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 September 30, 2026

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	**99-3845449**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14 Milliston Road, Box 195, Millis, Massachusetts	**02054**
(Address of principal executive offices)	(Zip Code)

(339) 240-6066
(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 files). 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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 November 13, 2026, there were 5,411,334 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 formerly 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 reported 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:

- "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; and
- "ADSs" refers to American Depositary Shares, each of which represented 180 ordinary shares prior to December 23, 2024.

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 ("U.S. GAAP" or "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," "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 any future clinical trials to demonstrate safety and efficacy of our product candidates and other positive results;
- the timing and focus of any future clinical trials and related studies, and the reporting of data from those trials and studies;
- any future 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 may enroll in any future clinical trials;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our product candidates;
- our ability to preserve or realize value from our remaining product candidates and licensed assets;
- 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;
- any future 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;
- 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 potential reliance on third parties for any future clinical trials, preclinical studies and related manufacturing activities;
- 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 personnel and our ability to attract and 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;
- cybersecurity risks and any failure to maintain the confidentiality, integrity and availability of our computer hardware, software and internet applications and related tools and functions;
- the timing, completion and anticipated benefits of our proposed merger with Scancell Holdings plc, including satisfaction or waiver of the closing conditions;
- our ability to preserve our existing cash resources;
- the value of the Scancell securities and contingent value rights to be received by our stockholders if the proposed merger is completed, and whether any payments will be made under those contingent value rights;
- our ability to continue as a going concern, including while the proposed merger is pending;
- 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, 2026 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)

	September 30, 2026	June 30, 2026
Assets		
Current assets:		
Cash and cash equivalents	$ 18,744,060	$ 19,865,531
Accounts receivable, non-trade	700,219	813,431
Prepaid expenses	156,684	389,772
Total current assets	19,600,963	21,068,734
Intangible assets, net	3,976,377	4,142,060
Goodwill	3,527,809	3,498,222
Total assets	$ 27,105,149	$ 28,709,016
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 724,696	$ 385,584
Accrued expenses and other current liabilities	361,163	370,997
Total current liabilities	1,085,859	756,581
Contingent consideration	522,523	1,025,301
Deferred tax liability	321,147	355,940
Accompanying warrant liability	1,705,435	1,971,172
Total liabilities	3,634,964	4,108,994
Commitments and contingencies (Note 17)		
Shareholders' equity:		
Common stock, $0.00001 par value, 30,000,000 shares authorized, 5,411,334 shares issued and outstanding at September 30, 2026 and June 30, 2026, respectively	54	54
Additional paid-in capital	218,536,490	218,461,772
Accumulated other comprehensive loss, net of tax	(1,842,621)	(2,063,170)
Accumulated deficit	(193,223,738)	(191,798,634)
Total shareholders' equity	23,470,185	24,600,022
Total liabilities and shareholders' equity	$ 27,105,149	$ 28,709,016

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)

	Three Months Ended September 30,	
	2026	**2025**
Operating expenses:		
Research and development	$ -	$ 3,785,649
General and administrative	2,095,375	1,867,040
Total operating expenses	2,095,375	5,652,689
Loss from operations	(2,095,375)	(5,652,689)
Other income (loss):		
Interest income, net	169,117	141,996
Loss on foreign currency transactions	(192,515)	(61,735)
Reversal of excess research and development incentive award	(132,008)	-
Gain (loss) on fair value adjustments	790,884	(4,368,869)
Total other income (loss)	635,478	(4,288,608)
Loss before income taxes	(1,459,897)	(9,941,297)
Income tax benefit	34,793	34,793
Net loss	(1,425,104)	(9,906,504)
Other comprehensive income:		
Unrealized gain on foreign currency translation	220,549	49,221
Total other comprehensive income	220,549	49,221
Comprehensive loss	$ (1,204,555)	$ (9,857,283)
Net loss per share - basic and diluted	$ (0.26)	$ (4.41)
Weighted-average common shares outstanding - basic and diluted	5,411,334	2,246,066

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

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

	Common Shares		Stock Subscription	Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Shareholders'
	Shares	Amount	Receivable	Capital	Loss	Deficit	Equity
Balance at June 30, 2026	5,411,334	$ 54	$ -	$218,461,772	$ (2,063,170)	$(191,798,634)	$ 24,600,022
Share-based compensation	-	-	-	74,718	-	-	74,718
Other comprehensive income	-	-	-	-	220,549	-	220,549
Net loss	-	-	-	-	-	(1,425,104)	(1,425,104)
Balance at September 30, 2026	5,411,334	$ 54	$ -	$218,536,490	$ (1,842,621)	$(193,223,738)	$ 23,470,185
Balance at June 30, 2025	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)
Balance at September 30, 2025	2,357,613	$ 23	$ -	$203,559,216	$ (2,795,845)	$(188,253,207)	$ 12,510,187

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

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

	Three Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (1,425,104)	$ (9,906,504)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	74,718	111,277
Depreciation and amortization expense	165,683	165,792
Non-cash rent expense	-	27,393
Change in fair value of accompanying warrant liability	(265,740)	4,390,726
Change in fair value of contingent consideration	(525,144)	(12,763)
Effect of foreign currency remeasurement	206,283	32,644
Changes in assets and liabilities:		
Accounts receivable, non-trade	113,212	10,190
Prepaid expenses	233,088	517,874
Accounts payable	339,112	216,359
Accrued expenses and other current liabilities	(9,834)	718,261
Operating lease liabilities	-	(31,104)
Deferred tax liability	(34,793)	(34,793)
Net cash used in operating activities	(1,128,519)	(3,794,648)
Cash flows from financing activities:		
Proceeds from the sale of equity	-	3,253,615
Net cash provided by financing activities	-	3,253,615
Effect of exchange rate on changes in cash, cash equivalents, and restricted cash	7,048	(19,455)
Net decrease in cash, cash equivalents, and restricted cash	(1,121,471)	(560,488)
Cash, cash equivalents, and restricted cash, beginning of period	19,865,531	14,288,690
Cash, cash equivalents, and restricted cash, end of period	$ 18,744,060	$ 13,728,202
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 18,744,060	$ 13,649,638
Restricted cash	-	78,564
Total cash, cash equivalents, and restricted cash	$ 18,744,060	$ 13,728,202

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 with assets targeting neuropsychiatric disorders. Neuphoria's lead drug candidate, BNC210, is an oral, proprietary, selective negative allosteric modulator of the α7 nicotinic acetylcholine receptor investigated for the treatment of post-traumatic stress disorder ("PTSD"). BNC210 remains investigational. The Company has discontinued its social anxiety disorder program and stopped all internal preclinical work, including the next-generation α7 nicotinic acetylcholine receptor and Kv3.1/3.2 programs. The Company is not currently conducting research and development activities, and no Company-sponsored clinical trial is active.

In addition, the Company has a strategic partnership with Merck & Co., Inc. (“Merck”), under which two clinical candidates have undergone early- and mid-stage clinical testing for the treatment of cognitive deficits associated with Alzheimer’s disease and other central nervous system conditions. Merck controls and funds the development of compounds licensed under our collaboration.

On July 1, 2026, Merck announced the cancellation of its Alzheimer’s trial of MK-1167. The trial was a Phase 2 study of MK-1167, an α7 nicotinic acetylcholine receptor positive allosteric modulator, as licensed from Neuphoria. Merck stopped its study after an interim analysis indicated the drug did not meet the efficacy criteria required to justify continuing. There were no changes to the Merck Agreement pursuant to this event.

Details of the Company’s entity structure at the end of the reporting period are as follows:

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 discontinued the BNC210 SAD program and paused internal PTSD development as part of its strategic review. The Company is now focused on the proposed merger with Scancell and is not currently directly conducting research and development activities. 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 sought the identification of 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.

