30 April 2025

ASX Announcement

March 2025 Quarterly Activities Report

- **Phase 2a/b PROTECT trial using ISLA-101 in dengue fever completed with top-line results from both cohorts to be reported next month**
- **2b cohort commenced following SRC determined that ISLA-101 was safe and exhibited anti-dengue activity in 2a cohort in prior quarter**
- **Pharmacokinetic data for 2b cohort received post quarter-end with target blood level concentration achieved in all participants**

  $1.94m raised from exercise of options, strengthening cash balance to $4.82m at quarter end

MELBOURNE Australia, 30 April 2025: Australian antiviral drug development company, Island Pharmaceuticals Ltd (**ASX: ILA**; **Island** or **the Company**) is pleased provide the following update on activities undertaken during the three-month period ended 31 March 2025 (the 'quarter').

During the period, the Company materially advanced its flagship Phase 2a/b PROTECT clinical trial using ISLA-101. This included a number of developments associated with the Phase 2b (therapeutic) cohort, which explores ISLA-101's ability to reduce the symptoms of a person already infected with the dengue virus.

Management commentary:

CEO and Managing Director, **David Foster said**: *"Q3 FY25 marked a period of considerable progress, underscored by key developments for the Phase 2b cohort of our PROTECT trial, which has the potential to highlight ISLA-101's utility as a treatment for dengue fever. This was complemented by the advancement of our targeted M&A strategy, with particular focus on the opportunity to acquire Galidesivir - a clinical stage antiviral molecule which has exhibited strong safety and antiviral characteristics.*

Pleasingly, Island completed both patient recruitment and dosing of the 2b cohort. This followed findings from the trial's Safety Review Committee (SRC) on the 2a cohort data in the prior quarter, which determined ISLA-101 was safe and showed evidence of anti-dengue characteristics in participants.

Subsequent to the end of the period, the Company received pharmacokinetic data from the 2b cohort showing target blood level concentration was achieved in all participants. This was received prior to virus level data, which is anticipated in the coming days, allowing for top-line results to be reported next month.

In the current quarter, we look forward to providing results from the Phase 2a/b PROTECT trial, alongside further work to advance our pipeline extension program. We are very confident that these initiatives will unlock significant value for shareholders."

Operational overview:

Phase 2b clinical trial patient enrolment and completion of dosing:

The Company initiated its Phase 2b clinical trial during the quarter. This included first patient enrolments (refer ASX announcement: 8 January 2025) and completion of recruitment to ten total subjects (refer ASX announcement: 22 January 2025).

Commencement of Phase 2b was based on recommendations from the Safety Review Committee (SRC), following a review of positive data from the Phase 2a (prophylactic) cohort which demonstrated safety and anti-dengue activity (refer ASX announcement: 27 November 2024).

Subjects in the 2b cohort were exposed to an attenuated strain of dengue, then administered either a placebo or ISLA-101 post exposure. Phase 2b's primary endpoint is reduction of virus load in the bloodstream (viremia), with secondary endpoints including a reduction in overall dengue symptoms.

Shortly after completion of patient enrolment, Island successfully administered dosing to all ten participants on schedule with no delays (refer ASX announcement: 12 February 2025).

Upon completion of dosing, the Company began collating samples which were subsequently sent for processing of pharmacokinetic analysis, viremia and other infection biomarkers. Island anticipates unblinded results from the trial this coming quarter.

Data obtained post quarter end and pending results:

Subsequent to the end of the period, the Company received pharmacokinetic (PK) data from the Phase 2b (treatment) cohort.

The data showed target blood concentration in all subjects was achieved. Island expects receipt of data to examine virus levels from both Phase 2a and 2b by the end of April 2025. Upon receipt and analysis of this data, the Company anticipates locking the study database for around two weeks, after which all data will be unblinded.

Following ongoing consultation with regulatory advisors and Island's scientific consultants and given the short time period between receipt of data and locking the database, the Company has made the strategic decision not to undertake an interim readout following receipt of this data. Further, the FDA has not requested an interim review, in contrast to their request following the Phase 2a (prevention) cohort. This will serve to maintain data integrity, preserve statistical power of the results and have a positive impact on future engagement with regulatory bodies.

Island expects that top level, unblinded data for both cohorts will be reported to before the end of May 2025.

Partnering activities:

Island continued to advance pipeline expansion opportunities, underpinned by ongoing due diligence on Galidesivir, a broad-acting antiviral molecule.

Galidesivir is a clinical-stage antiviral with a broad spectrum of activity in over 20 RNA viruses, including high-priority threats such as Ebola, Marburg, MERS, Zika, yellow fever, and SARS-CoV-2.

It is a nucleoside analog that mimics adenosine triphosphate (ATP) and inhibits viral RNA synthesis, allowing broad activity against many RNA viruses. It has a robust clinical development history, with Phase 1 studies having been completed in healthy volunteers.

Island executed a binding Letter of Intent to acquire the program from NASDAQ-listed company BioCryst Pharmaceuticals, Inc. (Nasdaq: BCRX) (refer ASX announcement: 11 September 2024) and continues to advance dialogue associated with the acquisition.

Corporate:

ILAO options raise a total of $1.94m:

Island successfully raised a total of $1.94m via the exercise of 32,359,768 listed options (ASX: ILAO) (Options), which expired 14 March 2025.

The Options were issued to shareholders that participated in Island's fully underwritten Rights Issue in March 2024 which raised $1.95m before costs (refer ASX Announcement: 19 March 2024).

For each New Share in the Rights Issue, eligible shareholders received 1 New Option (ASX: ILAO) with an exercise price of $0.06 and an expiry date 12 months from the closing date of the Rights Issue, being 14 March 2024.

