
	<b>31,</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
License revenue	\$ -	\$ 662,715	\$ -	\$ 662,715
Operating expenses:				
Research and development	697,723	1,737,039	4,483,372	3,637,942
General and administrative	2,126,918	2,629,187	3,993,958	4,296,011
Restructuring costs	1,236,172	-	1,236,172	—
Total operating expenses	4,060,813	4,366,226	9,713,502	7,933,953
Loss from operations	(4,060,813)	(3,703,511)	(9,713,502)	(7,271,238)
Other income (loss):				
Interest income, net	167,311	30,615	309,307	66,711
(Loss) gain on foreign currency transactions	(135,659)	629,501	(197,394)	349,464
Research and development incentive award	478,959	306,233	478,959	306,233
Gain on fair value adjustments	5,379,500	805,422	1,010,631	3,680,116
Total other income	5,890,111	1,771,771	1,601,503	4,402,524
Income (loss) before income taxes	1,829,298	(1,931,740)	(8,111,999)	(2,868,714)
Income tax benefit (expense)	34,794	(11,609)	69,587	120,578
Net income (loss)	1,864,092	(1,943,349)	(8,042,412)	(2,748,136)
Other comprehensive income (loss)				
Unrealized gain (loss) on foreign currency translation	570,580	(1,288,433)	619,801	(703,052)
Total other comprehensive income (loss)	570,580	(1,288,433)	619,801	(703,052)
Total comprehensive income (loss)	\$ 2,434,672	\$ (3,231,782)	\$ (7,422,611)	\$ (3,451,188)
Net income (loss) per share - basic	\$ 0.41	\$ (1.23)	\$ (2.37)	\$ (1.91)
Weighted-average common shares outstanding - basic	4,536,235	1,575,244	3,391,151	1,437,654
Net income (loss) per share - diluted	\$ (0.77)	\$ (1.79)	\$ (2.66)	\$ (4.59)
Weighted-average common shares outstanding - diluted	4,536,235	1,575,244	3,391,151	1,437,654

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Neuphoria Therapeutics Inc.**  
**Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)**

	Common Shares		Stock Subscription Receivable	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
<b>Balance at June 30, 2025</b>	1,978,460	\$ 19	\$ (94,685)	\$ 200,289,009	\$ (2,845,066)	\$ (178,346,703)	\$ 19,002,574
Issuance of common stock in connection with our ATM facility, net of offering costs of \$0.1 million	379,153	4	-	3,158,930	-	-	3,158,934
Collection of subscription receivable	-	-	94,685	-	-	-	94,685
Share-based compensation	-	-	-	111,277	-	-	111,277
Other comprehensive income	-	-	-	-	49,221	-	49,221
Net loss	-	-	-	-	-	(9,906,504)	(9,906,504)
<b>Balance at September 30, 2025</b>	<u>2,357,613</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 203,559,216</u>	<u>\$ (2,795,845)</u>	<u>\$ (188,253,207)</u>	<u>\$ 12,510,187</u>
Issuance of common stock in connection with our ATM facility, net of offering costs of \$0.5 million	3,019,716	31	-	14,662,233	-	-	14,662,264
Share-based compensation	-	-	-	93,701	-	-	93,701
Other comprehensive income	-	-	-	-	570,580	-	570,580
Net income	-	-	-	-	-	1,864,092	1,864,092
<b>Balance at December 31, 2025</b>	<u>5,377,329</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 218,315,150</u>	<u>\$ (2,225,265)</u>	<u>\$ (186,389,115)</u>	<u>\$ 29,700,824</u>
<b>Balance at June 30, 2024</b>	1,103,954	\$ 11	\$ -	\$ 198,481,027	\$ (3,013,595)	\$ (177,977,071)	\$ 17,490,372
Exercise of pre-funded ADS warrants	339,408	3	-	406	-	-	409
Share issue costs	-	-	-	(227,747)	-	-	(227,747)
Share-based compensation	-	-	-	26,736	-	-	26,736
Other comprehensive income	-	-	-	-	585,381	-	585,381
Net loss	-	-	-	-	-	(804,787)	(804,787)
<b>Balance at September 30, 2024</b>	<u>1,443,362</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 198,280,422</u>	<u>\$ (2,428,214)</u>	<u>\$ (178,781,858)</u>	<u>\$ 17,070,364</u>
Exercise of pre-funded ADS warrants	185,297.00	2	-	218	-	-	220
Share issue costs	-	-	-	(111,777)	-	-	(111,777)
Share-based compensation	-	-	-	20,970	-	-	20,970
Other comprehensive loss	-	-	-	-	(1,288,433)	-	(1,288,433)
Net loss	-	-	-	-	-	(1,943,349)	(1,943,349)
<b>Balance at December 31, 2024</b>	<u>1,628,659</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 198,189,833</u>	<u>\$ (3,716,647)</u>	<u>\$ (180,725,207)</u>	<u>\$ 13,747,995</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Neuphoria Therapeutics Inc.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

	<b>Six Months Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (8,042,412)	\$ (2,748,136)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	204,978	45,820
Depreciation and amortization expense	331,581	331,834
Non-cash rent expense	114,662	66,456
Change in fair value of accompanying warrant liability	(988,708)	(3,847,707)
Change in fair value of contingent consideration	(18,738)	167,591
Effect of foreign currency remeasurement	256,933	(280,247)
Changes in assets and liabilities:		
Accounts receivable, non-trade	(1,097,960)	91,323
Prepaid insurance expense	713,239	440,296
Accounts payable	(633,660)	(712,995)
Accrued expenses and other current liabilities	(884,478)	(1,153,961)
Operating lease liabilities	(116,314)	(71,308)
Deferred tax liability	(69,586)	(120,619)
Other non-current liabilities	-	503
Net cash used in operating activities	<u>(10,230,463)</u>	<u>(7,791,150)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from the sale of equity, net of issuance costs of \$0.6 million	17,915,883	-
Issue costs associated with ADS shares and ADS pre-funded warrants	-	(338,900)
Net cash provided by (used in) financing activities	<u>17,915,883</u>	<u>(338,900)</u>
Effect of exchange rate on changes on cash, cash equivalents, and restricted cash	<u>275,951</u>	<u>(138,325)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	7,961,371	(8,268,375)
Cash, cash equivalents, and restricted cash, beginning of period	14,288,690	12,686,935
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 22,250,061</u>	<u>\$ 4,418,560</u>
<b>Reconciliation of cash, cash equivalents, and restricted cash:</b>		
Cash and cash equivalents	\$ 22,170,414	\$ 4,344,578
Restricted cash	79,647	73,982
Total cash, cash equivalents, and restricted cash	<u>\$ 22,250,061</u>	<u>\$ 4,418,560</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Neuphoria Therapeutics Inc.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 1. The Company and Basis of Presentation**

Neuphoria Therapeutics Inc. ("the Company") is a public company incorporated in Delaware. The Company is a clinical-stage biotechnology company dedicated to developing therapies that address the complex needs of individuals affected by neuropsychiatric disorders. Neuphoria's lead drug candidate, BNC210, an oral, proprietary, selective negative allosteric modulator of the  $\alpha 7$  nicotinic acetylcholine receptor for the treatment of post-traumatic stress disorder ("PTSD"). BNC210 is a first-of-its-kind, broad spectrum anti-anxiety experimental therapeutic, designed to restore neurotransmitter balance in relevant brain areas, providing rapid relief from stress and anxiety symptoms without the common pitfalls of sedation, cognitive impairment, or addiction.

In addition, the Company has a strategic partnership with Merck & Co., Inc. ("Merck") with two clinical candidates in early-stage clinical trials for the treatment of cognitive deficits in Alzheimer's disease and other central nervous system conditions. Our pipeline also includes the  $\alpha 7$  nicotinic acetylcholine receptor next generation and the Kv3.1/3.2 preclinical programs, both in the lead optimization development stage.

Details of the Company's entity structure at the end of the reporting period are as follows (post-redomiciliation):

Name	Entity	Country of Incorporation
Neuphoria Therapeutics Inc.	Parent	United States
Bionomics Limited	Subsidiary	Australia
Bionomics, Inc.	Subsidiary	United States

**Restructuring Costs**

On October 20, 2025, the Company announced that the AFFIRM-1 Phase 3 trial of BNC210 for the acute treatment of social anxiety disorder did not meet its primary endpoint. Based on these results, the Company announced that it has discontinued the BNC210 SAD program and has paused the BNC210 PTSD program while it continues to undertake a comprehensive strategic review of its operations and portfolio. During the three months ended December 31, 2025, the Company terminated all but one employee, terminated its facility leases, and cancelled or paused, as applicable, its research and development activities while it seeks to identify a partner with which to execute a strategic merger and/or such other transaction(s), if any, for the benefit of existing shareholders of Neuphoria. See Note 3 for more information.

**Liquidity and Going Concern**

As of December 31, 2025, the Company had working capital of \$20.8 million, an accumulated deficit of \$186.4 million, and cash and cash equivalents of \$22.2 million. The Company has not generated any product revenues and has not achieved profitable operations. There is no assurance that profitable operations will ever be achieved, and, if achieved, could be sustained on a continuing basis. In addition, development activities, clinical and non-clinical testing, and commercialization of the Company's products will require significant additional financing.

The Company is subject to a number of risks similar to other life science companies, including, but not limited to, risks related to the successful discovery, development, and commercialization of product candidates, raising additional capital, development of competing drugs and therapies, protection of proprietary technology, and market acceptance of the Company's products. As a result of these and other factors and the related uncertainties, there can be no assurance of the Company's future success.

In accordance with ASC 205-40, *Going Concern*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date these condensed consolidated financial statements are issued. The Company earned net income of \$1.9 million and incurred a net loss of \$1.9 million for the three months ended December 31, 2025 and 2024, respectively, and incurred net losses of \$8.0 million and \$2.7 million for the six months ended December 31, 2025 and 2024, respectively. The Company also had \$10.2 million of cash used in operating activities during the six months ended December 31, 2025.

Based upon the Company's current operating plans reflective of recent cost curtailments, the Company believes that its existing cash and cash equivalents will be sufficient to continue funding its operating activities beyond the third quarter of fiscal year 2027, which is more than twelve months from the date these condensed consolidated financial statements are issued. Consequently, management has determined there is no substantial doubt regarding the Company's ability to continue as a going concern for the twelve month period from the date these financial statements are issued.

The accompanying condensed consolidated financial statements do not include adjustments that might result from the outcome of uncertainties and assumes the Company will continue as a going concern through the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

## **Basis of Presentation**

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP" or "GAAP") and include the accounts of our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet as of December 31, 2025 was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The accompanying condensed consolidated financial statements, as of December 31, 2025 and for the three and six months ended December 31, 2025, are unaudited and have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures are adequate to make the information presented not misleading.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended June 30, 2025 included in the Company's Annual Report on Form 10-K for the year ended June 30, 2025 filed with the SEC on September 29, 2025. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, as necessary for the fair statement of the Company's financial position as of December 31, 2025, results of its operations for the three and six months ended December 31, 2025, shareholders' equity for the three and six months ended December 31, 2025, and cash flows for the six months ended December 31, 2025, have been made. The results of operations for the three and six months ended December 31, 2025 are not necessarily indicative of the results of operations to be expected for the year ending June 30, 2026.