Proposed Merger with Scancell

On July 23, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Scancell Holdings plc, a public limited company incorporated under the laws of England and Wales (“Successor Parent”), and Scancell Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Successor Parent (“Merger Sub”). Upon the terms and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will be merged with and into the Company, with the Company surviving the merger as an indirect wholly owned subsidiary of Successor Parent (the “Merger” and, together with the other transactions contemplated by the Merger Agreement, the “Transactions”). All defined terms used in this summary of the Merger Agreement that are not otherwise defined herein have the meanings ascribed to such terms in the Merger Agreement.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share of common stock of the Company, par value $0.00001 per share (“Company Common Stock”), issued and outstanding immediately prior to the Effective Time, other than excluded shares and dissenting shares, will be converted into the right to receive (i) a number of American Depositary Shares of Successor Parent (“Successor Parent ADSs”) equal to the exchange ratio determined in accordance with the Merger Agreement (the “Equity Consideration”) and (ii) one contingent value right (each, a “CVR” and, together with the Equity Consideration, the “Merger Consideration”).

The Merger Agreement contains representations and warranties of the parties regarding their respective businesses. The Merger Agreement also contains certain covenants made by each of the Company and Successor Parent, including non-solicitation restrictions binding each party (and subject to certain exceptions as further described in the Merger Agreement) and its representatives and restrictions on the operation of each party's business between the date of the Merger Agreement and the Effective Time.

The completion of the Merger is subject to customary closing conditions, including, among others, (i) the Company Stockholder Approval and the Successor Parent Shareholder Approval, the latter having been obtained on October 20, 2026; (ii) approval of the Nasdaq listing of the Successor Parent ADSs (and the Successor Parent Ordinary Shares represented thereby); (iii) Subscription Agreements remaining in full force and effect and Successor Parent receiving not less than $75.0 million in gross cash proceeds from the concurrent financing prior to or substantially simultaneously with the closing, with qualifying committed, binding and available undrawn debt permitted to count toward that amount; (iv) effectiveness of the Form F-4; (v) circulation of the Successor Parent Circular (published October 2, 2026) to its shareholders; (vi) Closing Net Cash of at least $10,000,000 as of December 31, 2026 or at the Closing, whichever occurs earlier; (vii) receipt by Successor Parent of certain required third-party consents; and (viii) execution and delivery by the applicable signatories of the Company Lock-Up Agreements and the Successor Parent Lock-Up Agreements, each of which shall be in full force and effect as of immediately following the Effective Time.

The Merger Agreement contains certain termination rights for the Company and Successor Parent, including termination by mutual written agreement, by either party if the Merger has not been consummated by February 28, 2027, subject to a 60-day extension if the SEC has not declared the applicable Form F-4 effective, by either party if a final and non-appealable governmental order permanently enjoins or prohibits the Merger, by either party if the Company stockholder approval or Successor Parent Shareholder Approval is not obtained, by Successor Parent in certain circumstances involving a Company adverse recommendation change or material breach of the Company's no-solicitation obligations, and by either party for certain uncured breaches by the other party.

If the Merger Agreement is terminated due to the failure to obtain the Company Stockholder Approval at the Company Stockholder Meeting, the Company may be required to pay to Successor Parent a Company No Vote Payment, equal to Successor Parent's aggregate fees and expenses reasonably incurred in connection with the transactions contemplated by the Merger Agreement. Similarly, if the Merger Agreement is terminated due to the failure to obtain the Successor Parent Shareholder Approval at the Successor Parent Shareholder Meeting, Successor Parent may be required to pay to the Company a Successor Parent No Vote Payment, equal to the Company's aggregate fees and expenses reasonably incurred in connection with the transactions contemplated by the Merger Agreement.

Liquidity and Going Concern

As of September 30, 2026, the Company had working capital of $18.5 million, an accumulated deficit of $193.2 million, and cash and cash equivalents of $18.7 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. Any resumption of development, clinical or non-clinical testing, or commercialization of the Company's product candidates would 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 incurred a net loss of $1.4 million and $9.9 million for the three months ended September 30, 2026 and 2025, respectively. The Company also had $1.1 million of cash used in operating activities during the three months ended September 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 2028, 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 June 30, 2026 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 September 30, 2026 and for the three months ended September 30, 2026, 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, 2026 included in the Company's Annual Report on Form 10-K for the year ended June 30, 2026 filed with the SEC on September 18, 2026. 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 September 30, 2026, results of its operations for the three months ended September 30, 2026, shareholders' equity for the three months ended September 30, 2026, and cash flows for the three months ended September 30, 2026, have been made. The results of operations for the three months ended September 30, 2026 are not necessarily indicative of the results of operations to be expected for the year ending June 30, 2027.

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 accompanying 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 needs, as well as on activities relating to the proposed merger, maintaining its assets and contractual obligations, and managing its economic interests in partnered programs; the Company is not currently directly conducting research and development activities. 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 three months ended September 30, 2026, as compared to those identified in the fiscal year 2026 Annual Report on Form 10-K.

Recently Issued Accounting Pronouncements Not Yet Adopted

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.

Note 3. Restructuring Costs

In October 2025, Management committed to a plan to discontinue or pause, with respect to BNC210 in SAD and PTSD, its research and development activities while it sought the identification of 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 was initially included in Accrued restructuring expenses (see Notes 6 and 9).

Restructuring reserves included in accrued expenses and other current liabilities on the condensed consolidated balance sheet are as follows:

	Restructuring Costs
Restructuring liability at June 30, 2026	$ 58,331
Restructuring costs	-
Restructuring payments	(50,001)
Restructuring liability at September 30, 2026	$ 8,330

Note 4. Fair Value Measurement

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The following tables set forth the fair value of the Company's liabilities at fair value on a recurring basis based on the three-tier fair value hierarchy:

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent consideration	$ -	$ -	$ 522,523	$ 522,523
Accompanying warrant liability	-	-	1,705,435	1,705,435
Total liabilities measured at fair value	$ -	$ -	$ 2,227,958	$ 2,227,958

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent consideration	$ -	$ -	$ 1,025,301	$ 1,025,301
Accompanying warrant liability	-	-	1,971,172	1,971,172
Total liabilities measured at fair value	$ -	$ -	$ 2,996,473	$ 2,996,473

The Company has no financial assets that are measured at fair value. The liabilities measured at fair value at September 30, 2026 and June 30, 2026 are contingent consideration and the accompanying warrant liability. The value of financial assets and other financial liabilities approximate their fair value.

The accompanying warrant liability relates to the Company's issuance of accompanying warrants in conjunction with a private placement in June 2024 (the "2024 Accompanying Warrant"). The fair value of the accompanying warrant liability was based on valuations that required inputs that were both significant to the fair value measurement and unobservable. This approach resulted in a classification of the accompanying warrant liability as Level 3 of the fair value hierarchy. See Note 16 for additional disclosure related to contingent consideration.

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

	Contingent Consideration in a Business Combination	Freestanding Financial Instruments Accompanying Warrant Liability
Balance at June 30, 2026	$ 1,025,301	$ 1,971,172
Change in fair value, net of foreign currency effect	(502,778)	(265,737)
Balance at September 30, 2026	$ 522,523	$ 1,705,435

	Contingent Consideration in a Business Combination	Freestanding Financial Instruments Accompanying Warrant Liability
Balance at June 30, 2025	$ 1,169,675	$ 3,701,492
Change in fair value, net of foreign currency effect	(12,763)	4,390,726
Balance at September 30, 2025	$ 1,156,912	$ 8,092,218

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:

	September 30, 2026	June 30, 2026
Research and development incentives receivable	$ 693,088	$ 810,778
GST receivables	7,131	2,653
Total accounts receivable, non-trade	$ 700,219	$ 813,431

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 lease expired according to its terms in May 2026.

In October 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. The leased facility ceased being used for any business purpose and the Company did not sublease the space during the remainder of the lease term. 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.

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

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:

	Three Months Ended September 30,	
	2026	2025
Operating lease costs		
Research and development	$ -	$ 14,401
General and administrative	-	18,230
Total	$ -	$ 32,631

Note 7. Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired and is primarily attributable to expected synergies from combining the acquired operations with the Company's existing business, the value of the acquired assembled workforce, and other intangible benefits that did not qualify for separate recognition as identifiable intangible assets under ASC 805. The entire goodwill balance has been assigned to the Company's drug development unit, our sole reporting unit.

