24 July 2025

ASX Announcement

June 2025 Quarterly Activities Report

- **Completion of Phase 2a/b clinical trial using ISLA-101 in dengue fever with highly encouraging results**
- **ISLA-101 associated with meaningful reduction in viremia (viral load) and symptoms in preventative cohort and clear drug signal in treatment cohort**
- **Asset purchase agreement secured post quarter end to fast track Galidesivir program purchase**
- **Galidesivir is a broad acting antiviral with a robust development history and over US$70m in R&D funding to-date from the US government**
- **Galidesivir works program to focus on application for Marburg and potential to leverage FDA's Animal Rule to fast-track approval and capitalise on Priority Review Voucher potential**
- **Balance sheet strengthened with $3.6m capital raise**
- **Strong cash balance at quarter end of $7.25m with additional $780,000 from substantial holder option exercise to be realised this quarter**
- **Defined near term works program for dual asset development strategy in place with multiple value catalysts pending**

MELBOURNE Australia, 24 July 2025: Australian antiviral drug development company, Island Pharmaceuticals Ltd (**ASX: ILA**; **Island** or **the Company**) is pleased to provide the following summary of activities undertaken during the three-month period ended 30 June 2025 (**quarter**).

During the period, the Company released successful top-line results from its Phase 2a/b PROTECT Trial using ISLA-101 in a human challenge model of dengue virus infection, strengthened its balance sheet and considerably advanced pipeline expansion opportunities, which culminated in securing an asset purchase agreement for the acquisition of the Galidesivir antiviral program from NASDAQ-listed BioCryst Pharmaceuticals Inc. (Nasdaq: BCRX), post quarter end.

Management commentary:

Island's CEO and Managing Director, Dr David Foster said: *"The Company delivered a number of major milestones during Q4 FY25 and shortly thereafter, which will lay a very strong foundation for Island's dual asset development strategy over the coming months.*

Pleasingly, top-line results from our Phase 2a/b PROTECT trial highlighted the significant potential of ISLA-101. Initial findings showed that the molecule delivered a considerable reduction in viral load in the preventative cohort, as well as clear drug signal in the treatment cohort. These results advocate for the ongoing clinical development of ISLA-101 and the Company continues to review data to assess the best path forward.

Further to this, a considerable amount of work to fast track the acquisition of Galidesivir was undertaken during the period, which led to Island securing an asset purchase agreement for the asset in early July.

From a corporate standpoint, the Company undertook a number of initiatives to bolster its balance sheet and Board. This included a well-supported capital raise, as well as the appointment of Mr Jason Carroll as Chair post quarter end.

As we embark on the second half of CY25, Island has a detailed works program, as well as the required balance sheet strength and management team to capitalise. I look forward to providing additional updates on our dual asset development strategy over the coming months."

Operational overview:

Successful Phase 2 trial of ISLA-101 achieves anti-dengue activity in humans:

The Company release top-line results from its Phase 2a/b PROTECT Trial using ISLA-101 in a human challenge model of dengue virus infection. These results were highly encouraging and advocate for the continued clinical development of ISLA-101 in dengue.

The trial included two patient cohorts. The Phase 2a arm examined ISLA-101's ability to prevent dengue fever in four subjects, randomised 3:1 (Active: placebo). The Phase 2b cohort totalled 10 subjects, randomised 8:2 (active: placebo) and assessed if ISLA-101 can reduce virus level and symptoms in subjects already infected with the dengue challenge virus.

The challenge virus was provided by the US Army, under a Cooperative Research and Development Agreement, alongside support from the Walter Reed Army Institute of Research. This strain is weaker than wild type dengue, yet subjects are infected with replicating virus and have mild to moderate dengue symptoms.

The trial was conducted at the State University of New York (SUNY) Upstate, in Syracuse, NY, in accordance with the SUNY Dengue Human Infection Model (DHIM), a robust protocol that elicits detectable dengue viremia (viral load) and symptoms. In a major milestone, ISLA-101 was the first small molecule to demonstrate potential benefit in this model.