In addition, each New Option if exercised by 14 June 2024 (3 months of the closing date of the offer) were entitled to receive 1 additional 'Piggyback' Option with the same exercise price of $0.06 and an expiry date of 14 March 2025, (ASX: ILAO). The options and conversions are summarised below:

	Options exercised	**Funds raised (before costs)**
Exercise of ILAO within 3 months of Rights Issue closing	12,990,209	$779,412.54
Exercise of ILAO withing 12 months of Rights Issue closing	32,359,769	$1,941,586.14
Total	**45,349,978**	**$2,720,998.68**

Funding from the option conversions will support ongoing clinical development activities of ISLA-101.

Promotional and shareholder engagement initiatives:

The Company undertook a number of shareholder engagement and promotional activities during the quarter, highlighted by presentations at two leading investor conferences, as well as Australian investor meetings.

In January, Dr David Foster participated in a prominent conference, Biotech Showcase held on 15 January 2025 in San Francisco during the annual JP Morgan Healthcare week. Biotech Showcase is a dedicated investor conference designed to provide private and micro-mid-cap biotechnology companies with the opportunity to present and connect with investors, industry participants and executives.

Dr David Foster also participated in the Spark Plus Healthcare Day in Singapore on 24 March 2025, as well as the Ignite Investment Summit being held in Hong Kong on 26 and 27 of March 2025. These events provided an opportunity to present to a range of strategic partners, financial institutions and private investors prior to unblinded results of the Company's Phase 2a/b PROTECT trial.

Management also undertook a range of investor meetings in Australia between 31 March and 4 April, which included several institutional and professional investor presentations.

Consulting agreement with Non-Executive Director, Mr Chris Ntoumenopoulos:

Subsequent to the end of the period, Island executed a consulting agreement (the 'agreement') with existing Non-Executive Director, Mr Chris Ntoumenopoulos to broaden his activities, responsibilities and scope of work on behalf of the Company.

Under the terms of the agreement, Mr Ntoumenopoulos will undertake an increased role as a representative of Island, focused on advancing a number of opportunities associated with business development, corporate finance initiatives, market engagement, relationships with strategic partners and assisting with other investor relations focused initiatives such as participation in conferences, investor meetings and roadshows.

Mr Ntoumenopoulos will receive under the terms of the agreement a monthly fee of $6,000 (excluding GST) in addition to Non-Executive Director fees and subject to shareholder approval at the next shareholder meeting options on the following terms:

Item	Detail
a) Number of options	750,000
b) Issue Price	$0.0001 is payable per Option
c) Exercise price	The exercise price of an Option is $0.16.
d) Option period and vesting	i) 375,000 – 30 April 2026 ii) 375,000 – 30 April 2027
e) Expiry	30 April 2028

Mr Ntoumenopoulos joined the Board of Island in September 2024, bringing extensive financial markets expertise with distinct focus on healthcare. During his time as a Non-Executive Director, Mr Ntoumenopoulos has been pivotal in driving a number of corporate initiatives, which included Island's strategic placement to raise $3.5m from a select group of sophisticated and professional investors (refer ASX announcement: 3 October 2024). The Company looks forward to further leveraging Mr Ntoumenopoulos' background and network to unlock value for shareholders.

Financial summary:

The Company's cash position as at 31 March 2025 was $4.82m (as at 31 December 2024: $3.99m). Net cash used in operating activities totalled $874,000, which was primarily related to R&D associated with the Company's ongoing Phase 2a/b PROTECT trial, as well as administration and corporate costs.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C were $161,000, which includes Director fees, salary and superannuation for the CEO/Managing Director, Executive Chair and Non-Executive Directors.

- Ends -

To subscribe to Island's monthly newsletter, IslandWatch, and other forms of email communications, please visit this page of our website.

Approved for release to the ASX by:

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About Island Pharmaceuticals

Island (ASX: ILA) is a drug repurposing company, focused on areas of unmet need for antiviral therapeutics to address infectious diseases. Our lead asset is ISLA-101, a drug with a well- established safety profile, being repurposed for the prevention and treatment of dengue2 fever and other mosquito (or vector) borne diseases.

If ISLA-101 achieves FDA approval, and certain other criteria are met, Island may be eligible to obtain a "Priority Review Voucher" at the time of FDA approval. This means that as well as getting approval to manufacture and sell ISLA-101, the Priority Review Voucher (PRV) could permit Island to expedite the FDA approval process for a new drug or sell the PRV in a secondary market.

Island encourages all current investors to go paperless by registering their details with theCompany's share registry, Automic Registry Services, whose contact info is housed on theShareholder Services page of the Company's website.

Visit www.islandpharmaceuticals.com for more on Island.

Appendix 4C

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

Name of entity	
ISLAND PHARMACEUTICALS LIMITED	
ABN	**Quarter ended ("current quarter")**
48 641 183 842	31 March 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(482)	(1,313)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(78)	(286)
	(f) administration and corporate costs	(331)	(1,233)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	865
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(874)**	**(1,950)**

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

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

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,705	2,053
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(449)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,705**	**5,104**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,992	1,660
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(874)	(1,950)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,705	5,104
4.5	Effect of movement in exchange rates on cash held	(1)	8
4.6	**Cash and cash equivalents at end of period**	**4,822**	**4,822**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	454	3,992
5.2	Call deposits	4,368	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,822**	**3,992**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

The amount at 6.1 includes Director fees, salary and superannuation for the CEO/Managing Director, Executive Chair and Non-Executive directors.

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

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

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(874)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,822
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,822
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**5.5**

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

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

Compliance statement

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

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

30 April 2025

Date: .....

The Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

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

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

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

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