The following table summarizes changes in the carrying value of goodwill for the three months ended September 30, 2026 and 2025:

Carrying amount at June 30, 2026	$ 3,498,222
Foreign currency exchange differences	29,587
Carrying amount at September 30, 2026	$ 3,527,809
Carrying amount at June 30, 2025	$ 8,638,609
Foreign currency exchange differences	36,125
Carrying amount at September 30, 2025	$ 8,674,734

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.

On June 30, 2026, Management determined that there existed an impairment indicator and moved to retain an independent third-party valuation expert to perform a quantitative analysis of the carrying value of our single reporting unit. The June 30, 2026 valuation applied a market approach with adjustments, as necessary, to market capitalization data for implied control premiums. The results of that analysis concluded an impairment existed at June 30, 2026, primarily due to downward revisions of the expected future cashflows associated with the potential commercialization of Merck's MK-1167, an α7 nicotinic acetylcholine receptor positive allosteric modulator, as licensed from Neuphoria. Accordingly, the Company recorded a goodwill impairment charge of approximately $5.4 million at June 30, 2026.

At September 30, 2026, Management performed a qualitative assessment of factors that existed on that date. After considering a number of factors, including but not limited to the following, Management did not identify any indicators of potential impairment and concluded a refreshed quantitative analysis was not required:

- No changes in economic factors affecting the value of the Company, macro or otherwise, as it continues negotiating strategic transactions with qualified partners;
- The closing prices of the Company's common shares throughout the period commencing July 1, 2026 through September 30, 2026, were consistent with the movement of peers and the NASDAQ in general; and
- There were no other changes identified to specific assets or liabilities maintained by the Company that would indicate any degradation in the value of the Company's goodwill or any other assets.

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 September 30, 2026.

	Cancer Stem Cell Technology
Carrying amount at June 30, 2026	$ 4,142,060
Amortization expense	(165,683)
Carrying amount at September 30, 2026	$ 3,976,377
Carrying amount at June 30, 2025	$ 4,804,791
Amortization expense	(165,683)
Carrying amount at September 30, 2025	$ 4,639,108

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.

The Company concluded an interim quantitative assessment was not required with respect to the financial reporting period ended September 30, 2026 as no events occurred or circumstances changed that would more likely than not reduce the fair value of the acquired intellectual property below its carrying amount.

Note 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	September 30, 2026	June 30, 2026
Research and development expenses	$ -	$ 15,264
Accrued restructuring expenses	8,330	58,331
Salary and benefits	23,162	21,892
Professional and consulting fees	218,536	188,000
EDA Loan	34,345	34,345
Other	76,790	53,165
Total accrued expenses and other current liabilities	$ 361,163	$ 370,997

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 Compensation 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 September 30, 2026, there were 808,879 shares available for grant under the 2024 Plan.

The following table summarizes employee and non-employee share option activity for the three months ended September 30, 2026:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value [1]
Outstanding as of June 30, 2026	115,910	$ 70.13	6.57	$ -
Granted	—	$ -	-	$ -
Lapsed	(1,388)	$ 272.48	-	$ -
Outstanding as of September 30, 2026	114,522	$ 67.69	6.40	$ -
Options exercisable as of September 30, 2026	86,260	$ 86.94	5.62	$ -

(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 September 30, 2026 of $3.56 and the per share exercise price of the underlying options.

As of September 30, 2026, there was approximately $0.2 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 1.28 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.

There were no stock options granted during the three months ended September 30, 2026. The weighted average grant date fair value of options granted during the three months ended September 30, 2025 was approximately $7.88 per share.

During the three months ended September 30, 2026 and 2025, the Company recognized total share-based compensation expense of less than $0.1 million and $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.

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 were scheduled to 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, the former of which occurred first on November 2, 2026 (see below for further detail in this regard).

The Company recognized less than $0.1 million and $0.1 million of share-based compensation expense associated with RSUs for the three months ended September 30, 2026 and 2025, respectively. As of September 30, 2026, the unvested RSUs had an aggregate intrinsic value of approximately $0.2 million and less than $0.1 million of unrecognized compensation which is expected to be recognized as expense over a weighted average period of 0.25 years.

On or about October 7, 2026, the Board of Directors approved a cash payment in lieu of shares in full settlement of unvested RSUs on that date. The RSUs were originally granted on January 20, 2026 and were to vest on the day prior to the Company's next annual shareholder meeting, which was held on November 2, 2026, or the effective date of a change in control of the Company if one had occurred sooner.

Note 11. Warrants

The classification, expiration date, and exercise price of individual warrants at September 30, 2026 are as follows:

	Number of Warrant Shares Outstanding	Exercise Price	Expiration Date	Classification
2024 Accompanying Warrant	1,054,381	$ 11.88	June 2029	Liability

1,054,381 warrants were exercisable at September 30, 2026 and remain exercisable until June 2, 2029 unless exercised earlier. There were no exercises, cancellations, or expirations of warrants during the three months ended September 30, 2026.

The weighted average remaining contractual life of the accompanying warrants outstanding at September 30, 2026 is 2.68 years.

On July 20, 2026, the Company entered into a letter agreement (the "Warrant Letter Agreement") with Armistice Capital Master Fund Ltd. ("Armistice") the holder of a Common Stock Purchase Warrant, also referred to as the 2024 Accompanying Warrant, issued by the Company to Armistice on December 24, 2024 (the "Warrant") upon the redomiciliation of the Company to a Delaware corporation.

Pursuant to the Warrant Letter Agreement, the parties agreed that, if the Black Scholes Value (as defined in the Warrant) otherwise payable to Armistice upon exercise of the Cash-Out Right (as defined in the Warrant), in connection with the Merger exceeds $3.5 million, the amount of such excess (the "Excess Amount") will be payable to Armistice, at its option and in lieu of cash, in the form of Successor Parent ordinary shares, Successor Parent ADSs, warrants to purchase Successor Parent ordinary shares or Successor Parent ADSs, or a combination thereof (the "Warrant Equity Consideration"). The number of Successor Parent ordinary shares constituting or underlying the Warrant Equity Consideration will equal the Excess Amount divided by the Successor Parent Per Share Price (as defined in the Merger Agreement), multiplied by 125%. Except as expressly modified by the Warrant Letter Agreement, all other terms and conditions of the Warrant remain unmodified and in full force and effect.

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. No shares of preferred stock are issued or outstanding as of September 30, 2026.

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. 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 September 30, 2026.

On October 23, 2026, the Company entered into Amendment No. 1 (the "Rights Plan Amendment") to the Rights Agreement, pursuant to which the "final expiration date" (as defined therein) of the Rights Agreement has been extended until the close of business on October 27, 2027, unless earlier extended, modified or terminated (see Note 18).

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 $34,793, or 2.4%, and $34,793, or 0.4%, for the three months ended September 30, 2026 and 2025, respectively.

Note 14. Net Income (Loss) per Share

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

	Three Months Ended September 30,	
	2026	**2025**
Options to purchase common stock	114,522	137,027
Warrant 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 months ended September 30, 2025, 34,559 stock options were granted to Dr. Spyros Papapetropoulos, Interim 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 Tim 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 September 30, 2026 and 2025, Danforth invoiced the Company $267,778 and $342,442, respectively.

WG Partners LLP

In December 2023, we entered into an engagement letter with WG Partners LLP (“WG Partners”) 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 WG Partners a monthly fee of $15,000 and applicable commissions, if any, which are subject to conditions and further addendum. On January 20, 2026, in connection with the Company’s previously announced initiation of a strategic evaluation process in October 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, 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. 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 September 30, 2026 and 2025, WG Partners invoiced the Company for monthly stipend fees of $60,172 and $44,928, respectively.

