27 January 2026

ASX Announcement

December 2025 Quarterly Activities Report

- **Major regulatory de-risking achieved, with the FDA confirming eligibility of Galidesivir program to pursue approval via the Animal Rule pathway, and confirmation Galidesivir would qualify for a Priority Review Voucher (PRV) upon approval under the Animal Rule**
- **Constructive FDA engagement ongoing – clarifications submitted in December to optimise final clinical study design ahead of planned trials in the near term**
- **MSA executed with Texas Biomed, a leading US BSL-4 facility, providing optionality for non-human primate studies required under the Animal Rule**
- **US Government engagement strengthened, including appointment of Washington DC-based Todd Strategy Group and acceptance into the Medical Countermeasures Coalition (MC2)**
- **Galidesivir IP estate expanded, with grant of a new US patent extending protection for COVID-19 use through July 2042, reinforcing broad-acting antiviral positioning**
- **Balance sheet strengthened, with approximately $1.0m raised via option exercises from Directors and substantial shareholders**

MELBOURNE Australia, 27 January 2026: 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 31 December 2025 (**quarter**).

During the period, Island made strong progress advancing the clinical development pathway for its Galidesivir antiviral program through constructive regulatory engagement with the US Food & Drug Administration (FDA). Operational highlights were led by confirmation that Galidesivir is eligible for development under the FDA's Animal Rule and for a potential Priority Review Voucher – both key regulatory de-risking milestones. In parallel, the Company continued preparatory work to enable rapid progression of its non-human primate Marburg study, including advancing discussions with specialist facilities and ongoing US Government engagement.

Management commentary:

CEO and Managing Director, Dr David Foster said: *"The December quarter represented a highly productive and strategically important period, marked by material regulatory progress and a clear de-risking of the clinical development pathway for the Galidesivir program. Confirmation from the FDA that Galidesivir is eligible for approval under the Animal Rule, together with Priority Review Voucher eligibility, represents a significant validation of the program and positions the Company within a highly attractive regulatory and commercial framework."*

"Importantly, our engagement with the FDA has been constructive and collaborative. We have now completed multiple rounds of detailed regulatory dialogue and remain focused on incorporating FDA guidance into a finalised study design that supports efficient execution and maximises the probability of approval."

"In parallel, we have continued to build the operational and strategic foundations required to advance Galidesivir as a US government-relevant medical countermeasure. Securing an MSA with Texas Biomed provides valuable optionality for non-human primate studies, while our engagement with Todd Strategy Group and acceptance into the Medical Countermeasures Coalition further strengthens our positioning within the US biodefence and preparedness ecosystem."

"We also expanded Galidesivir's intellectual property estate during the quarter, extending US patent protection through 2042 for COVID-19 use, reinforcing the molecule's potential as a broad-acting antiviral. Combined with continued support from Directors and substantial shareholders through option exercises, Island enters 2026 with momentum, balance sheet strength and a clearly defined pathway to the next phase of development."

Operational overview:

FDA confirms Animal Rule pathway and Priority Review Voucher eligibility for Galidesivir in Marburg:

During the period, the Company received positive feedback from the FDA in response to its Type C Meeting Request regarding Galidesivir's approval pathway for use in Marburg under the FDA's Animal Rule, as well as its eligibility for a Priority Review Voucher (PRV) and pending clinical development initiatives.

Written responses, which were received on 12 November 2025, highlighted that the Animal Rule is an appropriate regulatory pathway for approval of Marburg countermeasures including Galidesivir.

Further, the regulator stated that Galidesivir would qualify for a Tropical Disease Priority Review Voucher (PRV) upon approval under the Animal Rule. A PRV is one of the most valuable incentives offered by the FDA and have previously sold on the open market for between US$100 and US$155m. The FDA also provided valuable guidance on Galidesivir's development plans to advance toward approval.

Following receipt of the responses, the Company submitted questions to the regulator requesting clarifications on this feedback. Questions were submitted prior to the deadline of 2 December 2025 and provided another opportunity to engage with the FDA to optimise Galidesivir's clinical development pathway.

The Company expects a further response from the FDA shortly, which will provide additional, valued feedback in respect to the final design for upcoming animal study initiatives for the best change of approval.

Agreement with Texas Biomedical Research Institute provides optionality for Galidesivir development:

The Company secured a Master Service Agreement with Texas Biomedical Research Institute (Texas Biomed), a leading US-based BSL-4 infectious disease research facility. The agreement provides a framework for potential non-human primate studies, a key requirement to support Galidesivir's advancement under the FDA's Animal Rule pathway.

Texas Biomed is one of a limited number of US facilities capable of conducting such work and offers unique integrated capabilities, including a federally designated National Primate Research Centre and deep regulatory expertise.

The MSA followed extensive due diligence on Texas Biomed's demonstrated track record in infectious disease research, including prior non-human primate studies addressing highly lethal viral pathogens involving haemorrhagic-fever viruses.

US government affairs group appointed to advance biodefence and health security opportunities:

Island strengthened its presence in the US, following the initiation of a collaboration with Todd Strategy Group ("TSG"), a Washington, DC–based health policy and medical countermeasures consulting firm. The intention of the engagement is to assist the Company in navigating the US biodefence and health security landscape as it advances its antiviral programs. The collaboration focuses on strengthening Island's awareness around federal priorities, regulatory trends, and policy developments that inform national preparedness efforts, as well as assisting in identifying non-dilutive funding strategies.