## **Note 2. Summary of Significant Accounting Policies**

### **Use of Estimates**

The preparation of the Company's condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenue, expenses, and certain assets and liabilities at the balance sheet date. Such estimates include the performance obligations under the Company's license agreements, the valuation of goodwill and intangibles, accruals, and determining the fair value of contingent consideration and the warrant liability. Although the estimates and assumptions are based on the Company's knowledge of current events and actions the Company may undertake in the future, actual results may ultimately materially differ from the estimates and assumptions.

### **Segment Information**

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The CODM of the Company is the Interim Chief Executive Officer. The Company operates as a single operating and reporting segment focused on the discovery and development of allosteric ion channel modulators designed to transform the lives of patients suffering from serious central nervous system disorders with high unmet medical need. The CODM evaluates the operating performance based on net income (loss) as reported on the condensed consolidated statement of operations. The measure of the operating segment assets is reported on the condensed consolidated balance sheet as total assets.

### **Summary of Significant Accounting Policies**

There were no changes to significant accounting policies during the six months ended December 31, 2025, as compared to those identified in the fiscal 2025 Annual Report on Form 10-K.

### **Recently Issued Accounting Pronouncements Not Yet Adopted**

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosure requirements will be applied on a prospective basis, with the option to apply them retrospectively. This standard is effective for the Company's fiscal year ending June 30, 2026. The Company is evaluating the disclosure requirements related to the new standard but adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires public business entities to disclose in the notes to the financial statements, among other things, specific information about certain costs and expenses, including purchases of inventory, employee compensation depreciation, amortization, and depletion expenses for each caption on the income statement where such expenses are included. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted, and the amendments may be applied prospectively to reporting periods after the effective date or retrospectively to all periods presented in the financial statements. The Company is evaluating the disclosure requirements related to the new standard.



The following table summarizes changes in the fair value of the contingent consideration and the accompanying warrants liability, for which each fair value was determined by Level 3 inputs:

	<b>Contingent Consideration in a Business Combination</b>	<b>Freestanding Financial Instruments Accompanying Warrants Liability</b>
Balance at June 30, 2025	\$ 1,169,675	\$ 3,701,492
Change in fair value, net of foreign currency effect	3,184	(988,708)
Balance at December 31, 2025	<u>\$ 1,172,859</u>	<u>\$ 2,712,784</u>

	<b>Contingent Consideration in a Business Combination</b>	<b>Freestanding Financial Instruments Accompanying Warrants Liability</b>
Balance at June 30, 2024	\$ 587,762	\$ 4,657,832
Payment of milestone obligation to Eclipse	(175,055)	-
Change in fair value, net of foreign currency effect	167,591	(3,847,707)
Balance at December 31, 2024	<u>\$ 580,298</u>	<u>\$ 810,125</u>

The Company evaluates transfers between levels at the end of each reporting period. There were no transfers between levels during the periods presented.

#### **Note 5. Accounts Receivable, Non-trade**

Accounts receivable, non-trade consist of the following:

	<b>December 31, 2025</b>	<b>June 30, 2025</b>
Interest receivable	\$ 2,565	\$ 237
Refundable credits on contract terminations (see Note 3)	618,971	-
Research and development incentives receivable	488,372	-
GST receivables	-	11,711
Total accounts receivable, non-trade	<u>\$ 1,109,908</u>	<u>\$ 11,948</u>

#### **Note 6. Leases**

In June 2021, the Company entered into a 5-year lease agreement (the "Greenhill Lease") for its Australian facility located in Dulwich, South Australia. The initial term of the lease expires in May 2026.

The Company accounts for its leases under ASC 842, *Leases* ("ASC 842"), recognizing right-of-use ("ROU") assets and corresponding lease liabilities for operating leases on the condensed consolidated balance sheet. The ROU asset is initially measured based on the present value of future lease payments and subsequently amortized over the lease term.

During the three months ended December 31, 2025, the Company committed to a plan to exit its Australian facility as part of a restructuring plan as approved by the Company's board of directors (see Note 1 and Note 3). The leased facility will no longer be used for any business purpose, the Company does not intend to sublease the space. Accordingly, under ASC 360, *Property, Plant, and Equipment*, and ASC 842, the carrying value of the associated right-of-use asset was evaluated for abandonment, and the remaining carrying amount of less than \$0.1 million was derecognized. The lease liability of approximately \$0.1 million was also derecognized.

The resulting write-off of the right-of-use asset is recorded in Restructuring costs in the condensed consolidated statements of operations and other comprehensive income (loss) for three and six months ended December 31, 2025.

Variable lease expense for the premises primarily consisted of common area maintenance and other operating costs.

The following table summarizes the Company's recognition of the Greenhill Lease including the remaining lease payments through the end of the expected lease term, all of which are reflected in accrued restructuring expenses at December 31, 2025 (see Note 9):

	<b>December 31, 2025</b>
Remainder of fiscal year 2026	\$ 55,547
Less: derecognition of lease liability due to restructuring	(55,547)
Present value of lease liability	<u>\$ -</u>

The discount rate associated with the Company's operating lease was 3.5% and the weighted average remaining lease term for the remaining lease payments was approximately 0.4 years at December 31, 2025.

The following table summarizes the effect of lease costs in the Company's condensed consolidated statements of operations and other comprehensive income (loss) prior to the above-referenced restructuring event:

	<b>Three Months Ended December</b>		<b>Six Months Ended December</b>	
	<b>31,</b>		<b>31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating lease costs				
Research and development	\$ 28,749	\$ 15,197	\$ 28,749	\$ 28,280
General and administrative	36,536	16,700	36,536	33,806
Total	<u>\$ 65,285</u>	<u>\$ 31,897</u>	<u>\$ 65,285</u>	<u>\$ 62,086</u>

#### **Note 7. Goodwill**

The following table summarizes changes in the carrying value of goodwill for the six months ended December 31, 2025 and 2024:

Carrying amount at June 30, 2025	\$ 8,638,609
Foreign currency exchange differences	99,344
Carrying amount at December 31, 2025	<u>\$ 8,737,953</u>
Carrying amount at June 30, 2024	\$ 8,690,018
Foreign currency exchange differences	(282,747)
Carrying amount at December 31, 2024	<u>\$ 8,407,271</u>

The Company reviews goodwill for impairment at the reporting unit on an annual basis during the fourth quarter, and when events or changes in circumstances indicate that a reduction in the carrying value may not be recoverable. The reporting unit has been identified as the drug development business unit. There was no impairment identified by the Company at December 31, 2025.

## Note 8. Intangible Assets

### Intellectual Property

The acquired intellectual property relates to cancer stem cell technology and is carried at its cost on the date of acquisition, less accumulated amortization and impairment charges. There was no impairment identified by the Company at December 31, 2025.

	<b>Cancer Stem Cell Technology</b>	
Carrying amount at June 30, 2025	\$	4,804,791
Amortization expense		(331,365)
Carrying amount at December 31, 2025	\$	<u>4,473,426</u>
Carrying amount at June 30, 2024	\$	5,467,522
Amortization expense		(331,365)
Carrying amount at December 31, 2024	\$	<u>5,136,157</u>

Acquired intellectual property with a finite life is recognized as an asset at cost and amortized on a straight-line basis over its estimated useful life of 20 years. There is currently no internally generated intellectual property that has been capitalized.

### Note 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	<b>December 31, 2025</b>	<b>June 30, 2025</b>
Research and development expenses	\$ 1,479,269	\$ 1,656,280
Accrued restructuring expenses	262,846	-
Salary and benefits	162,112	794,836
Professional and consulting fees	-	152,306
Insurance	28,009	278,149
EDA Loan	33,465	32,750
Other	99,898	35,756
Total accrued expenses and other current liabilities	<u>\$ 2,065,599</u>	<u>\$ 2,950,077</u>

### Note 10. Share Based Compensation

In December 2024, Neuphoria adopted its 2024 Equity Incentive Plan ("2024 Plan"). The maximum number of shares of common stock of the Company that are available for issuance under the 2024 Plan is 1,000,000 shares. The structure of equity awards is under the active review of the Compensation Committee to ensure it meets good corporate practice for a company of our size, nature, and company lifecycle. The Committee may, from time to time, grant options, stock appreciation rights, restricted stock, restricted stock units, stock bonus awards and/or performance awards to one or more eligible persons. At December 31, 2025, there were 863,230 shares available for grant under the 2024 Plan.

The following table summarizes employee and non-employee share option activity for the six months ended December 31, 2025:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price per Share</b>	<b>Weighted Average Remaining Contractual Term (in years)</b>	<b>Aggregate Intrinsic Value <sup>(1)</sup></b>
<b>Outstanding as of June 30, 2025</b>	91,211	\$ 88.79	6.15	\$ -
Granted	51,839	\$ 8.27	9.91	\$ -
Lapsed	(6,023)	\$ 18.85	-	\$ -
<b>Outstanding as of September 30, 2025</b>	137,027	\$ 61.41	7.67	\$ -
Lapsed	(257)	\$ 347.27	-	\$ -
<b>Outstanding as of December 31, 2025</b>	136,770	\$ 61.41	7.67	\$ -
<b>Options exercisable as of December 31, 2025</b>	<u>72,210</u>	\$ 106.68	5.72	\$ -

- (1) The aggregate intrinsic value in the above table was calculated on the positive difference, if any, between the closing price per share of the Company's common stock on December 31, 2025 of \$3.88 and the per share exercise price of the underlying options.

As of December 31, 2025, there was approximately \$0.4 million of unrecognized compensation cost related to unvested employee share option awards outstanding, which is expected to be recognized as expense over a weighted average period of 1.46 years.

In determining the fair value of the share-based awards, the Company uses the Black-Scholes option-pricing model and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

The weighted average grant date fair value of options granted during the six months ended December 31, 2025 and 2024 was approximately \$7.88 and \$4.58 per share, respectively.

During the three months ended December 31, 2025 and 2024, the Company recognized total share-based compensation expense of \$0.1 million and less than \$0.1 million, respectively. During the six months ended December 31, 2025 and 2024, the Company recognized total share-based compensation expense of \$0.2 million and less than \$0.1 million, respectively. Substantially all the share-based compensation expense was recorded as general and administrative expense in each period.

#### **Restricted Stock Units ("RSUs")**

Terms of RSU agreements, including vesting requirements, are determined by the board of directors or its compensation committee, subject to the provisions of the 2024 Plan. RSUs granted by the Company vest according to the terms of the underlying grant agreement and are awarded at the closing stock share price on the date of grant. In the event the recipient's employment with the Company terminates, any unvested underlying shares are forfeited and revert to the 2024 Plan. RSUs are not included in issued and outstanding common stock until vested and the underlying shares are released. There were 33,915 RSUs fully vested and unexercised at December 31, 2025.