Note 16. Contingent Consideration

As a result of the acquisition of Eclipse Therapeutics Inc. ("Eclipse") during the fiscal 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 U.S. dollars, the liability decreased by approximately $0.5 million and less than $0.1 million during the three months ended September 30, 2026 and 2025, respectively (see Note 4). Inputs used are based on the anticipated amounts and timing of potential milestone and royalty payments from the 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 less than $0.1 million at September 30, 2026 and has included said amount in the Restructuring liability.

Note 18. Subsequent Events

Shareholder Rights Plan Amendment

On October 23, 2026, the Company entered into Amendment No. 1 (the "Rights Plan Amendment") to the Company's existing Rights Agreement, dated October 27, 2025, pursuant to which the "final expiration date" (as defined therein) of the Rights Agreement has been extended until the close of business on October 27, 2027, unless earlier extended, modified or terminated.

Shareholder Demand Letters

As of the date of this filing, the Company has received demand letters from two purported stockholders, one relating to a books and records request pursuant to Section 220 of the Delaware General Corporation Law with respect to the proposed merger with Scancell Holdings plc, and one relating to alleged disclosure deficiencies in the Form F-4 filed by Scancell Holdings plc with respect thereto. No assurances can be made as to the outcome of such demands.

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, 2026 ("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

Neuphoria Therapeutics Inc. is a Delaware corporation and a clinical-stage biotechnology company. Following the results of our Phase 3 AFFIRM-1 trial and the restructuring actions taken during fiscal 2026, our principal activities are focused on completing the proposed merger with Scancell Holdings plc ("Scancell"), preserving cash, maintaining our public-company and contractual obligations, and managing our intellectual property and economic interests in partnered programs. We discontinued development of BNC210 for Social Anxiety Disorder ("SAD") and stopped active work on our internal preclinical programs, including the Kv3.1/3.2 program. We are not currently directly conducting research and development activities. Merck & Co., Inc. ("Merck") controls and funds development of compounds licensed under our collaboration targeting cognitive dysfunction.

Our lead product candidate, BNC210, is an oral, proprietary, selective negative allosteric modulator of the alpha7 nicotinic acetylcholine receptor. On October 20, 2025, we announced that AFFIRM-1, our Phase 3 trial of BNC210 for the acute treatment of SAD, did not meet its primary endpoint, and secondary endpoint analysis did not show statistically significant differences or improvement over placebo. We discontinued the BNC210 SAD program and did not initiate the planned AFFIRM-2 trial. The BNC210 program for post-traumatic stress disorder ("PTSD") has not been discontinued, but we are not currently conducting development activities. The planned SYMPHONY Phase 2b/3 trial has not been initiated, and no Company-sponsored clinical trial is active.

Our completed Phase 2b ATTUNE trial in PTSD met its primary endpoint. BNC210 remains investigational, and further clinical development would be required to establish its safety and efficacy for regulatory approval. Any future development would require funding and a decision to resume development or partner the asset. Scancell has stated that it does not intend to develop BNC210 after closing, presuming the consummation of the proposed merger, beyond de minimis intellectual-property maintenance and enforcement activities.

Beginning in the quarter ended December 31, 2025 and during 2026, we terminated our facility leases, retained only one full-time employee, and canceled, paused, or deferred, as applicable, our major internal research and development activities, including our preclinical programs; however, we continue to operate the Company in the ordinary course with the support of personnel via consulting arrangements and external support, including our legal, accounting, and interim CEO who continued his service on this basis. Our partners control development under the arrangements described below under "Licenses and Collaborations"; we have limited information about their ongoing activities.

Our predecessor, Bionomics Limited, was incorporated in 1996, completed its initial public offering and listing of ordinary shares on the ASX in 1999 and completed its initial public offering and listing of ADSs on Nasdaq in 2021. On July 25, 2023, we requested to be delisted from the official list of the ASX, which became effective August 28, 2023 and, as a result, our ordinary shares are no longer quoted or traded on the ASX.

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 September 30, 2026, 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 development milestone payments from the 2014 Merck Collaboration and License Agreement (the "Merck Agreement") and the Carina Biotech License, and $67.8 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 $193.2 million at September 30, 2026. The Company incurred net losses of $1.4 million and $9.9 million for the three months ended September 30, 2026 and 2025, respectively. The Company also had $1.1 million of cash used in operating activities during the three months ended September 30, 2026. The results of operations for the three months ended September 30, 2026 are not necessarily indicative of the results of operations to be expected for the year ending June 30, 2027.

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 2028, 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.

Licenses and Collaborations

The Company became a multi-party participant in the Australian Government-supported Cancer Therapeutics Cooperative Research Centre ("CTx CRC" or "CRC") in 2007. The CRC collaborative arrangement was established to support oncology research, development, and commercialization activities. Approximately seventeen participants contributed cash, personnel, intellectual property, and in-kind resources during the initial phases of CRC's existence. The Company holds a blended 4.65% entitlement to certain distributions from CRC. On May 21, 2026, the Company received a revenue distribution payment of AUD $1.4M from its participation in the former CTx CRC related to CTx CRC's licensing of the KAT6 program to Pfizer Inc. following the initiation of dosing of the first subject in the first Phase III Clinical Trial in ER+/HER2- metastatic breast cancer. As a passive party, the Company is not able to determine whether future milestones will be achieved, whether the Company will receive any future milestone payments, or the size of any such payments, if received.

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 June 2014, we entered into the 2014 Merck 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 2 clinical trial. Under the agreement, as amended, Neuphoria is eligible to receive up to an aggregate of $450 million additional milestone payments across multiple candidates, comprised of $275 million for the achievement of certain development milestones and $175 million in potential commercial milestones, plus royalties on net sales of any licensed medicines.

On March 14, 2025, the Company and Merck executed the Fifth Amendment to the Merck 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, if any. There were no other changes in the transaction price during the three months ended September 30, 2026.

Merck initiated a Phase 2 trial of MK-1167, an alpha7 nicotinic acetylcholine receptor positive allosteric modulator, in December 2024 to treat symptoms of Alzheimer's disease dementia (NCT06721156). The trial was terminated in June 2026 after an interim analysis indicated that MK-1167 did not meet the efficacy criteria required to continue. The trial's termination did not itself terminate the Merck Agreement. Merck controls development, subject to its contractual obligations, including commercially reasonable efforts to develop, seek marketing authorization for and commercialize at least one product. Our information rights are limited, and we cannot predict whether Merck will advance another candidate or whether we will receive further milestone or royalty payments.

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 A$2.0 million and A$3.0 million in certain development and regulatory milestone payments if Carina advances the development of the therapy to a Phase 2 or Phase 3 trial, respectively. Carina 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 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$1.0 million which was recorded as revenue in the Consolidated Statement of Operations and Other Comprehensive Income (Loss) during the twelve months ended June 30, 2025, reported in our Form 10-K for the year ended June 30, 2025.

Shareholder Rights Plan Extension

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 were originally scheduled to expire on October 27, 2026, unless earlier redeemed, extended or exchanged by the Company; the expiration date was subsequently extended as described below. 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 November 16, 2026.

On October 23, 2026, the Company approved the entry into Amendment No. 1 (the "Amendment") to the Rights Agreement, pursuant to which the "final expiration date" (as defined therein) of the Rights Agreement has been extended until the close of business on October 27, 2027, unless earlier extended, modified or terminated.

Strategic Transaction

On July 23, 2026, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Scancell Holdings plc, a public limited company incorporated under the laws of England and Wales ("Successor Parent"), and Scancell Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Successor Parent ("Merger Sub"). Upon the terms and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will be merged with and into the Company, with the Company surviving the merger as an indirect wholly owned subsidiary of Successor Parent (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Transactions"). All defined terms used in this summary of the Merger Agreement that are not otherwise defined herein have the meanings ascribed to such terms in the Merger Agreement.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of common stock of the Company, par value $0.00001 per share ("Company Common Stock"), issued and outstanding immediately prior to the Effective Time, other than excluded shares and dissenting shares, will be converted into the right to receive (i) a number of American Depositary Shares of Successor Parent ("Successor Parent ADSs") equal to the exchange ratio determined in accordance with the Merger Agreement (the "Equity Consideration") and (ii) one contingent value right (each, a "CVR" and, together with the Equity Consideration, the "Merger Consideration").