Pleasingly, initial data review highlighted that ISLA-101 was associated with both a reduction in viremia (viral load) and a clinically meaningful reduction in symptoms in the preventative cohort. ISLA-101 dosing also correlated with tangible drug effects in the treatment cohort.

Phase 2a (preventative results):

This cohort received ISLA-101 or placebo three days prior to being inoculated with dengue to investigate if ISLA-101 can reduce or prevent viremia and symptoms compared to placebo control.

Results highlighted that ISLA-101 demonstrated clinically meaningful anti-dengue activity, which included a material reduction in viral load and symptoms.

The three subjects treated with ISLA-101 exhibited a clear reduction in virus level, as well as a clinically meaningful reduction in symptoms.

Based on evaluation of the maximum possible number of record symptoms, control reported ~63% of all potential symptoms while the ISLA-101 pre-treated subjects reported ~33%. This left patients that were dosed with ISLA-101 less sick than those that received the placebo and highlights ISLA-101's potential as a preventative measure.

Phase 2b (treatment) results:

Cohort 2b subjects were inoculated with virus, then administered either ISLA-101 or placebo seven days post exposure. The primary endpoint was to assess viremia load.

Based on preliminary review, ISLA-101 impacted viral replication. Because some subjects were viremic and symptomatic at the time of first dosing, alterations in symptoms were less pronounced and are being investigated further.

Summary and next steps:

Following receipt of the unblinded results, Island undertook an in-person meeting with its Clinical Advisory Board to review the data and obtain guidance on subsequent actions for the ongoing clinical development of ISLA-101. The Company continues to work alongside its Advisory Board and other scientific advisors to determine its potential course of action. Additional data review is ongoing, with more in-depth results expected to be provided this quarter and beyond.

Portfolio expansion achieved following acquisition of Galidesivir:

Post quarter end, the Company entered into an asset purchase agreement to fast track the strategic acquisition of the Galidesivir antiviral program from NASDAQ-listed BioCryst Pharmaceuticals Inc. (Nasdaq: BCRX). The agreement followed a Letter of Intent between the parties with an option for rights to the molecule in 2024 (refer ASX announcement: 11 September 2024).

Galidesivir is a clinical-stage antiviral molecule with a broad spectrum of activity in over 20 RNA viruses, including high-priority threats such as Ebola, Marburg, MERS, Zika and Yellow fever – viruses with significant unmet medical needs and that may contribute to national security threats.

The program has a robust development history, underpinned by over US$70m in funding support from the US government in recent years. This funding was deployed towards clinical development, targeting Marburg and subsequently, Yellow Fever and Ebola virus disease, including drug development, manufacturing, preclinical and clinical trial support.

At the commencement of its development pathway, the program was designed to target significant threats. It was then expanded to include other emerging infectious diseases, including MERS and Zika for emergency disease outbreaks, later evolving further to pursue other RNA viruses.

With the acquisition came robust clinical trial data, including completed Phase 1 studies in healthy volunteers including single ascending dose and multiple ascending dose intramuscular administration studies, as well as intravenous single ascending dose studies.

The data package also includes a successful non-human primate study in Marburg, which will provide a strong foundation for pending clinical trial requirements associated with the US food & Drug Administration's ('FDA') Animal Rule.

The Company now remains focused on utilising the FDA's Animal Rule to advance

Galidesivir to a New Drug Application ('NDA'). The rule allows for approval of drugs in indications based on animal efficacy data, when human trials are unethical or not feasible, provided safety is shown in humans and the disease is well modelled in animals.

It is anticipated that NDA approval may provide Island with access to a Priority Review Voucher ('PRV'), which is a program implemented by the FDA to incentivise drug development for neglected diseases. Most recently, PRV's have been valued in excess of US$150m. Island aims to complete its maiden animal study in Marburg utilising Galidesivir within the next 12 months. Additional updates will be provided as developments materialise.