The Company recognized approximately \$0.1 million of stock-based compensation expense associated with the RSUs for the six months ended December 31, 2025. As of December 31, 2025, the unexercised RSUs had an aggregate intrinsic value of \$0.1 million.

#### **Note 11. Warrants**

The classification, expiration date, and exercise price of individual warrants at December 31, 2025 are as follows:

	<b>Number of Warrants Outstanding</b>	<b>Exercise Price</b>	<b>Expiration Date</b>	<b>Classification</b>
2024 accompanying warrants	1,054,381	\$ 11.88	June 2029	Liability

1,054,381 warrants were exercisable at December 31, 2025 and remain exercisable until June 2, 2029 unless exercised earlier. There were no exercises, cancellations, or expirations of warrants during the six months ended December 31, 2025.

The weighted average remaining contractual life of the accompanying warrants outstanding at December 31, 2025 is 3.42 years.

#### **Note 12. Capital Stock**

Under the Certificate of Incorporation, Neuphoria is authorized to issue up to 30,000,000 shares of common stock and 3,000,000 shares of preferred stock, par value \$0.00001 per share.

##### **Common Stock**

**Voting Rights.** The holders of our common stock are entitled to one vote per share on all matters on which stockholders are generally entitled to vote; provided, however, that, except as otherwise required by law, holders of common stock, as such, are not entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation. Holders of our common stock do not have cumulative voting rights in the election of directors. Accordingly, the holders of a majority of the combined voting power of our common stock could, if they so choose, elect all the directors.

**Dividends.** Subject to the rights of the holders of any outstanding series of preferred stock, holders of common stock are entitled to receive any dividends to the extent permitted by law when, as and if declared by our board of directors.

**Liquidation.** Upon the dissolution, liquidation, or winding up of Neuphoria, subject to the rights of the holders of any outstanding series of preferred stock, the holders of shares of common stock are entitled to receive the assets of Neuphoria available for distribution to its stockholders ratably in proportion to the number of shares held by them.

## Authorized but Unissued Preferred Stock

Unless required by law or by any stock exchange on which our common stock may be listed, the authorized shares of preferred stock will be available for issuance without further action by our stockholders. Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of Nasdaq, which apply as long as our common stock is listed on Nasdaq, require stockholder approval of certain issuances equal to or exceeding 20% of the combined voting power of our common stock if issued at a discount to the market price of the common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions, and employee benefit plans.

Our Certificate of Incorporation authorizes our board of directors to establish the number of shares to be included in each series of preferred stock, and to fix the designation, powers, preferences, relative participation, optional or other rights, and the qualifications, limitations or restrictions, of the shares of each series of preferred stock. Our board of directors is also able to increase or decrease the number of authorized shares of any series of preferred stock (but not below the number of shares of that series of preferred stock then outstanding) without any further vote or action by the stockholders.

### *Shareholder Rights Agreement*

On October 25, 2025, the Board of Directors (the “Board”) of Neuphoria Therapeutics Inc. declared a dividend of one right (“Right”) to purchase one-thousandth of one share of the Company’s newly designated Series A Preferred Stock, par value \$0.00001 per share (each, a “Preferred Share” and collectively, the “Preferred Shares”), for each outstanding share of common stock, par value \$0.00001 per share, of the Company to the stockholders of record as of the close of business on October 27, 2025 (the “Record Date”). The Company also adopted a limited duration stockholder rights plan (the “Rights Plan”), effective immediately, as set forth in the Rights Agreement, dated as of October 27, 2025 (the “Rights Agreement”), by and between the Company and Computershare Trust Company, N.A., as Rights Agent. The Rights Agent currently serves as the Company’s transfer agent with respect to the Company Common Stock and also has been appointed transfer agent with respect to the Preferred Shares, if any, that may be issued pursuant to the exercise of rights under the Rights Agreement. The Rights will expire on October 27, 2026, unless the rights are earlier redeemed or exchanged by the Company. The Company does not have any obligation under the Rights Agreement to seek stockholder approval for the Rights Plan. In connection with the Rights Plan, the Company also filed a Certificate of Designation with the Secretary of State of the State of Delaware on October 27, 2025 with respect to the Series A Preferred Stock shares issuable under the Rights Plan and is referenced as Exhibit 4.1 to this Quarterly Report. Per the terms of the Rights Plan, the purchase price for each 1/1000th of a Preferred Share pursuant to the exercise of a Right shall initially be \$85.00. There were no triggering events under the Shareholders Rights Plan during the three months ended December 31, 2025.

### *Preferred Share Provisions:*

Each Preferred Share, if issued:

- will not be redeemable;
- when, as and if any dividend is declared on Company Common Stock, entitle the holder to quarterly dividend payments in an amount per share equal to 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount, payable in kind, of all non-cash dividends or other distributions other than a dividend payable in Company Common Stock or a subdivision of the outstanding Company Common Stock, by reclassification or otherwise, declared on Company Common Stock since the immediately preceding quarterly dividend payment date or, with respect to the first date when quarterly dividends are payable in cash, since the first issuance of any share or fraction of a share of Series A Preferred Stock;
- will entitle the holder upon liquidation either to receive a preferential liquidation payment of the greater of (a) \$1,000 per Series A Preferred Share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, and (b) an aggregate amount per Series A Preferred Share equal to 1,000 times the aggregate amount to be distributed per share to holders of Company Common Stock plus an amount equal to any accrued and unpaid dividends on such Series A Preferred Shares;
- will have the same voting power as 1,000 shares of Company Common Stock;
- if shares of Company Common Stock are exchanged via merger, consolidation, or a similar transaction, will entitle the holder to a per share payment equal to the payment made on 1,000 shares of Company Common Stock; and
- will rank junior to any other series of the Company’s preferred stock in the event such other preferred stock is issued by the Company, unless the terms of any such series provide otherwise.

The value of one one-thousandth (1/1,000th) interest in a Series A Preferred Share is intended to approximate the value of one share of Company Common Stock.

**Note 13. Income Taxes**

For interim financial reporting, the Company estimates its annual effective tax rate based on the projected income for its entire fiscal year and records a provision or benefit for income taxes on a quarterly basis based on the estimated annual effective income tax rate. The Company recognized a tax benefit of \$34,794, or 1.90%, and a tax expense of \$11,609, or 0.60%, for the three months ended December 31, 2025 and 2024, respectively. The Company recognized a tax benefit of \$69,587, or 0.86%, and a tax benefit of \$120,578, or 4.20%, for the six months ended December 31, 2025 and 2024, respectively.

#### Note 14. Net Income (Loss) per Share

The following table details the compilation of diluted earnings per share for the three and six months ended December 31, 2025 and 2024:

	Three Months Ended December		Six Months Ended December 31,	
	2025	2024	2025	2024
<b>Earnings per share - basic:</b>				
Net income (loss)	\$ 1,864,092	\$ (1,943,349)	\$ (8,042,412)	\$ (2,748,136)
Weighted average shares - basic	4,536,235	1,575,244	3,391,151	1,437,654
Net income (loss) per share - basic	\$ 0.41	\$ (1.23)	\$ (2.37)	\$ (1.91)
<b>Earnings per share - diluted:</b>				
Net income (loss)	\$ 1,864,092	\$ (1,943,349)	\$ (8,042,412)	\$ (2,748,136)
Less: effect of revaluation of accompanying warrant liability	(5,379,435)	(881,462)	(988,709)	(3,847,707)
Net income (loss) excluding revaluation of accompanying warrants	\$ (3,515,343)	\$ (2,824,811)	\$ (9,031,121)	\$ (6,595,843)
Weighted average shares - diluted	4,536,235	1,575,244	3,391,151	1,437,654
Net income (loss) per share - diluted	\$ (0.77)	\$ (1.79)	\$ (2.66)	\$ (4.59)

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*. The guidance clarifies the application of ASC 260 on how to calculate diluted earnings per share (“EPS”) when an entity has a loss from continuing operations and a contract that may be settled in stock or cash that is reported as a liability for accounting purposes. These types of contracts may require an adjustment to the numerator in the diluted EPS calculation for any changes in income or loss that would result as if the contract had been reported as an equity instrument.

The guidance specifies that an entity should consider whether including the potential common shares would have a dilutive or anti-dilutive effect on the diluted EPS computation by evaluating the combined effect of any numerator and denominator adjustment, even if a loss from continuing operations exists.

The application of this instrument-specific guidance, in accordance with ASC 260-10-45-45 and 46, required the removal of the gain on fair value associated with the accompanying warrant liability such that the numerator resulted in a net loss for diluted EPS purposes.

The following potential shares of common stock are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share.

	December 31,	
	2025	2024
Options to purchase common stock	136,770	50,854
Warrants to purchase common stock	1,054,381	1,054,381

#### Note 15. Related Party Transactions

##### Share Options Issued to Directors and Other Key Management Personnel

During the three and six months ended December 31, 2025, 34,559 stock options were granted to Dr. Spyros Papapetropoulos, CEO.

##### Danforth Advisors

In July 2021, we entered into a consulting agreement with Danforth Advisors LLC (“Danforth”) to provide consulting services to the Company. The Danforth agreement was amended in May 2023, and further amended in August 2023. Pursuant to the agreement, Danforth provides us with the Chief Financial Officer services of Mr. Cunningham in exchange for fees payable to Danforth, as well as Finance and Accounting services by other members of Danforth. The Danforth agreement will continue until such time as either party to it has given notice of termination, pursuant thereto, with cause upon 30 days prior written notice or without cause upon 60 days prior written notice. During the three months ended December 31, 2025 and 2024, Danforth Advisors invoiced the Company \$235,108 and \$152,331, respectively. During the six months ended December 31, 2025 and 2024, Danforth Advisors invoiced the Company \$491,140 and \$329,579, respectively. We believe that this agreement is on an arms-length basis.

## **WG Partners LLP**

In December 2023, we entered into an engagement letter with WG Partners LLP to provide financial advisory services to the Company. David Wilson, a director of the Company, is the Chairman and Chief Executive Officer of WG Partners. Under the existing agreement, the Company agreed to pay to WG Partners a monthly fee of \$15,000 and applicable commissions, if any, which are subject to conditions and further addendum; however, no such commissions were earned, invoiced or paid during each of the three and six months ended December 31, 2025 and 2024 under the terms of this agreement. The agreement will continue until such time as a party gives 30 days prior written notice of termination to the other party. During the three months ended December 31, 2025 and 2024, WG Partners invoiced the Company for monthly stipend fees of \$56,353 and \$59,841, respectively. During the six months ended December 31, 2025 and 2024, WG Partners invoiced the Company for monthly stipend fees of \$101,282 and \$79,206, respectively. We believe that this agreement, as amended, was negotiated and entered into on an arms-length basis.