Pursuant to the Merger Agreement, the exchange ratio (the "Exchange Ratio") is calculated upon the Effective Time, on a pro forma basis and based upon the number of Successor Parent ADSs expected to be issued in connection with the Merger and the PIPE Financing. Based on the estimates in the October 9, 2026 Form F-4, pre-Merger holdings of Company Common Stock are expected to represent approximately 10.6% of the combined company, pre-Merger Parent shares and other securities convertible into Successor Parent shares are expected to represent approximately 63.6% of the combined company (excluding PIPE Securities purchased in the PIPE Financing), and the PIPE Securities are expected to represent approximately 16.8% (assuming gross proceeds from the PIPE Financing of $39.1 million), in each case calculated on a fully diluted basis, using the treasury stock method, and subject to certain assumptions, including (i) the Successor Parent Valuation of $144,612,002, (ii) the Company Valuation of $24,598,949, and (iii) the relative capitalization of Successor Parent and the Company, as determined in accordance with the Exchange Ratio formula set forth in the Merger Agreement. The Exchange Ratio and related share counts are subject to customary anti-dilution adjustment for stock splits or similar events (including Successor Parent's completed 1:10 share consolidation in October 2026) between signing and closing, and no fractional Successor Parent ADSs will be issued, with fractional entitlements rounded to the nearest whole ADS.

The Merger Agreement contains representations and warranties of the parties regarding their respective businesses. The Merger Agreement also contains certain covenants made by each of the Company and Successor Parent, including non-solicitation restrictions binding each party (and subject to certain exceptions as further described in the Merger Agreement) and its representatives and restrictions on the operation of each party's business between the date of the Merger Agreement and the Effective Time.

On October 9, 2026, Successor Parent filed with the SEC an initial registration statement on Form F-4 containing a proxy statement/prospectus relating to the Company Stockholder Meeting (the "Proxy Statement/Prospectus"), which is subject to SEC review and comments, to register the Successor Parent ADSs and the Successor Parent Ordinary Shares represented thereby to be issued pursuant to the Merger (the "Form F-4"). The Company will seek the approval of the Company's stockholders at the Company Stockholder Meeting, which will be called for the purpose of voting on the adoption of the Merger Agreement (the "Company Stockholder Approval"). On October 20, 2026, pursuant to under the Companies Act 2006, Successor Parent's shareholders approved the resolutions relating to the Merger and the Concurrent Financing, including the one-for-ten share consolidation and the authorities to allot the shares to be issued in connection with the Merger and the Concurrent Financing (the "Successor Parent Shareholder Approval").

In the event the Company's Board of Directors makes a Company Board Adverse Recommendation Change (as defined in the Merger Agreement) as a result of a Superior Offer (as defined in the Merger Agreement), the Company will remain obligated to hold the stockholder meeting to seek the Company vote on the Company Stockholder Approval under the terms of the Merger Agreement and may not terminate the Merger Agreement in order to enter into an agreement with respect to such Superior Offer.

The completion of the Merger is subject to customary closing conditions, including, among others, (i) the Company Stockholder Approval and the Successor Parent Shareholder Approval, the latter having been obtained on October 20, 2026; (ii) approval for listing of the Successor Parent ADSs on Nasdaq and submission of the required AIM admission application for the Successor Parent Ordinary Shares represented thereby; (iii) Subscription Agreements remaining in full force and effect and Successor Parent receiving not less than $75.0 million in gross cash proceeds from the concurrent financing prior to or substantially simultaneously with the closing, with qualifying committed, binding and available undrawn debt permitted to count toward that amount, with qualifying committed, binding and available undrawn debt permitted to count toward that amount; (iv) effectiveness of the Form F-4 and, if applicable, Form F-6; (v) circulation of the Successor Parent Circular to its shareholders; (vi) Closing Net Cash of at least $10,000,000 as of December 31, 2026 or at the Closing, whichever occurs earlier; (vii) receipt by Successor Parent of certain required third-party consents; and (viii) execution and delivery by the applicable signatories of the Company Lock-Up Agreements and the Successor Parent Lock-Up Agreements, each of which shall be in full force and effect as of immediately following the Effective Time.

The Merger Agreement contains certain termination rights for the Company and Successor Parent, including termination by mutual written agreement, by either party if the Merger has not been consummated by February 28, 2027, subject to either party's right to extend that date by 60-days if the SEC has not declared the Form F-4 effective, by either party if a final and non-appealable governmental order permanently enjoins or prohibits the Merger, by either party if the Company stockholder approval or Successor Parent Shareholder Approval is not obtained, by Successor Parent in certain circumstances involving a Company adverse recommendation change or material breach of the Company's no-solicitation obligations, and by either party for certain uncured breaches by the other party.

If the Merger Agreement is terminated due to the failure to obtain the Company Stockholder Approval at the Company Stockholder Meeting, the Company may be required to pay to Successor Parent a Company No Vote Payment, equal to Successor Parent's aggregate fees and expenses reasonably incurred in connection with the transactions contemplated by the Merger Agreement. Similarly, if the Merger Agreement is terminated due to the failure to obtain the Successor Parent Shareholder Approval at the Successor Parent Shareholder Meeting, Successor Parent may be required to pay to the Company a Successor Parent No Vote Payment, equal to the Company's aggregate fees and expenses reasonably incurred in connection with the transactions contemplated by the Merger Agreement.

Voting and Lock-Up Agreements

Concurrently with the execution of the Merger Agreement, certain stockholders of the Company, including all directors and officers and certain other significant holders of common stock, entered into voting and support agreements with Successor Parent and Merger Sub (the "Company Voting Agreements"). Under the Company Voting Agreements, each securityholder agreed, among other things, not to transfer covered securities or enter into voting trusts or similar arrangements with respect to covered securities, subject to customary permitted transfers, and to appear at stockholder meetings for quorum purposes and vote the covered securities in favor of the Merger Agreement and the Transactions and any related adjournment proposal, and against competing acquisition proposals and other actions, proposals, transactions or agreements that could reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Transactions. Each such securityholder also granted Successor Parent an irrevocable proxy to vote the Subject Securities (as defined below) consistent with these obligations, agreed to customary non-solicitation, confidentiality, no-litigation and further-assurances covenants, and made customary representations and warranties regarding its ownership of and authority over the Subject Securities.

The Company Voting Agreements terminate automatically upon the earliest of the Effective Time, termination of the Merger Agreement in accordance with its terms, certain amendments, waivers, supplements or changes to the Merger Agreement made without the applicable securityholder's prior written consent that decrease or change the form of consideration or otherwise materially and adversely affect such securityholder, a Company Adverse Recommendation Change, or the date and time set forth in a written agreement of Successor Parent and the applicable securityholder.

Concurrently with the execution of the Merger Agreement, certain shareholders and all directors of Successor Parent entered into a voting and support deed with Successor Parent, Merger Sub and the Company (the "Successor Parent Voting and Support Deed"), covering the ordinary shares of Successor Parent held by such shareholder together with any additional Successor Parent or Company securities acquired during the term of the deed (the "Subject Securities").

Under the Successor Parent Voting and Support Deed, each securityholder agreed, among other things, not to transfer the Subject Securities or enter into voting trusts, proxies, or similar arrangements with respect to them, subject to customary permitted transfers to estate-planning or charitable transferees, affiliated entities, or other transferees who agree to be bound by the deed. Each such securityholder also agreed to appear (in person or by proxy) at Successor Parent shareholder meetings for quorum purposes and to vote the Subject Securities in favor of the Successor Parent Shareholder Approval and any related adjournment proposal, and against any action that could reasonably be expected to breach Successor Parent's or each such securityholder's obligations under the Merger Agreement or the deed, and any other action, proposal, transaction or agreement that could reasonably be expected to impede, interfere with, delay, discourage, adversely affect, or inhibit the timely consummation of the transactions or change the voting rights of Successor Parent's shares. Each such securityholder also granted Successor Parent an irrevocable proxy to vote the Subject Securities consistent with these obligations, agreed to customary non-solicitation, confidentiality, no-litigation and further-assurances covenants, and made customary representations and warranties regarding its ownership of and authority over the Subject Securities.

