

9 November 2021

ASX Announcement

ISLA-101 Phase 2a clinical trial update

- Clinical Trial Agreement signed with The Research Foundation for The State University of New York (SUNY), the trial site for Island's ISLA-101 Phase 2a dengue fever clinical trial
- Dr. Kristopher Paolino, MD appointed to lead study at SUNY as Principal Investigator
- First patient screening anticipated to commence in early H2 FY22.

MELBOURNE Australia, 9 November 2021: Australian mid-clinical stage antiviral drug repurposing company, Island Pharmaceuticals Ltd (ASX: ILA) is pleased to announce that it has executed a contract with the clinical trial site for its ISLA-101 Phase 2a PEACH clinical trial and appointed the lead investigator.

ISLA-101 is a well-known drug candidate which is being repurposed for the prevention and treatment of dengue fever and other mosquito (or vector) borne diseases. The PEACH trial is a Phase 2a, randomized, double blind, placebo-controlled study for the Prophylactic Examination of an Antiviral in a Dengue Challenge Model.

To support the PEACH trial, Island has signed a Clinical Trial Agreement with The Research Foundation for The State University of New York (SUNY) on behalf of Upstate Medical University, Syracuse NY, where the trial will be conducted, and where PEACH's control arm challenge studies have already been completed.

Dr. Kristopher Paolino, MD will be Principal Investigator on the trial. Dr. Paolino is an Assistant Professor of Medicine and Assistant Professor of Microbiology and Immunology at Upstate University Hospital. He previously worked for the Walter Reed Army Medical Center and the Walter Reed Army Institute of Research in Washington, DC USA. His research interests include vaccine development, Lyme disease, neglected tropical diseases and malaria, and novel therapeutics including bacteriophage therapy.

Island's CEO, Dr David Foster commented, "We are delighted to welcome Dr. Paolino's involvement as Principal Investigator on the PEACH study. With leadership in place, plus this key contract with SUNY, we are well on our way to initiating the PEACH study in early 2022."

Island is sponsor of the study and will pay an estimated USD\$677k to SUNY, in set tranches throughout the study, in line with previously disclosed costs. Island will also provide the ISLA-101 GMP drug product for the prophylactic arm of the clinical trial.

Under the agreed terms of the PEACH trial, any new inventions discovered during the trial will be owned by Island Pharmaceuticals and at the conclusion, Island and SUNY will cooperate on publication of study results. The agreement may be terminated by Island with 30-day notice, or by either party if it is determined that termination is necessary in order to protect the Study subjects' rights, welfare, and safety, or the IRB otherwise disapproves the Study.

It is anticipated that the Phase 2a clinical trial will begin dosing subjects in early 2022 and will take 8-12 months to complete. The trial may enrol up to 16 individuals.

Approved for release to the ASX by:

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About Island Pharmaceuticals

Island is clinical-stage drug repurposing company, focused on the topical area of antiviral therapeutics for infectious diseases. Our lead asset is ISLA-101, a drug with a well-established safety profile, being repurposed for the prevention and treatment of dengue fever and other mosquito (or vector) borne diseases. The Company is advancing toward a Phase II clinical trial in dengue-infected subjects.

If ISLA-101 achieves FDA approval, and certain other criteria are met, Isla 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) would 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 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.

About SUNY Upstate Medical University.

SUNY Upstate Medical University in Syracuse, NY, is the only academic medical centre in Central New York. It is also the region's largest employer with 9,460 employees. Affiliated with the State University of New York, Upstate's mission is to improve the health of the community through education, biomedical research and health care.

As a biomedical research enterprise, Upstate focuses on the most prevalent human diseases, including cancer, diabetes, heart disease, nervous system disorders, vision, and infectious diseases. The quest for treatments and cures is built upon expertise in structural, molecular and systems biology. Upstate also offers many clinical trials for patients.

The Upstate University Health System serves 1.8 million people, often the most seriously ill and injured, and includes Upstate University Hospital; Upstate University Hospital at Community Campus; Upstate Golisano Children's Hospital, and numerous satellite sites.