Corporate:

Placement considerably strengthens balance sheet:

The Company received firm commitments from institutional, sophisticated and professional investors to raise $3.6m through the issue of 24m new fully paid ordinary shares ('Shares') at an issue price of $0.15 per Share (the 'Placement'). The Placement also included firm commitments from all Company directors of $100,000 (subject to shareholder approval).

Funds from the one-tranche placement provide the Company with additional balance sheet strength for the ongoing development of ISLA-101. Including completion of a larger phase 2 trial using ISLA-101 in international markets where dengue is highly prevalent. Additional funds will be deployed to support the expansion of the Company's asset portfolio and costs associated with the clinical trial requirements for new molecules including Galidesivir.

Promotional and shareholder engagement activities:

Island undertook multiple shareholder engagement and promotional initiatives during the period, providing the management with the opportunity to engage directly with Australian and international investors, as well as potential strategic partners.

In April, Dr David Foster undertook a series of investor meetings in Australia, which included presentations to several institutions and professional investors. Following this, Dr Foster conducted a series of investor meetings in New York in May, during which he presented to several US-based institutions, family offices and high net-worth individuals.

The Company was also present at Pharma Meeting Brazil 2025 in Sao Paulo, which led to considerable industry and potential partnership engagement.

Further to this, management also undertook a number of investor webinars which related to major developments including results from the Phase 2a/b clinical trial and acquisition of Galidesivir.

Appointment of Jason Carroll as Non-Executive Chairman:

Post period end, Mr Jason Carroll commenced as Non-Executive Chairman. Mr Carroll is a highly regarded healthcare executive and brings over 30 years of experience in the field of life sciences.

During his career, he has held senior leadership roles at several multinational pharmaceutical companies including Johnson & Johnson, Janssen Pharmaceutica and iNova Pharmaceuticals.

Mr Carroll brings specialist expertise in both R&D and corporate strategy. His extensive experience in clinical product development includes oversight of successful market access and reimbursement programs for new drug treatments, alongside the delivery of regional M&A and business development strategies with a focus on South-East Asian markets.

Mr Carroll is a substantial shareholder in Island. The Company expects to considerably benefit from his strategic oversight and expertise.

Alongside Mr Carroll's appointment, Mr Phil Lynch stood down to focus on other interests. Island sincerely thanks Mr Lynch for his contribution and wishes him well in his future endeavours.

Additional $780,000 raised from options exercise from substantial shareholder:

Subsequent to the end of the period, Island's co-founder and major shareholder Dr William Garner exercised 11,142,061 options at $0.07 per option which provides $779,944.27 in new funding. The options exercise increases Dr Garner's substantial holding in the Company by 2.65% to 16.86% and highlights his ongoing commitment to Island and its dual asset development strategy.

Financial summary:

Island's cash position at 30 June 2025 was $7.25m (as at 31 March 2025: $4.82m), which does not include the additional $780,000 raised from Dr Garner's option conversion. Net cash used in operating activities totalled $823,000 and primarily related to research and development, 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 $136,000, which includes Director fees, salary and superannuation for 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	30 June 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(375)	(1,688)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(74)	(360)
	(f) administration and corporate costs	(425)	(1,658)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	41	58
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	10	875
1.8	Other (provide details if material)		-
1.9	**Net cash from / (used in) operating activities**	**(823)**	**(2,773)**

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 (12 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	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	2,053
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(242)	(242)
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**	**3,258**	**8,362**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,822	1,660
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(823)	(2,773)
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 (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,258	8,362
4.5	Effect of movement in exchange rates on cash held	(5)	3
4.6	**Cash and cash equivalents at end of period**	**7,252**	**7,252**

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	286	454
5.2	Call deposits	6,966	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)**	**7,252**	**4,822**

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	136
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 and their consulting fees, where applicable.

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)	(823)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	7,252
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	7,252
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**8.8**

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.

Date: 24 July 2025.

Authorised by: The Board
(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.