The Successor Parent Voting and Support Deed terminates automatically upon the earliest of the Effective Time, termination of the Merger Agreement in accordance with its terms, as to a given securityholder, any amendment, waiver, supplement or change to the Merger Agreement made without that securityholder's prior written consent that materially and adversely affects such securityholder, a Successor Parent Adverse Recommendation Change, or the date and time set forth in a written agreement between Successor Parent and the applicable securityholder.

At the Effective Time, certain directors, officers and stockholders of the Company and Successor Parent, are expected to enter into lock-up agreements (the "Lock-Up Agreements"). Pursuant to the Lock-Up Agreements, subject to specified exceptions, the applicable signatories are expected to accept restrictions on transfers of Successor Parent ADSs and any Successor Parent ordinary shares represented thereby that are beneficially owned by such persons or received in connection with the Merger for the restricted period specified in the applicable Lock-Up Agreement.

Contingent Value Rights Agreement

At or prior to the Effective Time, Successor Parent is expected to enter into a Contingent Value Rights Agreement (the "CVR Agreement") with a rights agent (the "Rights Agent"). Pursuant to the CVR Agreement, the initial holders will be the holders of Company Common Stock as of the close of business on the last business day prior to the day on which the Effective Time occurs, and one CVR will be issued with respect to each share of Company Common Stock outstanding as of such record date.

Each CVR represents a contractual right to receive a pro rata share of CVR payments, if any, equal to 100% of the net proceeds actually received by Successor Parent or its affiliates (i) under the Company's research collaboration and license agreement with Merck Sharp & Dohme Corp. for a period of 15 years from Completion; (ii) under the Participants Agreement and associated CRC Commercialization License Agreements (including the existing license agreement with Pfizer relating to KAT6), for a period of 15 years from Completion; (iii) under disposition agreements for intellectual property licensed to Merck within the applicable period specified in the CVR Agreement; and (iv) in respect of an Australian R&D tax credit payable to Bionomics in respect of the year ended June 30, 2026. These periods are subject to the termination provisions of the CVR Agreement. The CVR Agreement defines gross proceeds to include upfront, milestone, royalty and other payments received under the applicable Partner Agreements (as defined in the CVR Agreement), subject to the exclusions and deductions described in the CVR Agreement. The CVRs will not be evidenced by certificates or other instruments, will not have voting or dividend rights, will not bear interest, will not represent any equity, loan capital or ownership interest in Successor Parent or any of its affiliates and will not be listed on any quotation system or traded on any securities exchange. The CVRs will be non-transferable except through limited permitted transfers, and there can be no assurance that any CVR holder will receive any payment pursuant to the CVR Agreement.

Subscription Agreements

In connection with the Merger Agreement, Successor Parent entered into subscription agreements (each, a "Subscription Agreement" and collectively, the "Subscription Agreements") with certain investors (each, a "Subscriber"), pursuant to which each Subscriber agreed to purchase, and Successor Parent agreed to issue and sell, Successor Parent ADSs and/or voting and/or non-voting ordinary shares of Successor Parent, par value £0.001 per share (the "Ordinary Shares", "Non-Voting Ordinary Shares" and, together with the Successor Parent ADSs, the "PIPE Securities"), at a purchase price based on $0.1205 per ordinary share (the "Placement Price"), with corresponding adjustments for Successor Parent ADSs and any reverse share split (which was approved by the Successor Parent shareholders on October 20, 2026 on a 1:10 basis), in a private placement (the "PIPE Financing") for aggregate gross proceeds of approximately $39.1 million, to be consummated prior to or concurrently with the closing of the Merger. The closing of the PIPE Financing is contingent upon, and will occur on the date of, the closing of the Merger, and is subject to customary closing conditions. All such share price and other adjustments will be reflected in the amended F-4 registration statement to be filed by Scancell in respect of the proposed merger.

Successor Parent has agreed, within thirty (30) calendar days after the closing of the Merger, to file with the SEC a registration statement registering the resale of the PIPE Securities and to use commercially reasonable efforts to cause it to become effective as soon as practicable thereafter. Each Subscription Agreement will automatically terminate, and the related PIPE Securities will not be issued, upon the earliest of the mutual written agreement of the parties to terminate, the termination of the Merger Agreement in accordance with its terms, the failure of the applicable closing conditions to be satisfied or waived as of the closing date, or written notice of termination by either party if the transactions contemplated by the Subscription Agreement have not been consummated by the End Date.

UK Placing, Retail Offer and Debt Financing

In connection with the Merger, Successor Parent completed a UK placing of approximately £13.0 million ($17.4 million) and a retail offer of approximately £2.7 million ($3.6 million) in July 2026. These offerings were not conditional on completion of the Merger or the PIPE Financing. On September 24, 2026, Successor Parent entered into an agreement with Kreos Capital VIII (UK) Ltd for secured debt facilities of up to $25.0 million. Successor Parent obtained shareholder approval relating to the debt facilities on October 20, 2026. The facilities remain subject to tranche-specific drawdown conditions, including completion of the Merger, fundraising and clinical or operational milestones, as applicable.

Warrant Amendment Letter Agreement

On July 20, 2026, the Company entered into a letter agreement (the "Warrant Letter Agreement") with Armistice Capital Master Fund Ltd. ("Armistice"), the holder of a Common Stock Purchase Warrant, also referred to as the 2024 Accompanying Warrant, issued by the Company to Armistice on June 4, 2024, and replaced following the Company's redomiciliation on December 24, 2024 (the "Warrant").

Pursuant to the Warrant Letter Agreement, the parties agreed that, if the "Black Scholes Value" (as defined in the Accompanying Warrant) otherwise payable to Armistice upon exercise of the "Cash-Out Right" (as defined in the Warrant) in connection with the Merger exceeds $3,500,000, the amount of such excess (the "Excess Amount") will be payable to Armistice, at its option and in lieu of cash, in the form of Successor Parent ordinary shares, Successor Parent ADSs, warrant to purchase Successor Parent ordinary shares or Successor Parent ADSs, or a combination thereof (the "Warrant Equity Consideration"). The number of Successor Parent ordinary shares constituting or underlying the Warrant Equity Consideration will equal the Excess Amount (or the portion thereof paid as Warrant Equity Consideration) divided by the Successor Parent Per Share Price (as defined in the Merger Agreement), multiplied by 125%. Except as expressly modified by the Warrant Letter Agreement, all other terms and conditions of the Accompanying Warrant remain unmodified and in full force and effect. Any Successor Parent equity issued or issuable to Armistice under this arrangement will reduce the number of Successor Parent ADSs otherwise issuable to Company stockholders in the Merger.

F-4 Registration Statement

On October 9, 2026, Scancell Holdings plc filed the Form F-4 Registration Statement with the SEC related to the proposed Merger, which is subject to SEC review and comments in the ordinary course.

Recent Developments

See "Strategic Transaction" above for the proposed Merger announced on July 23, 2026.

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 have historically represented costs incurred to conduct discovery and development of our proprietary drug candidates and have consisted 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 Contract Research Organizations ("CROs") that conducted research, preclinical activities, and clinical trials on our behalf, as well as Contract Manufacturing Organizations ("CMOs") that manufactured our product candidates for use in our preclinical studies and clinical trials and performed 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.

We incurred no research and development costs during the three months ended September 30, 2026. Substantially all our direct research and development expenses during the three months ended September 30, 2025 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 deployed 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. If development resumes, the duration, costs, and timing of preclinical studies, clinical trials and further development of our product candidates would depend on a variety of factors, including:

- successful completion of any future registrational trials of BNC210 in PTSD, if development resumes;
- 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; and
- maintenance of a continued acceptable safety profile of our products following receipt of any marketing approvals.