### **Note 16. Contingent Consideration**

As a result of the acquisition of Eclipse Therapeutic, Inc (“Eclipse”) during the year ended June 30, 2013, the Company determines and recognizes at each reporting date the fair value of the additional consideration that may be payable to Eclipse security holders due to potential royalty payments based on achieving late-stage development success or partnering outcomes based on Eclipse assets. Such potential earn-out payments are recorded at fair value and include several significant estimates including adjusted revenue projections and expenses, probability of such projections, and a suitable discount rate to calculate fair value.

Due to changes in the projected inputs associated with the timing and quantum of expected cash outflows, which are in USD dollars, the liability increased by an immaterial amount during the six months ended December 31, 2025 and increased approximately \$0.2 million during the six months ended December 31, 2024 (see Note 4). Inputs used are based on the anticipated amounts and timing of potential milestone and royalty payments from licensing agreement with Carina Biotech Pty Ltd (“Carina”).

The guidance in ASC 805, *Business Combinations*, requires an acquirer to recognize contingent consideration obligations as of the acquisition date at fair value as part of the consideration transferred in exchange for the acquired business. Subsequent changes in the fair value are recognized in the condensed consolidated statement of operations and other comprehensive income (loss).

### **Note 17. Commitments and Contingencies**

#### *Ironwood Pharmaceuticals, Inc.*

In January 2012, the Company entered into a research and license agreement with Ironwood Pharmaceuticals, Inc. (“Ironwood”) pursuant to which Ironwood was granted worldwide development and commercialization rights for BNC210. In November 2014, the parties mutually agreed to terminate this license agreement, reverting all rights to BNC210 back to the Company. The sole obligation to Ironwood is to pay Ironwood low to mid-single digit royalties on the net sales of BNC210, if commercialized. It is not practicable to estimate the future payments of any such royalties that may arise due to the stage of development of BNC210.

#### *Severance Obligation*

The Company has a remaining liability in relation to the severance agreement with Dr. Spyros Papapetropoulos for severance pay of approximately \$0.5 million at December 31, 2025.

### **Note 18. Subsequent Events**

The Company has evaluated subsequent events through February 17, 2026 and has concluded that no events or transactions have occurred that require disclosure in the accompanying condensed consolidated financial statements, except as follows:

#### *Chief Executive Officer*

Simultaneous with the termination of the Company’s CEO employment agreement, effective December 31, 2025, Dr. Papapetropoulos entered into a Consulting Agreement with the Company (the “Consulting Agreement”) effective January 1, 2026, under which Dr. Papapetropoulos will serve as the interim CEO to the Company for up to twelve months to support the execution of the Company’s contemplated strategic transaction and ensure a seamless transition. Under the terms of the Consulting Agreement, Dr. Papapetropoulos will receive consulting fees equal to \$800 per hour for services up to approximately 40 hours per month for his continued services, which aggregate hours shall not exceed more than twenty percent of the total hours performed while acting as the full-time CEO of the Company. The Consulting Agreement shall automatically terminate upon the earlier of twelve months from entry or the consummation of a strategic merger, change of control or similar transaction by the Company.

#### *WG Partners LLP*

On January 30, 2026, in connection with the Company’s previously announced initiation of a strategic evaluation process in November 2025, the Company and WG Partners entered into an amendment to the agreement to reflect WG Partners’ continued services on behalf of the Company, alongside H.C. Wainwright & Co., the Company’s lead strategic alternative transaction advisor, to assist and advise the Company in its consideration of a potential merger and acquisition, licensing and/or such other strategic transaction, as the case may be. In this regard, WG Partners has extended the strategic partner outreach to territories outside of the

U.S. Pursuant to the 2026 amendment, WG Partners is entitled to receive the following compensation: (i) an increase in its monthly fee from \$15,000 to \$20,000, plus VAT where applicable, (ii) a one-time retainer of \$100,000, plus VAT where applicable, which payment was made upon entry into such 2026 amendment; and (iii) a strategic transaction success fee of \$350,000, plus VAT where applicable, payable on the completion of a potential merger and acquisition transaction, if any.

*RSU Grants*

On January 20, 2026, the Board of Directors granted to its non-executive members a total of 42,684 RSUs with an intrinsic value of \$4.03 per share. The RSUs fully vest the day prior to the next annual shareholder meeting or the effective date of a change in control of the Company, whichever occurs earlier.

There are no other matters or circumstances that have arisen since December 31, 2025 which significantly affect or may significantly affect the results of the operations of the Company.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of our Annual Report on Form 10-K for the year ended June 30, 2025 ("Form 10-K") and in this report, as well as disclosures in this report and our other reports filed with the Securities and Exchange Commission ("SEC"), for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

### Overview

We are a clinical-stage biopharmaceutical company developing novel, allosteric ion channel modulators designed to transform the lives of patients suffering from serious central nervous system ("CNS") disorders with high unmet medical need. Ion channels serve as important mediators of physiological function in the CNS and the modulation of ion channels influences neurotransmission that leads to downstream signaling in the brain. The  $\alpha 7$  nicotinic acetylcholine ("ACh") receptor (" $\alpha 7$  receptor") is an ion channel that plays an important role in driving emotional responses and cognitive performance. Utilizing our expertise in ion channel biology and translational medicine, we have been developing orally active small molecule negative allosteric modulators ("NAMs") to treat anxiety and stressor-related disorders. In addition, through a long-standing strategic partnership with Merck & Co., Inc., in the United States and Canada ("MSD"), we are also developing positive allosteric modulators ("PAMs") of the  $\alpha 7$  receptor to treat cognitive dysfunction. Neuphoria's pipeline also includes preclinical assets that target Kv3.1/3.2 and Nav1.7/1.8 ion channels being developed for CNS conditions of high unmet need.

As part of our ongoing strategic review of our operations and portfolio, we are assessing plans for our lead product candidate, BNC210, an oral, proprietary, selective NAM of the  $\alpha 7$  receptor, for the chronic treatment of Post-Traumatic Stress Disorder ("PTSD"), which program we have paused to allow for a broader assessment in light of potential strategic transactions, structure and timing.

There remains a significant unmet medical need for the over 9 million patients in the United States alone suffering from PTSD. BNC210 is a first-of-its-kind, well tolerated, broad spectrum anti-anxiety experimental therapeutic, designed to restore neurotransmitter balance in relevant brain areas, providing rapid relief from stress and anxiety symptoms without the common pitfalls of sedation, cognitive impairment, or addiction. Current pharmacological treatments include certain antidepressants and benzodiazepines, and there have been no new FDA approved therapies in these indications in nearly two decades. These existing treatments have multiple shortcomings, such as a slow onset of action of antidepressants, and significant side effects of both classes of drugs, including abuse liability, addiction potential and withdrawal symptoms. BNC210 has been observed in our clinical trials to have a fast onset of action and clinical activity without the limiting side effects seen with the current standard of care.

Our ability to generate revenue from product sales sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. As of December 31, 2025, our operations have been financed primarily by aggregate net proceeds of \$211.0 million from the sale and issuances of our equity, \$29.2 million in the form of an upfront payment, research funding, and milestone payments from the 2014 Merck Agreement and the Carina Biotech License, and \$67.6 million from Australian research and development credits and government grants and assistance.

Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our trade and other payables. We expect to continue to incur net losses for the foreseeable future.

Since inception, we have had significant operating losses and have an accumulated deficit of \$186.4 million at December 31, 2025. The Company earned net income of \$1.9 million and incurred a net loss of \$1.9 million for the three months ended December 31, 2025 and 2024, respectively, and incurred net losses of \$8.0 million and \$2.7 million for the six months ended December 31, 2025 and 2024, respectively. The Company also had \$10.2 million of cash used in operating activities during the six months ended December 31, 2025. The results of operations for the three and six months ended December 31, 2025 are not necessarily indicative of the results of operations to be expected for the year ending June 30, 2026.

Based upon the Company's current operating plans, reflective of recent cost curtailments, the Company believes that its existing cash and cash equivalents will be sufficient to continue funding its operating activities beyond the third quarter of fiscal year 2027, which is more than twelve months from the date these condensed consolidated financial statements are issued. Consequently, management has determined there is no substantial doubt regarding the Company's ability to continue as a going concern for the twelve month period from the date these financial statements are issued.

The accompanying condensed consolidated financial statements do not include adjustments that might result from the outcome of uncertainties and assumes the Company will continue as a going concern through the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

## Recent Developments

### *Phase 3 SAD Clinical Trial Results*

On October 20, 2025, the Company announced that the AFFIRM-1 Phase 3 trial of BNC210 for the acute, as-needed treatment of social anxiety disorder ("SAD") did not meet its primary endpoint of change from baseline to the average of the performance phase of the public speaking challenge in Subjective Units of Distress Scale ("SUDS") scores. In addition, analyses of secondary endpoints did not demonstrate statistically significant differences. The safety and tolerability profile of BNC210 continued to be favorable and was consistent with previously reported studies.

Based on the results from the AFFIRM-1 trial, the Company further announced that it will discontinue further development of its SAD program. Given previous positive data with chronic daily dosing, Neuphoria is evaluating next steps for further development of BNC210 in post-traumatic stress disorder, if any, while it is continuing its alternative strategic transaction review and screening process.

### *Shareholder Rights Plan*

On October 25, 2025, the Board of Directors (the "Board") of Neuphoria Therapeutics Inc. declared a dividend of one right ("Right") to purchase one-thousandth of one share of the Company's newly designated Series A Preferred Stock, par value \$0.00001 per share (each, a "Preferred Share" and collectively, the "Preferred Shares"), for each outstanding share of common stock, par value \$0.00001 per share, of the Company to the stockholders of record as of the close of business on October 27, 2025 (the "Record Date"). The Company also adopted a limited duration stockholder rights plan (the "Rights Plan"), effective immediately, as set forth in the Rights Agreement, dated as of October 27, 2025 (the "Rights Agreement"), by and between the Company and Computershare Trust Company, N.A., as Rights Agent. The Rights Agent currently serves as the Company's transfer agent with respect to the Company Common Stock and also has been appointed transfer agent with respect to the Preferred Shares, if any, that may be issued pursuant to the exercise of rights under the Rights Agreement. The Rights will expire on October 27, 2026, unless the rights are earlier redeemed, extended, or exchanged by the Company. The Company does not have any obligation under the Rights Agreement to seek stockholder approval for the Rights Plan. In connection with the Rights Plan, the Company also filed a Certificate of Designation with the Secretary of State of the State of Delaware on October 27, 2025 with respect to the Series A Preferred Stock shares issuable under the Rights Plan. Per the terms of the Rights Plan, the purchase price for each 1/1000th of a Preferred Share pursuant to the exercise of a Right shall initially be \$85.00. There were no triggering events under the Shareholders Rights Plan as of February 13, 2026.