TSG is a federal government affairs and strategic consulting firm based in Washington DC. The group specialise in providing legislative, regulatory guidance and advocacy for clients pursuing federal government healthcare programs. Personnel include former senior-level government officials with a combined 60 years' experience in the US federal government, which includes senior roles on key congressional committees.

As part of the engagement, TSG will provide strategic insight into federal processes, agency activities and congressional considerations across the medical countermeasure landscape, supporting Island's engagement as its programs progress and as US Government priorities evolve in response to emerging infectious disease threats.

Acceptance into the Medical Countermeasures Coalition (MC2) to advance US stockpiling opportunities:

During the quarter, the Company was granted membership into the Medical Countermeasures Coalition. Island anticipates that membership will assist the Company in advancing Galidesivir as a critical countermeasure against high priority threats and for inclusion in government stockpiles.

MC2 is an international alliance of non-profit organisations, academic institutions and industry partners focused on advancing the development, accessibility and deployment of medical countermeasures, including vaccines, therapeutics, diagnostics and related technologies. The coalition's mission is to protect global populations from emerging infectious diseases, pandemics and biological threats by strengthening preparedness and response systems through supportive policy development, sustained R&D investment and cross-sector collaboration

Existing members include current suppliers to the US Government's Strategic National Stockpile including and other industry leaders, including SIGA Technologies Inc. (NASDAQ: SIGA), Bavarian Nordic A/S, Ginkgo BioWorks Holdings Inc. (NYSE: DNA), CSL Seqirus (part of ASX: CSL) and Genentech (part of Roche Group SWX: ROG) amongst others.

US Patent grant for Galidesivir program broadens IP protection:

The Company broadened its patent estate during the period, following the grant of US Patent Number 12,472,197 from US Patent and Trademark Office ('USPTO'), for use of Galidesivir in the treatment of SARS-CoV-2 ('COVID-19') infections.

The patent, titled "Methods, Compositions, and Dosing Regimens for Treatment of SARSCoV-2 Infections" provides Island with US patent protection until 18 July 2042, to pursue treatment options for COVID-19 infections using Galidesivir.

Corporate:

Options exercise from Directors and substantial shareholders raises ~$1m:

The Company received support from existing substantial shareholders, as well as Directors through the exercise of unlisted options at which generated $1.03million in new funding.

Options were exercised by non-executive Chairman, Mr Jason Carroll, Non-executive Director, Mr Chris Ntoumenopoulos, as well as substantial shareholders, Dr Daniel Tillett and MWP Partners Limited, amongst others. New capital strengthened the Company's balance sheet and provides additional funding to advance the Company's near-term clinical development initiatives.

Shareholder engagement activities and US industry engagement initiatives:

Island undertook a number of shareholder engagement initiatives during the period, providing the opportunity to engage directly with Australian and international investors, as well as potential strategic partners through engagement in the US.

These initiatives included a series of individual investor meetings and presentations to Australian investors, stockbrokers, analysts and institutions, as well as a webinar to provide further detail on the FDA's feedback highlighting Galidesivir's eligibility under the Animal Rule pathway and PRV potential.

In the US, the Company worked alongside TSG, as well as MC2 and participated in multiple engagements including a roundtable strategy meeting with other MC2 members.

Financial summary:

The Company held cash and cash equivalents of $6.87m at 31 December 2025 (30 September 2025: $6.9m). Net cash used in operating activities totalled $1.16million, which included costs related to R&D, 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 $127,000, which includes salary for the CEO/Managing Director and Director fees (including superannuation) for the Non-Executive Chair and Non-Executive directors and their consulting fees as announced to the ASX.

- Ends -

Approved for release to the ASX by:

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About Island Pharmaceuticals

Island (ASX: ILA) is focused on areas of unmet need for drugs that can address urgent viral diseases, public health or biosecurity threats. The Company is executing a dual development strategy for its assets, ISLA-101 and Galidesivir.

ISLA-101 has a well-established safety profile, being repurposed for the prevention and treatment of dengue fever and other mosquito (or vector) borne diseases. 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.

Island encourages all current investors to go paperless by registering their details with the Company's share registry, Automic Registry Services, whose contact info is housed on the Shareholder 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 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(504)	(868)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(78)	(213)
	(f) administration and corporate costs	(631)	(1,009)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	52	109
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		-
1.9	**Net cash from / (used in) operating activities**	**(1,161)**	**(1,981)**

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	-	(845)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**-**	**(845)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	102	102
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,032	2,347
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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**	**1,132**	**2,447**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,900	7,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,161)	(1,981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(845)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,132	2,447
4.5	Effect of movement in exchange rates on cash held	(1)	(3)
4.6	**Cash and cash equivalents at end of period**	**6,870**	**6,870**

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	239	331
5.2	Call deposits	6,631	6,569
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)**	**6,870**	**6,900**

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	127
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 salary for the CEO/Managing Director and Director fees (including superannuation) for the Executive Chair, Non-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)	(1,161)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	6,870
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	6,870
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**5.9**

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

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

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

Answer: 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.

27 January 2026

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.