We may never achieve regulatory approval for any of our product candidates. If development resumes, we may obtain unexpected results from our future preclinical studies and clinical trials, if reinstated. We may elect to discontinue or modify future development plans for 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 have historically accounted for a significant portion of our operating expenses. Our future research and development expenses would depend on a decision to resume development and the availability of funding. Failure to complete the Merger would not itself restart our programs, and assuming the consummation of the proposed merger, Scancell has stated that it does not intend to develop our non-partnered assets after closing. We do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization for any of the programs that might be resumed. Numerous factors affect the successful commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined accurately 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 Administrative Expenses

Our general and administrative expenses will depend on the timing and outcome of the Merger, our public-company obligations and any future decision to resume development. We expect to continue to incur legal, accounting and advisory costs relating to the Merger and our public-company obligations. Any resumption of development could require additional personnel and other administrative resources.

Our general and administrative 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;
- costs relating to audit, tax, and regulatory compliance; and
- other expenses including legal fees, and insurance.

Other Income (Loss)

Other income consists of net interest income, a recorded loss from a research and development tax incentive award or adjustments, foreign currency gains and losses, fair value adjustments, and other gains and losses.

The tax incentive awards relate to the Australian Government's Research and Development Tax Incentive program.

The Australian Government's Research and Development Tax Incentive program provides a refundable tax offset for up to 43.5% of eligible research and development expenditures by Australian companies with an "aggregated turnover" of less than A$20.0 million. Grants under the program have been available for our research and development activities in Australia, as well as certain activities conducted overseas that are approved by the Australian Government. Grants are calculated at the end of the fiscal year to which they relate, based on the expenses incurred in such fiscal year and included in such fiscal year's Australian income tax return after registration of the research and development activities with the relevant authorities.

Foreign Currency Exchange

Our financial results are reported in U.S. dollars. A substantial portion of our operating expenses and other income (loss) are denominated in the Australian dollar. During the three months ended September 30, 2026 and 2025, 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 three months ended September 30, 2026 and 2025, respectively. See "Quantitative and Qualitative Disclosures about Market Risk" for more information.

Results of Operations

Comparison of the three months ended September 30, 2026 and 2025

	Three Months Ended September 30,		Increase (Decrease)	
	2026	**2025**	**Amount**	**Percent**
Research and development	$ -	$ (3,785,649)	$ (3,785,649)	(100.0)%
General and administrative	(2,095,375)	(1,867,040)	228,335	12.2%
Other income (loss)	635,478	(4,288,608)	4,924,086	(114.8)%
Loss before income taxes	$ (1,459,897)	$ (9,941,297)		

Research and Development Expenses

Following the discontinuation or suspension of our internal research and development activities, the Company did not incur any incremental research and development expenses during the three months ended September 30, 2026, including any related to non-BNC210 product candidates.

There were no research and development activities being run directly by the Company for any non-BNC210 related product candidates during the three months ended September 30, 2026; however, in November 2020, we licensed relevant BNC101 intellectual property to Carina Biotech. Carina controls and funds development under that license, and we have limited information about its research and development activities during the three months ended September 30, 2026. In addition, in 2014, we entered into the Merck Agreement to develop compounds targeting cognitive dysfunction associated with Alzheimer's disease and other central nervous system conditions. Under the 2014 Merck License Agreement, Merck is responsible for using commercially reasonable efforts to develop, file for marketing authorization for and, following receipt thereof, to commercialize at least one product thereunder; our information rights are limited, and this obligation does not assure that any particular candidate will continue in development. The termination of the MK-1167 Phase 2 trial is described under "Licenses and Collaborations" above.

General and Administrative Expenses

The $0.2 million increase in general and administrative expenses during the three months ended September 30, 2026, as compared to the same period ended in 2025, was substantially due to increases in professional services of $0.5 million combined with $0.2 million in amortization expense previously recorded as part of research and development, partially offset by a decrease in headcount costs of $0.4 million and decreases in office expenses and other fees of $0.1 million related to the previously announced entity restructuring.

Other Income (Loss)

The net increase in other income of $4.9 million for the three months ended September 30, 2026, as compared to the same period ending in 2025, was primarily due to the difference in fair value adjustments associated with our accompanying warrant liability and our contingent consideration liability of $5.2 million, partially offset by a decrease in research and development incentive awards of $0.2 million and an increase in losses associated with foreign currency transactions of $0.1 million.

Off-Balance Sheet Arrangements

We did not have during the three months ended September 30, 2026, 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 September 30, 2026, we had cash and cash equivalents of $18.7 million and an accumulated deficit of $193.2 million.

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

	Three Months Ended September 30,	
	2026	**2025**
Net cash used in operating activities	$ (1,128,519)	$ (3,794,648)
Net cash provided by financing activities	-	3,253,615
Effect of exchange rate on changes in cash, cash equivalents, and restricted cash	7,048	(19,455)
Net decrease in cash, cash equivalents, and restricted cash	$ (1,121,471)	$ (560,488)

Operating Activities

Net cash used in operating activities for the three months ended September 30, 2026 was approximately $1.1 million as compared to net cash used in operating activities for the three months ended September 30, 2025 of $3.8 million. The decrease in cash used in operations of approximately $2.7 million is due to a decrease in net loss of approximately $8.5 million combined with a change in the non-cash effect of foreign currency remeasurement of $0.2 million, partially offset by changes in the non-cash effect of contingent consideration liability fair value adjustments of $0.5 million, changes in the non-cash effect of warrant liability fair value adjustments of $4.7 million, and changes in working capital of approximately $0.8 million.

Investing Activities

There were no transactions categorized as investing activities during either of the three months ended September 30, 2026 and 2025.

Financing Activities

Net cash provided by financing activities in the three months ended September 30, 2026 decreased approximately $3.3 million from the three months ended September 30, 2025 due to the Company raising approximately $3.3 million in proceeds from the sale of equity during the comparative period ended in 2025, associated with the utilization of the at-the-market ("ATM") facility.

Funding Requirements

Our current funding needs principally relate to transaction costs, public-company obligations, contractual commitments and maintaining our assets. If the Merger is not completed and we decide to resume development of BNC210 or another program, substantial additional financing would be required. We may seek equity or debt financing, collaborations, licenses or other arrangements, but financing may not be available on acceptable terms, if at all. Any future development would remain subject to clinical and regulatory risks, and commercialization may never occur.

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 2028, 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. With respect to the proposed Scancell merger and Merger Agreement related thereto, our cash runway estimate does not assure satisfaction of the separate minimum Closing Net Cash condition thereunder. Closing Net Cash reflects specified adjustments and deductions and must be at least $10 million on December 31, 2026 or, if earlier, the closing date pursuant to the terms of the Merger Agreement.

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 lease obligations. We have a warrant liability which commits us to issuing shares to the accompanying warrant holder upon the exercise of their warrant; however, on July 20, 2026, the Company entered into a warrant amendment letter agreement with Armistice, pursuant to which the parties agreed that, if the "Black Scholes Value" (as defined in the Warrant) otherwise payable to Armistice upon exercise of the "Cash-Out Right" (as defined in the Warrant) in connection with the proposed Scancell Merger exceeds $3,500,000, the amount of such excess (the "Excess Amount") will be payable to Armistice, at its option and in lieu of cash, in the form of Scancell ordinary shares, Scancell ADSs, warrants to purchase Scancell ordinary shares or Scancell ADSs, or a combination thereof (the "Warrant Equity Consideration"). The number of Scancell ordinary shares constituting or underlying the Warrant Equity Consideration will equal the Excess Amount (or the portion thereof paid as Warrant Equity Consideration) divided by the Scancell Per Share Price (as defined in the Merger Agreement), multiplied by 125%. We also have a residual obligation to pay the balance of severance owed to Dr. Papapetropoulos in accordance with the terms of his severance contract, the balance of which is below $0.1 million.

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 interim 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 interim Chief Executive Officer and our Principal Financial and Accounting Officer), as of the end of the period covered by this report, our interim 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.