Generally, the Rights Plan is designed to impose a penalty upon any person or group that acquires beneficial ownership of 15% or more of the outstanding shares of Company Common Stock without the approval of the Board. The Board adopted the Rights Plan in response to significant and rapid accumulations of the Company's Common Stock by certain investors who have indicated a potential desire to influence the control of Neuphoria. The Rights Plan is intended to protect the investment of Neuphoria stockholders during a period in which it believes shares of the Company do not reflect the Company's intrinsic value. The Rights Plan is intended to provide the Board sufficient time to make informed judgments and take actions that are in the best interests of the Company and all of its stockholders. The Rights Plan does not prevent the Board from engaging with parties or accepting an acquisition proposal if the Board believes that it is in the best interests of the Company and all of its stockholders.

### *Strategic Review*

On November 11, 2025, and as previously indicated by the Company via prior press releases, the Company's Board of Directors announced the initiation of a review of strategic alternatives to advance its promising pipeline programs and maximize stockholder value, pursuant to which the Company had engaged H.C. Wainwright & Co. to serve as its lead financial advisor to assist in this process. See also Note 18 related to the January 2026 expanded engagement of WG Partners in connection with this strategic evaluation process. Strategic alternatives under consideration may include, but are not limited to, mergers, acquisitions, partnerships, joint ventures, licensing arrangements or other strategic transactions.

Neuphoria cannot provide a definitive timeline for the consummation of strategic alternatives and cannot confirm that the process will result in any strategic alternative being announced or consummated. In addition, on December 2, 2025, Lynx1 Master Fund LP ("Lynx1") revised its previous non-binding proposal to acquire all outstanding shares of the Company for \$4.75 per share in cash. This revised offer followed a previous higher non-binding proposal of \$5.20 per share made on November 10, 2025, which Lynx1 withdrew on November 18, 2025. The November 10, 2025 indication of interest from Lynx1 included its intent to nominate certain individuals to stand for election to Neuphoria's board of directors at the Company's 2025 Annual Meeting of Stockholders ("Annual Meeting"), which was held on December 12, 2025. In relevant part, at the Annual Meeting a quorum to properly hold the meeting was met, and the stockholders voted in favor of the election of the Company's existing Class 1 directors, Peter Miles Davies and David Wilson, by a vote of approximately 84% to 16%. The complete results of that annual stockholder meeting can be found in the Company current report on Form 8-K filed by the Company with the SEC on December 17, 2025. As previously disclosed, Neuphoria's board of directors determined that the revised bid by Lynx1 was undervalued, provided no meaningful premium to stockholders, and further determined to continue with its ongoing strategic alternatives review process.

### *CEO Employment Agreement Termination and Entry into Consulting Agreement*

On December 16, 2022, the Company had appointed Spyridon Papapetropoulos, M.D. as President and Chief Executive Officer (“CEO”) pursuant to the terms of that certain Employment Agreement effective January 5, 2023 (“Employment Agreement”), and as a director to the Company’s board.

Effective December 31, 2025, due to company-wide cost-cutting measures, Dr. Papapetropoulos ceased to serve as the full-time President and CEO of the Company and his Employment Agreement terminated on such date; however, Dr. Papapetropoulos will remain as a member of the Company’s Board of Directors. Pursuant to the terms of the Employment Agreement, Dr. Papapetropoulos is entitled to a severance payment in an aggregate amount equal to his annual base salary, target bonus amount, and medical insurance premiums, 50% of which was paid in calendar year 2025, with the balance of such severance to be paid in partial installments in calendar year 2026 until fully paid, subject to and in accordance with the Company’s regular payroll, withholding practices, and applicable law.

Simultaneously, in connection with the termination of the Employment Agreement, Dr. Papapetropoulos entered into a Consulting Agreement with the Company (the “Consulting Agreement”) effective January 1, 2026, under which Dr. Papapetropoulos will serve as the interim CEO to the Company for up to twelve months to support the execution of the Company’s contemplated strategic transaction and ensure a seamless transition. Under the terms of the Consulting Agreement, Dr. Papapetropoulos will receive consulting fees equal to \$800 per hour for services up to approximately 40 hours per month for his continued services, which aggregate hours shall not exceed more than twenty percent of the total hours performed while acting as the full-time CEO of the Company. The Consulting Agreement shall automatically terminate upon the earlier of twelve months from entry or the consummation of a strategic merger, change of control, or similar transaction by the Company.

### **Research Collaboration and License Agreements**

In January 2012, we entered into a research and license agreement with Ironwood Pharmaceuticals, Inc. (“Ironwood”), pursuant to which Ironwood was granted worldwide development and commercialization rights for BNC210. In November 2014, the parties mutually agreed to terminate this license agreement, reverting all rights to BNC210 back to us. The sole obligation to Ironwood is to pay Ironwood low to mid-single digit royalties on the net sales of BNC210, if commercialized.

In September 2014, we entered the 2014 Merck Research Collaboration and License Agreement to develop compounds targeting cognitive dysfunction associated with Alzheimer’s disease and other central nervous system conditions. Pursuant to the Merck Agreement, we received upfront payments totaling \$17 million, another \$10 million in February 2017 when the first compound from the collaboration entered Phase 1 clinical trials, and another \$15 million in March 2025 upon the first dosing of a patient in a phase II clinical trial. We are also eligible to receive up to an additional \$450 million in milestone payments for achievement of certain development and commercial milestones.

On March 14, 2025, the Company and Merck executed the Fifth Amendment to the Research Collaboration and License Agreement which amended the patent royalty rate set out in the Merck Agreement, such that, conditioned upon achievement of net sales thresholds set forth in the Merck Agreement, as amended, the Company will be paid royalties on net sales ranging from a low single digits percentage to a low sub-teens percentage, depending on net sales volume.

In November 2020, we entered into an IP license agreement (the “Carina Biotech License”) with Carina Biotech (“Carina”). Pursuant to the Carina Biotech License, we are eligible to receive approximately \$3 million in certain development, regulatory milestone payments if Carina Biotech advances the development of the therapy to a Phase 3 trial. Carina Biotech is also obligated to pay us royalties on its net sales of licensed products, on a country-by-country and product-by-product basis, ranging from the low-single digits to the mid-single digits, subject to certain specified deductions. Royalties are payable until the later of expiration of all licensed patents covering the licensed products, or expiration of all data exclusivity with respect to the licensed product. If Carina Biotech enters into one or more sublicensing agreements relating to the licensed product, we are eligible to receive a percentage of sublicensing revenues. On October 30, 2024, Carina made a milestone payment to the Company in the gross amount of A\$1,000,000 which was recorded as revenue during the three and six months ended December 31, 2024.

### **Components of Operating Results from Continuing Operations**

#### ***Expenses***

Our expenses since inception have consisted primarily of research and development expenses, general and administrative expenses, and other costs.

#### ***Research and Development Expenses***

Our research and development expenses represent costs incurred to conduct discovery and development of our proprietary drug candidates and consist primarily of:

- personnel costs, which include salaries, benefits and share-based compensation;

- expenses incurred under agreements with outside consultants and advisors, including their fees and related travel expenses; and
- expenses incurred under agreements with third parties, including CROs that conduct research, preclinical activities and clinical trials on our behalf as well as CMOs that manufacture our product candidates for use in our preclinical studies and clinical trials and perform other required manufacturing activities.

We expense all research and development costs as they are incurred, with development expenses being expensed to the extent they do not meet the criteria for capitalization. To date, we have not capitalized any of our research and development costs and manage our research and development costs on a consolidated basis. Our collaboration partners typically carry the majority of the research and development expenses for out-licensed product candidates at amounts that are not known or made available to us. Therefore, our research and development expenses do not reflect a complete picture of all financial resources devoted to our product candidates, nor do historical research and development expenses necessarily reflect the stage of development for particular product candidates or development projects.

Substantially all our direct research and development expenses during the three and six months ended December 31, 2025 and 2024 were on BNC210 and consisted primarily of external costs, such as consultants, CMOs that conduct research and development activities on our behalf, costs related to production of preclinical and clinical materials including fees paid to CMOs, and laboratory and vendor expenses related to the execution of our ongoing and planned preclinical studies and clinical trials. We deploy our personnel resources across all our research and development activities.

Because of the numerous risks and uncertainties associated with product development and the current stage of development of our product candidates, we cannot reasonably estimate or know the nature, timing, and estimated costs necessary to complete the remainder of the development of our product candidates. We are also unable to predict if, when, or to what extent we will obtain approval and generate revenues from the commercialization and sale of our product candidates. The duration, costs, and timing of preclinical studies and clinical trials and development of our product candidates will depend on a variety of factors, including:

- successful completion of our planned Phase 3 clinical trial in PTSD;
- successful completion of preclinical studies and of clinical trials for BNC210 and our other current product candidates and any future product candidates;
- data from our clinical programs that support an acceptable risk-benefit profile of our product candidates in the intended patient populations;
- acceptance by the FDA, regulatory authorities in Europe, or other regulatory agencies, of the IND applications, clinical trial applications and/or other regulatory filings for BNC210, our other current product candidates and any future product candidates;
- expansion and maintenance of a workforce of experienced scientists and others to continue to develop our product candidates;
- successful application for and receipt of marketing approvals from applicable regulatory authorities;
- obtainment and maintenance of regulatory exclusivity for our product candidates;
- arrangements with third-party manufacturers for, or establishment of, commercial manufacturing capabilities;
- establishment of sales, marketing and distribution capabilities and successful launch of commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effective competition with other therapies;
- obtainment and maintenance of coverage, adequate pricing and adequate reimbursement from third-party payors, including government payors;
- obtainment, maintenance, enforcement, defense and protection of our rights in our intellectual property portfolio;
- avoidance of infringement, misappropriation or other violations with respect to others' intellectual property or proprietary rights;
- maintenance of a continued acceptable safety profile of our products following receipt of any marketing approvals; and
- whether and if we complete a strategic transaction, and in such event, whether a successor entity will determine to continue the clinical trial in BNC 210 for PTSD or potentially divest of this asset.

We may never succeed in achieving regulatory approval for any of our product candidates. We may obtain unexpected results from our preclinical studies and clinical trials. We may elect to discontinue, delay or modify clinical trials of some product candidates or focus on others. A change in the outcome of any of these factors could mean a significant change in the costs and timing associated with the development of our current and future preclinical and clinical product candidates. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development, or if we experience significant delays in execution of or enrollment in any of our preclinical studies or clinical trials, we could be required to expend significant additional financial resources and time on the completion of preclinical and clinical development.

Research and development activities account for a significant portion of our operating expenses. We expect our research and development expenses to increase substantially for the foreseeable future under the presumption that we continue to implement our business strategy, which includes advancing BNC210 through clinical development and other product candidates into clinical development, expanding our research and development efforts, including hiring additional personnel to support our research and development efforts, and seeking regulatory approvals for our product candidates that successfully complete clinical trials. In addition, product candidates in later stages of clinical development generally incur higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. As a result, we expect our research and development expenses to increase as our product candidates advance into later stages of clinical development. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. The process of conducting the necessary clinical development to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain.

#### *General and Administration Expenses*

General and administrative expenses consist primarily of salaries and related benefits, travel, and stock-based compensation for personnel in executive, finance, and administrative functions. General and administrative expenses also include insurance, supplies, and professional fees for legal, consulting, accounting, and audit services.

We expect our general and administration expenses to decrease in future periods as we pause operations while engaged in a review of strategic alternatives. We will continue to incur normal costs associated with maintaining a U.S. public company including limited personnel costs and professional fees for consulting, legal, accounting, and audit services.

Our general and administration expenses consist primarily of:

- personnel costs, which include salaries, benefits and share-based compensation;
- expenses incurred under agreements with outside consultants and advisors, including their fees and related travel expenses;
- filing and maintenance of patents and intellectual property rights;
- costs relating to audit, tax and regulatory compliance; and
- other expenses, including facilities costs, legal fees and insurance.

#### *Restructuring costs*

During the three months ended December 31, 2025, management committed to a plan to discontinue or pause, as the case may be, its research and development activities while it seeks to identify a partner with which to execute a strategic merger and/or such other transaction(s), if any, for the benefit of existing shareholders of Neuphoria. As part of the restructuring initiative, the Company terminated its facility leases, wrote off the remaining carrying value of the right-of-use asset, derecognized the associated operating lease liability, and terminated substantially all of its employees. A liability equivalent to the derecognized lease liability has been included in Accrued restructuring expenses (see Notes 6 and 9). The write-offs are included in Restructuring costs in the condensed consolidated statements of operations and other comprehensive income (loss) for the three and six months ended December 31, 2025

#### *Other Income (Loss)*

Other income (loss) consists of net interest income, foreign currency gains and losses, fair value adjustments, and other gains and losses.

#### *Foreign Currency Exchange*

Our financial results are reported in U.S. dollars. A substantial portion of our operating expenses and other income are denominated in the Australian dollar. During the six months ended December 31, 2025 and 2024, we managed our exchange rate exposure principally by maintaining foreign currency cash accounts and managing our payments from the most appropriate accounts. From time to time,

we may additionally use forward exchange contracts in an effort to manage certain foreign exchange rate exposures when appropriate. There were no foreign exchange contracts used during the six months ended December 31, 2025 and 2024, respectively. See “Quantitative and Qualitative Disclosures about Market Risk” for more information.

## Results of Operations

### Comparison of the three months ended December 31, 2025 and 2024

	Three Months Ended December 31,		Increase (Decrease)	
	2025	2024	Amount	Percent
Revenue	\$ -	\$ 662,715	\$ (662,715)	N/A
Research and development	(697,723)	(1,737,039)	(1,039,316)	(59.8)%
General and administrative	(2,126,918)	(2,629,187)	(502,269)	(19.1)%
Restructuring costs	(1,236,172)	—	1,236,172	N/A
Other income	5,890,111	1,771,771	4,118,340	232.4%
Income (loss) before income taxes	\$ 1,829,298	\$ (1,931,740)		

#### Revenue

Our revenue decreased during the three months ended December 31, 2025, as compared to the same period ended in 2024, as a result of the milestone payment received from the licensing agreement with Carina Biotech Pty Ltd on October 30, 2024.

#### Research and Development Expenses

Our research and development activities in the three months ended December 31, 2025 and 2024 were principally focused on the advancement of BNC210, however the principal driver behind the \$1.0 million decrease during the three months ended December 31, 2025 was management’s commitment to a plan to discontinue and/or pause, as the case may be, its research and development activities while it seeks to identify a partner with which to execute a strategic merger for the benefit of existing shareholders of Neuphoria. The overall \$1.0 million decrease was primarily attributed to decreased contract-related costs of \$0.7 million, a decrease in professional fees of \$0.2 million, and a decrease in headcount costs of \$0.1 million.

See additional comments regarding restructuring costs (above) and Note 3 to the condensed consolidated financial statements incorporated herein.

#### General and Administrative Expenses

The \$0.5 million decrease in general and administrative expenses during the three months ended December 31, 2025, as compared to the same period ended in 2024, was substantially due to a decrease in headcount costs.

#### Restructuring costs

As part of the restructuring initiative, the Company incurred employee termination costs of approximately \$1.4 million, and other restructuring costs of approximately \$0.4 million, inclusive of impairment of the right-of-use asset, partially offset by refundable credits on contract terminations of approximately \$0.6 million.

#### Other Income (Loss)

The net increase in other income of \$4.1 million for the three months ended December 31, 2025, as compared to the same period ending in 2024, was primarily due to the fair value adjustment associated with our accompanying warrant liability of \$4.5 million, an increase in interest income of \$0.2 million, and an increase in research and development incentive awards of \$0.2 million, partially offset by an increase in losses associated with foreign currency transactions of \$0.8 million.

### Comparison of the six months ended December 31, 2025 and 2024

	Six Months Ended December 31,		Increase (Decrease)	
	2025	2024	Amount	Percent
Revenue	\$ -	\$ 662,715	\$ (662,715)	N/A
Research and development	(4,483,372)	(3,637,942)	845,430	23.2%
General and administrative	(3,993,958)	(4,296,011)	(302,053)	(7.0)%
Restructuring costs	(1,236,172)	—	1,236,172	N/A
Other income (loss)	1,601,503	4,402,524	(2,801,021)	(63.6)%
Loss before income taxes	\$ (8,111,999)	\$ (2,868,714)		

### Revenue

Our revenue decreased during the three months ended December 31, 2025, as compared to the same period ended in 2024, as a result of the milestone payment received from the licensing agreement with Carina Biotech Pty Ltd on October 30, 2024.

### Research and Development Expenses

Our research and development activities in the six months ended December 31, 2025 and 2024 were principally focused on the advancement of BNC210. The increase in the six months ended December 31, 2025 of approximately \$0.8 million, as compared to the same period ended 2024, was primarily due to increased expenditures associated with the SAD Prevail clinical trial of \$1.0 million, partially offset by a decrease in professional fees of \$0.2 million.

During the six months ended December 31, 2025, approximately 88% of the total research and development expenses related to the advancement of our BNC210-based programs substantially all of which was attributable to SAD Prevail. We do not track labor associated with each program and have allocated headcount costs on a pro-rated basis. Management believes the pro rata allocation results in a reasonable estimate of the headcount costs associated with each of the programs noted above.

### General and Administrative Expenses

General and administrative expenses remained approximately the same during the six months ended December 31, 2025, as compared to the same period ended in 2024. Decreased headcount costs of \$0.3 million combined with decreased insurance expenses of \$0.1 million were offset by increases in professional services of \$0.4 million substantially tied to the pursuit of strategic opportunities for the benefit of Company shareholders.

### Restructuring costs

As part of the restructuring initiative, the Company incurred employee termination costs of approximately \$1.4 million, and other restructuring costs of approximately \$0.4 million, inclusive of impairment of the right-of-use asset, partially offset by refundable credits on contract terminations of approximately \$0.6 million.

### Other Income (Loss)

The net decrease in other income (loss) of \$2.8 million for the six months ended December 31, 2025, as compared to the same period ending in 2024, was primarily due to the fair value adjustment associated with our accompanying warrant liability and contingent consideration of \$2.7 million, increase in losses associated with foreign currency transactions of \$0.5 million, partially offset by an increase in research and development incentive awards of \$0.2 million and increases in interest income of \$0.2 million.

### Off-Balance Sheet Arrangements

We did not have during the six months ended December 31, 2025, nor do we currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

### Liquidity and Capital Resources

We have incurred significant operating losses and negative cash flows from operations since our inception, and we anticipate that we will incur net losses for the next several years. As of December 31, 2025, we had cash and cash equivalents of \$22.2 million and an accumulated deficit of \$186.4 million.

The following table sets forth the primary sources and uses of cash for each of the periods presented:

	Six Months Ended December 31,	
	2025	2024
Net cash used in operating activities	\$ (10,230,463)	\$ (7,791,150)
Net cash provided by (used in) financing activities	17,915,883	(338,900)
Effect of exchange rate on changes on cash, cash equivalents, and restricted cash	275,951	(138,325)
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 7,961,371	\$ (8,268,375)

### Operating Activities

The net cash used in operating activities for the six months ended December 31, 2025 and 2024 was approximately \$10.2 million and \$7.8 million, respectively, and represents a decrease in cash used in operations of approximately \$2.4 million during the six months ended December 31, 2025, as compared to the same period ending in 2024. The decrease in cash used in operations is due to an increase in net loss of \$5.8 million and changes in the non-cash effect of contingent consideration liability fair value adjustments of \$0.2 million, partially offset by the non-cash effect of warrant liability fair value adjustments of \$2.9 million, changes in the non-cash effect of foreign currency remeasurement of \$0.4 million, increased share-based compensation of \$0.2 million, and changes in

working capital of \$0.1 million.

#### *Investing Activities*

There were no transactions categorized as investing activities during either of the six months ended December 31, 2025 and 2024.

#### *Financing Activities*

Financing activities in the six months ended December 31, 2025 represent issuance of shares, net of associated issue costs, associated with the utilization of our at-the-market ("ATM") facility.

Financing activities in the six months ended December 31, 2024 represent residual issue costs associated with the issuance of ADS shares pursuant to the ATM facility.

#### *Funding Requirements*

Following the completion of the strategic review process, should we or any successor entity determine to continue development of BNC210 in PTSD, or such other potential partnered product candidates which may come to fruition following the strategic review process that we may develop, such product candidates may never achieve commercialization and, as is customary in the biotechnology industry, we anticipate that we would continue to incur losses for the foreseeable future in relation thereto. In such event, we expect that our research and development expenses and our general and administrative expenses will continue to increase in the ordinary course of such matters. As a result, until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, or other capital sources, as well as existing and potential collaborations, licenses, and other similar arrangements. Assuming continued development of such product candidates, our primary uses of capital are, and we expect will continue to be, compensation and related expenses (including share-based compensation); costs related to third-party clinical research, non-clinical research, manufacturing, and development services; costs relating to the build-out of our headquarters and other offices; license payments or milestone obligations that may arise; legal and other regulatory expenses and general overhead costs.

Based upon the Company's current operating plans, reflective of recent cost curtailments, the Company believes that its existing cash and cash equivalents will be sufficient to continue funding its development activities beyond the third quarter of fiscal year 2027, which is more than twelve months from the date these condensed consolidated financial statements are issued. Consequently, management has determined there is no substantial doubt regarding the Company's ability to continue as a going concern for the twelve-month period from the date these financial statements are issued.

The Company has based projections of operating capital requirements on the current operating plan, which management believes can be effectively implemented. The operating plan incorporates several assumptions that may prove to be incorrect, and the Company may use all available capital resources sooner than the Company expects. The accompanying condensed consolidated financial statements do not include adjustments that might result from the outcome of uncertainties and assumes the Company will continue as a going concern through the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

For more information as to the risks associated with our future funding requirements, see "Risk Factors."