During the three months ended September 30, 2026, management completed the implementation of its remediation plan addressing the material weakness in internal control over financial reporting related to the goodwill impairment evaluation process, as previously disclosed in the Company's Annual Report on Form 10-K for the year ended June 30, 2026.

The remediation measures included implementing a more precise quarterly monitoring process to identify and evaluate potential qualitative and quantitative goodwill impairment triggering events, establishing formal evaluation criteria and sensitivity thresholds to assess changes in operational circumstances, and enhancing the precision and documentation of management's review controls.

Based on management's evaluation of the design and operating effectiveness of these enhanced controls, management concluded that the previously identified material weakness has been remediated as of September 30, 2026.

Except for the remediation measures described above, there were no changes in our internal control over financial reporting during the three months ended September 30, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Other than the implementation of the remediation measures described above, 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 three months ended September 30, 2026 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. We are not currently a party to any material litigation. In the event a legal proceeding against the Company is instituted, we intend to defend vigorously against any such future claims and litigation.

As of the date of this filing, the Company has received demand letters from two purported stockholders, one relating to a books and records request pursuant to Section 220 of the Delaware General Corporation Law with respect to the proposed merger with Scancell Holdings plc, and one relating to alleged disclosure deficiencies in the Form F-4 filed by Scancell Holdings plc with respect thereto. No assurances can be made as to the outcome of such demands. See Risk Factors contained in our Annual Report on Form 10-K, as supplemented by this Quarterly Report for more information relating to any legal proceedings, threatened litigation or the potential effects thereof on the Company.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the year ended June 30, 2026 filed with the SEC on September 18, 2026, which could materially affect our business, financial condition or future results.

There have been no material changes in the risk factors disclosed in our Form 10-K , other than as set forth below.

Our financial statements for the quarter ended September 30, 2026 were prepared assuming that we will continue as a going concern.

Our financial statements for the quarter ended September 30, 2026, 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 consummating a proposed merger transaction following the negative clinical Phase 3 trial results related to our AFFIRM-1 study in SAD. As a result, we undertook steps to 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 any future development of BNC210 for PTSD, subject to funding and a decision to resume or partner the asset, or other working capital needs.

While we have substantially reduced our operations and are not directly currently conducting research and development activities, and while our current funding needs principally relate to transaction costs, for our assets, management's cash runway estimate and conclusion that there is no substantial doubt about our ability to continue as a going concern are based on this reduced operating plan. The estimate does not assure satisfaction of the separate minimum Closing Net Cash condition under the Merger Agreement. Any decision to resume development would require substantial additional financing.

Transaction delays, costs exceeding our assumptions or changes to our operating plan could cause us to use available capital sooner than expected. If additional capital is required but unavailable, we may be unable to pursue further development or other strategic alternatives and could be required to further reduce operations or take such other actions as the Board of Directors may determine or recommend are appropriate under the circumstances at such time.

We cannot guarantee that we will close the proposed merger and, in the alternative, 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 the proposed merger with Scancell 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 consummate the proposed merger with Scancell or an 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. Our ability to continue as a going concern has in the past been dependent upon our ability to obtain additional financing, obtain further operating efficiencies, reduce expenditures and ultimately, create profitable operations. If factors arise that create substantial doubt about our ability to continue as a going concern, we would be required to report such.

Failure to complete the proposed merger with Scancell and related transactions could adversely affect us.

If the proposed merger with Scancell and related transactions are not completed for any reason, there may be adverse consequences, and the Company may face negative reactions from the financial markets, as well as from its investors, employees, or other stakeholders. For example, the Company's business may have been adversely impacted by the failure to pursue other beneficial opportunities due to management's and the Board's focus on the proposed merger and related transactions, without realizing any of the anticipated benefits of completing the proposed merger. Completion is subject to conditions including approvals by Neuphoria stockholders and Scancell shareholders (the latter of which was obtained on October 20, 2026), effectiveness of Scancell's Form F-4, applicable listing requirements and at least $75 million of qualifying financing, which may include committed, binding and available undrawn debt. Scancell's obligation to close also requires Neuphoria Closing Net Cash, as defined in the Merger Agreement, of at least $10 million measured on December 31, 2026 or, if earlier, the closing date. Transaction costs and delays could impair our ability to meet that cash condition. If applicable conditions are not satisfied or waived, the merger may not close. Either party may terminate if the merger has not closed by February 28, 2027, subject to the exceptions and extension rights set forth in the Merger Agreement.

As a result of these and other factors, the market price of the Company's Common Stock could decline to the extent that current market prices reflect a market assumption that the proposed merger and related transactions will be completed. The Company could also be subject to litigation related to the failure to consummate the proposed merger and related transactions or to proceedings commenced against the Company to perform its obligations pursuant to the Merger Agreement.

Additionally, the Company has incurred and may continue to incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the Merger Agreement, as well as the costs and expenses of preparing, filing, printing, and mailing any necessary proxy statement/prospectus, and all filing and other fees paid in connection with the proposed merger and related transactions. If the proposed merger and related transactions are not consummated, the Company would have paid these expenses without realizing the expected benefits of the proposed merger and related transactions. If the Merger Agreement is terminated due to the failure to obtain the Company Stockholder Approval at the Company Stockholder Meeting, the Company may be required to pay to Successor Parent a Company No Vote Payment, equal to Successor Parent's aggregate fees and expenses reasonably incurred in connection with the transactions contemplated by the Merger Agreement.

Litigation often follows certain significant business transactions, which could result in substantial costs, divert management's attention, and harm our reputation.

In the past, litigation has often followed certain significant business transactions, such as the sale of a company, announcement of a 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.

As of the date of this filing, the Company has received demand letters from two purported stockholders, one relating to a books and records request pursuant to Section 220 of the Delaware General Corporation Law with respect to the proposed merger with Scancell Holdings plc, and one relating to alleged disclosure deficiencies in the Form F-4 filed by Scancell Holdings plc with respect thereto. No assurances can be made as to the outcome of such demands.

Responding to or defending against any potential subsequent claims, demands or lawsuits (or other legal proceedings), could result in significant legal and administrative expenses. 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 the proposed merger, and our insurance coverage may not be sufficient to cover the entire cost of such matters.

Additionally, should an injunction or other court order be issued in connection with the Company's ongoing strategic transaction or related matters, it could delay or prevent completion of the proposed merger. Furthermore, any negative publicity or adverse findings resulting from these matters—regardless of their merit—could seriously harm our reputation, corporate governance standing, and business prospects, and could negatively impact our stock price. We may also experience an increase in our directors and officers liability insurance premiums or find it more difficult to obtain adequate coverage in the future.

As of the date of this filing, there are no pending lawsuits challenging the Merger, but lawsuits arising out of the Merger may be filed in the future. Such litigation, if not resolved, could prevent or delay consummation of the Merger and result in substantial costs to the Company, including any costs associated with indemnification of directors and officers.

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.

On October 23, 2026, we amended our Rights Agreement to extend its "final expiration date" (as defined therein) to the close of business on October 27, 2027, unless earlier extended, modified or terminated. See our Current Report on Form 8-K filed October 23, 2026.

Item 6. Exhibits.

Exhibit Number	Description
4.2	Amendment No. 1 to Rights Agreement, dated as of October 23, 2026, by and between Neuphoria Therapeutics Inc. and Computershare Trust Company, N.A., as rights agent (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed October 23, 2026)
31.1*	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
31.2*	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
32.1**	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
32.2**	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
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.

Neuphoria Therapeutics Inc.

Date: November 16, 2026

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

Date: November 16, 2026

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

Exhibit 31.1

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: November 16, 2026

/s/ Spyridon Papapetropoulos
Spyridon Papapetropoulos
Interim Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

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: November 16, 2026

/s/ Tim Cunningham
Tim Cunningham
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 September 30, 2026 (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: November 16, 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.

Exhibit 32.2

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 September 30, 2026 (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: November 16, 2026

/s/ Tim Cunningham

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.