#### *Contractual Obligations*

We do not have any long-term debt or capital lease obligations. We have a current operating lease obligation for our Australian office space, which was terminated and de-recognized for financial statement purposes then re-accrued as a restructuring cost, and a non-current warrant liability which commits us to issuing shares to accompanying warrant holders upon the exercise of their warrants. We also have a continuing obligation to pay the balance of severance owed to Dr. Papapetropoulos in accordance with the terms of his severance contract.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Because we are allowed to comply with the disclosure obligations applicable to a "smaller reporting company," as defined by Rule 12b-2 of the Exchange Act, with respect to this Quarterly Report on Form 10-Q, we are not required to provide the information required by this Item.

### **Item 4. Controls and Procedures.**

Under the supervision and with the participation of our Disclosure Committee and management, including our Chief Executive Officer and Principal Financial and Accounting Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of the end of the period covered by this report. Based on our management's evaluation (with the participation of our Chief Executive Officer and our Principal Financial and Accounting Officer), as of the end of the period covered by this report, our Chief Executive Officer and our Principal Financial and Accounting Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

**Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the six months ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, we may become involved in litigation or other legal proceedings relating to claims that we consider to be arising from the ordinary course of our business. There are currently no claims or actions pending against us that, in the opinion of our management, are likely to have a material adverse effect on our business.

### Item 1A. Risk Factors.

Below we are providing, in supplemental form, changes to our risk factors from those previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended June 30, 2025, and in our Quarterly Report for the three and six months ended December 31, 2025. Our business is subject to substantial risks and uncertainties. Investing in our securities involves a high degree of risk. You should carefully consider the risk factors in Part I, Item 1A of our Annual Report on Form 10-K for the year ended June 30, 2025, filed with the SEC on September 29, 2025, together with the information contained elsewhere in this report, including Part I, Item 1 “Financial Statements” and Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our other SEC filings in evaluating our business. These risks and uncertainties could materially and adversely affect our business, financial condition, results of operations, prospects for growth, and the value of an investment in our securities. Except as set forth below, there were no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended June 30, 2025.

***If our clinical trials fail to replicate results from earlier preclinical studies or clinical trials conducted by us or third parties, we may be unable to successfully develop, obtain regulatory approval for or commercialize our product candidates.***

The results observed from earlier preclinical studies or early-stage clinical trials of our product candidates, including positive results, may not necessarily be predictive of the results of ongoing or future clinical trials. Furthermore, our product candidates may not be able to demonstrate similar activity or adverse event profiles as other product candidates that we believe may have similar profiles. In addition, in our planned future clinical trials, we may utilize clinical trial designs or dosing regimens that have not been tested in prior clinical trials.

Moreover, there is a high failure rate for drugs candidate proceeding through clinical trials and there can be no assurance that any of our clinical trials will ultimately be successful. We, and many other companies in the pharmaceutical and biotechnology industries, have suffered significant setbacks in late-stage clinical trials after achieving positive results in earlier-stage development, such as the failure of our BNC210 Phase 3 clinical trial in SAD to meet its primary endpoint, and we cannot be certain that we will not face similar setbacks in the future with respect to BNC210 in PTSD.

Should we or any successor entity determine to continue the clinical trial advancement of BNC210 in PTSD, then in addition to the risk of any ongoing or planned clinical trials failing to meet primary endpoints, setbacks may also be caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials. Such failures or setbacks may have a material adverse effect on our ability to develop, obtain regulatory approval for or ultimately commercialize any of our product candidates.

***If we fail to meet the continued listing requirements of Nasdaq, it could result in a de-listing of our Common Stock.***

If we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements, continued listing requirements such as the minimum \$1.00 closing bid price requirement, Nasdaq could take steps to delist our common stock. Any failure by us to comply with Nasdaq’s continued listing standards could result in a deficiency notice and, if not cured within the applicable period, could result in delisting. Our shares of common stock are currently listed on the Nasdaq Global Market.

For example, on July 18, 2025, the Company received a deficiency notification letter (the “Notice”) from the Listing Qualifications Staff of The Nasdaq Stock Market LLC (“Nasdaq”). The Notice indicated that the Company was not in compliance with Nasdaq Listing Rule 5620(a) (the “Listing Rule”) as a result of the Company’s failure to hold an annual general meeting of stockholders within twelve months of the end of the Company’s fiscal year ended June 30, 2024. The Listing Rule requires that a Nasdaq-listed company hold an annual meeting of shareholders no later than one year after the end of the Company’s fiscal year end. Pursuant to and in response to that Notice, the Company timely submitted its plan to Nasdaq to regain compliance with the Listing Rule (the “Plan”). In response to the Company’s Plan, on September 10, 2025, Nasdaq provided the Company further notice that it has accepted our Plan and granted the Company an extension of 180 calendar days from the end of the Company’s fiscal year, or until December 29, 2025, to regain compliance with the Listing Rule. To this end, the Company timely filed a Proxy Statement with the SEC together with a notice of shareholder meeting related to the Company’s 2025 annual general shareholder meeting. The Company successfully held its 2025 annual general shareholder meeting on December 12, 2025 in satisfaction of the compliance item provided in the Notice. As a result, on December 18, 2025 the Company received a further written Notice from Nasdaq’s Staff stating that it has determined that the Company has regained compliance with the Listing Rule and this matter is now closed.

Any future Nasdaq action relating to a delisting could have a negative effect on the price of our common stock, impair the ability to sell or purchase our common stock or other securities when persons wish to do so, and any such delisting action may materially adversely affect our ability to raise capital or pursue strategic restructuring, refinancing or other transactions on acceptable terms, or at all. Delisting from the Nasdaq Global Market could also have other negative results, including the potential loss of institutional investor interest, reduced research coverage, and fewer business development opportunities.

***Our financial statements for the quarter ended December 31, 2025 were prepared assuming that we will continue as a going concern.***

Our financial statements for the three and six months ended December 31, 2025 were prepared assuming that we will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for a period of at least twelve months from the issuance of the financial statements in this Quarterly Report on Form 10-Q, and will be able to realize value for our assets, discharge our liabilities and commitments in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern. Our management and our board of directors are currently in the process of assessing the Company's future prospects, strategic transaction alternatives, and screening candidate bidders following the negative clinical phase 3 trial results related to our Affirm 1 study in SAD. As a result, we may be forced to further reduce our operating expenses and raise additional funds to meet our working capital needs, principally through the additional sales of our securities or debt financings including, but not limited to, for the possibility of continuing our PTSD clinical trial program. However, we cannot guarantee that we will be able to obtain sufficient additional funds when needed or that such funds, if available, will be obtainable on terms satisfactory to us. If we are unable to raise sufficient additional capital or complete a strategic transaction in a timely manner, we may be unable to continue to fund our operations, develop our product candidates, or realize value from our assets and discharge our liabilities in the normal course of business. If we cannot raise sufficient funds, or find a suitable strategic partner or alternative strategic pathway, we may have to liquidate our assets and might realize significantly less than the values at which they are carried on our financial statements, and stockholders may lose all or part of their investment in our common stock.

***We may not be successful in identifying and implementing any strategic transaction and any strategic transactions that we may consummate in the future could have negative consequences.***

In October 2025, we announced that our AFFIRM-1 Phase 3 trial of BNC210 for the acute treatment of social anxiety disorder ("SAD") did not meet its primary or secondary endpoint of change from baseline to the average of the performance phase of the public speaking challenge in Subjective Units of Distress Scale (SUDS) scores. Therefore, our management and board of directors have determined that we are discontinuing all clinical development of BNC210 in SAD, and are assessing plans relating to work on BNC210 in PTSD. Simultaneously, our board of directors has determined to commence and continue a robust review of strategic alternatives to advance its promising pipeline programs and maximize stockholder value. Strategic alternatives under consideration may include, but are not limited to, mergers, acquisitions, partnerships, joint ventures, licensing arrangements or other strategic transactions. In addition, on December 2, 2025, Lynx1 Master Fund LP ("Lynx1") revised its previous non-binding proposal to acquire all outstanding shares of the Company for \$4.75 per share in cash. This revised offer, followed a previous higher non-binding proposal of \$5.20 per share made on November 10, 2025, which Lynx1 withdrew on November 18, 2025. The November 10, 2025 indication of interest from Lynx1 included its intent to nominate certain individuals to stand for election to Neuphoria's board of directors at the Company's 2025 Annual Meeting of Stockholders ("Annual Meeting"), which was held on December 12, 2025. In relevant part, at the Annual Meeting a quorum to properly hold the meeting was met, and the stockholders voted in favor of the election of the Company's existing Class 1 directors, Peter Miles Davies and David Wilson, by roughly a vote of 84% to 16%. The complete results of that annual stockholder meeting can be found in the Company current report on Form 8-K filed by the Company with the SEC on December 17, 2025. As previously disclosed, Neuphoria's board of directors determined that the revised bid by Lynx1 was undervalued, provided no meaningful premium to stockholders, and further determined to continue with its ongoing strategic alternatives review process.

We expect to continue to devote substantial time and resources to exploring strategic alternatives that our board of directors believes will maximize shareholder value. Despite devoting significant efforts to identify and evaluate potential strategic alternatives, there can be no assurance that this strategic review process will result in us pursuing any transaction or that any transaction, if pursued, will be completed on attractive terms or at all. We have not set a timetable for completion of this strategic review process, and our board of directors has not approved a definitive course of action. Additionally, there can be no assurances that any particular course of action, business arrangement or transaction, or series of transactions, will be pursued, successfully consummated or lead to increased shareholder value or that we will make any cash distributions to our shareholders.

The process of evaluating these strategic options may be very costly, including if this process results in any contested nominations or bids, time-consuming and complex and we expect to incur significant costs related to this evaluation, such as legal and accounting fees and expenses and other related charges. We may also incur additional unanticipated expenses in connection with this process, including but not limited to contract terminations, buyouts, damages resulting therefrom, costs and/or damages arising from change of control triggers, and other similar items that may cost more than anticipated or which may be reasonably unanticipated at this time. A

considerable portion of these costs will be incurred regardless of whether any such course of action is implemented or a transaction is completed. Any such expenses will decrease the remaining cash available for use in our business.

Potential counterparties in a strategic transaction involving our company may place minimal or no value on our assets and our public listing. Further, should we determine to fully resume the development of BNC21 in PTSD, the development and any potential commercialization of BNC210 for this indication will require substantial additional cash to fund the costs associated with conducting the necessary clinical testing and obtaining regulatory approval. Consequently, any potential counterparty in a strategic transaction involving our Company may choose not to spend additional resources and continue development of BNC210 or any of our other product candidates and may attribute little or no value, in such a transaction, to those product candidates.

In addition, any strategic business combination or other transactions that we may consummate in the future could have a variety of negative consequences and we may implement a course of action or consummate a transaction that yields unexpected results that adversely affects our business and decreases the remaining cash available for use in our business.

Any potential transaction would be dependent on a number of factors, including certain change of control provisions and restrictions on assignment of certain assets, that could prove detrimental to the consummation of a transaction. A counterparty may, for example, also directly or indirectly cause potential significant harm to the value of our assets, including but not limited to triggering or causing the termination of certain of our material agreements, or cause the loss of certain valuable assets currently held by the Company, including but not limited to as a result of a change of control or deemed change of control transaction. Additionally, a number of the foregoing and other significant factors may be beyond our control, including, among other things, market conditions, industry trends, the interest of third parties in a potential transaction with us, obtaining shareholder approval and the availability of financing to third parties in a potential transaction with us on reasonable terms. Any failure of such potential transaction to achieve the anticipated results could significantly impair our ability to enter into any future strategic transactions and may significantly diminish or delay any future distributions to our shareholders.

If we are not successful in identifying a strategic alternative or if our plans are not executed in a timely fashion, this may cause reputational harm with our shareholders and the value of our common stock shares may be adversely impacted. In addition, speculation regarding any developments related to the review of strategic alternatives and perceived uncertainties related to the future of our business could cause our share price to fluctuate significantly.

***Even if we successfully consummate a transaction from our strategic evaluation, we may fail to realize all of the anticipated benefits of the transaction, those benefits may take longer to realize than expected, or we may encounter integration difficulties.***

Our ability to realize the anticipated benefits of any potential business combination or any other result from our pursuit of strategic alternatives, are highly uncertain. Any anticipated benefits will depend on a number of factors, including our ability to realize what is believed to be higher value of certain assets due to contractual restrictions and limitations, the ability to integrate with any future business partner and our ability to generate future shareholder value. The process may be disruptive to our business and the expected benefits may not be achieved within the anticipated time frame, or at all. The failure to meet the challenges involved and to realize the anticipated benefits of any potential transaction could adversely affect our business and financial condition.

Any executed strategic transaction may not maximize or even enhance stockholder value, could result in total costs and expenses that are greater than expected, and could make it more difficult to attract and retain qualified personnel, each of which could have a material adverse effect on our business. In addition, a potential strategic alternative may require stockholder approval and stockholder approval may not be obtained (including if any significant or activist shareholder may not vote for such transaction or it/they may attempt to actively work against the approval of such strategic or other transaction) and, therefore, we may not successfully consummate the strategic alternative.

In addition, the market price of our common stock may reflect a market assumption that a strategic alternative will occur, and a failure to complete a strategic alternative could result in negative investor perceptions and could cause a decline in the market price of our common stock, which could adversely affect our ability to access the equity and financial markets, as well as our ability to explore and enter into different strategic alternatives.

***If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.***

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic alternatives, the negotiation and consummation of any such transaction will require significant time on the part of our management, and the diversion of management's attention may disrupt our business.

The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including, but not limited to:

- increased near-term and long-term expenditures;
- exposure to unknown liabilities;
- higher than expected acquisition, disposition or integration costs;

- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or goodwill or incurrence of non-recurring, impairment or other charges;
- increased amortization expenses;
- difficulty and cost in combining the operations and personnel of any acquired business with our operations and personnel;
- impairment of relationships with key suppliers or customers of any acquired business due to changes in management and ownership;
- inability to retain key employees of our company or any acquired business;
- termination of existing agreements that may lead to the loss of certain valuable assets, for little or no value;
- potential exchange or buyout costs related to certain existing agreements being much higher than reasonably anticipated;
- additional activist investor actions that may involve additional time and capital resources to resolve; and
- possibility of future litigation.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and prospects.

***If a strategic transaction is not consummated, our board of directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our shareholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.***

There can be no assurance that a strategic transaction will be completed. If a strategic transaction is not completed, our board of directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our shareholders will depend heavily on the timing of such decision and, with the passage of time the amount of cash available for distribution will be reduced as we continue to fund our operations. In addition, if our board of directors were to approve and recommend, and our shareholders were to approve, a dissolution and liquidation, we would be required under Delaware law to pay our outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to our shareholders. As a result of this requirement, a portion of our assets may need to be reserved pending the resolution of such obligations and the timing of any such resolution is uncertain. The amount of cash available for distribution to our stockholders will depend heavily on the timing of such dissolution and liquidation, and the amount of cash that will need to be reserved for commitments and contingent liabilities. In addition, we may be subject to litigation or other claims related to a dissolution and liquidation. If a dissolution and liquidation were pursued, our board of directors, in consultation with our advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of our common stock shares could lose all or a significant portion of their investment in the event of a liquidation, dissolution or winding up.

***Our ability to consummate a strategic transaction depends on our ability to retain key executives required to consummate such transaction, as well as resolving the continuation, amendment or termination of certain contracts involving key assets of the Company.***

Our ability to consummate a strategic transaction depends upon our ability to retain key executives required to consummate such a transaction, the loss of whose services may adversely impact the ability to consummate such transaction. In connection with the evaluation of strategic alternatives and in order to extend our resources, we implemented a reduction in our workforce which was completed, whereby the Company terminated all but one employee, and also terminated its facility leases, and cancelled and/or suspended all research and development activities while it seeks to identify a partner with which to execute a strategic merger for the benefit of existing shareholders of Neuphoria. The strategic review process is supported by our experience at the board of directors, executive management, and remaining support staff, as well as by the retention of outside advisors and consultants. To this end, the Company's board of directors terminated the employment agreement of our CEO, Dr. Spyridon Papapetropoulos, M.D, effective December 31, 2025, at which time Dr. Papapetropoulos ceased to serve as the full-time President and CEO of the Company. Pursuant to the terms of this employment agreement, Dr. Papapetropoulos was entitled to severance payment in an aggregate amount equal to his annual base salary, target bonus amount, and medical insurance premiums, 50% of which was paid in calendar year 2025, and the balance of such severance to be paid in partial installments in 2026 until paid in full.

Simultaneously and in connection with the termination of the foregoing employment agreement, Dr. Papapetropoulos entered into a consulting agreement with the Company (the "Consulting Agreement") effective January 1, 2026, under which Dr. Papapetropoulos will serve as the interim CEO to the Company for up to twelve months to support the execution of the Company's contemplated strategic transaction and ensure a seamless transition. Under the terms of the Consulting Agreement, Dr. Papapetropoulos will receive consulting fees equal to \$800 per hour for services up to approximately 40 hours per month for his continued services, which aggregate hours shall not exceed more than twenty percent of the total hours performed while acting as the full-time CEO of the Company.

Our cash conservation activities may yield unintended consequences, such as attrition beyond our reduction in workforce and reduced employee morale, which may cause remaining employees to seek alternative employment. Our ability to successfully complete a strategic transaction depends in large part on our ability to retain certain of our remaining key personnel successfully retain our remaining personnel, we are at risk of a disruption to our exploration and consummation of a strategic alternative as well as business operations.

In addition, strategic mergers and similar transaction structures often require restructuring material contracts to realize synergies or comply with the new corporate structure. If, for example, certain collaborative or development partners of the Company do not agree to an assignment, consent or such other seamless continuation of such contract in connection with a successor entity, or in the alternative, a reasonable amendment, if necessary, to such contracts, the merger or other strategic transaction's economic rationale may fail, and a transaction may not be consummated.

***Our corporate restructuring and the associated headcount reduction may not result in anticipated savings, could result in total costs and expenses that are greater than expected and could disrupt our business.***

In November 2025, our board of directors determined to discontinue all clinical development of BNC210 in SAD and, in connection with such decision, approved and then consummated a reduction in our workforce. We incurred personnel-related restructuring charges of approximately \$1.4 million related to such reduction in our workforce. We may not realize, in full or in part, the anticipated benefits, savings and improvements in our cost structure from our restructuring efforts due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings from the restructuring, our operating results and financial condition would be adversely affected. Furthermore, our restructuring plan may be disruptive to our operations. For example, our headcount reductions could yield unanticipated consequences, such as increased difficulties in implementing our business strategy, including retention of our remaining employees.

Any future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Due to our limited resources, we may not be able to effectively manage our operations or recruit and retain qualified personnel, which may result in weaknesses in our infrastructure and operations, risks that we may not be able to comply with legal and regulatory requirements, and loss of employees and reduced productivity among remaining employees. Our future financial performance and, should we resume development, our ability to develop our product candidates or additional assets will depend, in part, on our ability to effectively manage any future growth or restructuring, as the case may be.

***We may become involved in litigation that could divert management's attention and harm our business, and insurance coverage may not be sufficient to cover all costs and damages.***

In the past, litigation has often followed certain significant business transactions, such as the sale of a company, announcement of any other strategic transaction, or the announcement of negative events, such as negative results from additional clinical trials. These events may also result in investigations by the Securities and Exchange Commission (the "SEC"). We may be exposed to such litigation or investigation even if no wrongdoing occurred. Litigation and investigations are usually expensive and divert management's attention and resources, which could adversely affect our cash resources and our ability to consummate a potential strategic transaction.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

Not applicable.

**Item 3. Defaults Upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

Not applicable.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
3.1+	<a href="#"><u>Certificate of Designation of Series A Preferred Stock filed with the Secretary of State of the State of Delaware on October 27, 2025 (incorporated by reference to Exhibit 3.1 to Neuphoria Therapeutics Inc.'s Current Report on Form 8-K, filed on October 27, 2025)</u></a>

4.1	<a href="#">Rights Agreement, dated as of October 27, 2025 between Neuphoria Therapeutics Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to Neuphoria Therapeutics Inc.'s Current Report on Form 8-K, filed on October 27, 2025)</a>
10.2	<a href="#">Consulting Agreement, effective January 1, 2026, between the Company and Mr. Papapetropoulos (incorporated by reference to Exhibit 10.1 to Neuphoria Therapeutics Inc.'s Current Report on Form 8-K, filed on January 7, 2026)</a>
31.1*	<a href="#">Certification of the 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</a>
31.2*	<a href="#">Certification of the 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</a>
32.1**	<a href="#">Certification of the principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2**	<a href="#">Certification of the principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

\*\* Furnished herewith

+ Indicates a management or compensatory plan

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Company**

Date: February 17, 2026

By: /s/ Spyridon Papapetropoulos  
Spyridon Papapetropoulos  
Interim Chief Executive Officer and Director

Date: February 17, 2026

By: /s/ Tim Cunningham  
Tim Cunningham  
Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Spyridon Papapetropoulos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neuphoria Therapeutics 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(s) 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: February 17, 2026

*/s/ Spyridon Papapetropoulos*

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Spyridon Papapetropoulos

Interim Chief Executive Officer and Director

(Principal Executive Officer)

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**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Cunningham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neuphoria Therapeutics 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(s) 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: February 17, 2026

*/s/ Tim Cunningham*

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Tim Cunningham

Chief Financial Officer

(Principal Financial Officer)

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## CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Neuphoria Therapeutics Inc. (the "Company"), does hereby certify, to the best of such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended December 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2026

/s/ Spyridon Papapetropoulos

Spyridon Papapetropoulos

Interim Chief Executive Officer and Director

(Principal Executive Officer)

*A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission (SEC) or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.*

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## CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Neuphoria Therapeutics Inc. (the "Company"), does hereby certify, to the best of such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended December 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2026

*/s/ Tim Cunningham*

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Tim Cunningham

Chief Financial Officer

(Principal Financial Officer)

*A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission (SEC) or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.*

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