13 April 2021

ASX Announcement

Island Pharmaceuticals lists on the ASX following oversubscribed A$7.5m IPO

- Mid-clinical stage drug development company, Island Pharmaceuticals lists under code ILA
- Drug repurposing strategy enables rapid and efficient development of antiviral therapies
- Initial focus on mosquito borne diseases with a Phase II lead program in Dengue fever.

Australian antiviral drug development company, Island Pharmaceuticals has listed on the Australian Securities Exchange (ASX) after raising A$7.5 million through its Initial Public Offer (IPO) which was significantly oversubscribed.

The Company is repurposing ISLA-101, an oral antiviral drug, to treat mosquito-borne viruses, initially focusing on dengue fever – which the World Health Organization calls the most widespread and rapidly increasing vector-borne disease in the world[1]. Dengue fever affects an estimated 390m people worldwide each year[2] and is estimated to cost the global economy US$8.9b each year[3]. The US Centers for Disease Control and Prevention also estimates that forty percent of the world's population—about 3 billion people—resides in regions at risk of dengue infection[4].

Meanwhile, the World Economic Forum has named infectious diseases – a category which includes dengue and mosquito-borne viruses – a "clear and present danger" becoming a critical threat within the next two years[5]. For Dengue fever, as with many other mosquito-borne diseases, there is no current effective therapy and limited vaccines available.

Island's lead asset ISLA-101 is a repurposed drug, which should allow Island a much faster, less costly and less risky path to market compared to traditional drug development. Initially developed as a potential cancer drug by a large pharmaceutical company, ISLA-101 has already been through 48 Phase I and II clinical trials before being repurposed. It has also been verified as safe for clinical trials in humans by multiple regulators, including the United States Food and Drug Administration (FDA).

Island Managing Director Dr David Foster said: "Island is working to solve urgent viral disease threats due to mosquito-borne viruses which are currently putting half the world's population at risk. Around 390 million humans are infected with dengue fever alone each year, representing a significant unmet need and opportunity. We are focused on

[1] Source: https://www.who.int/publications/i/item/dengue-bulletin-vol-41
[2] Source: https://www.who.int/news-room/fact-sheets/detail/vector-borne-diseases
[3] Source: https://bmcinfectdis.biomedcentral.com/articles/10.1186/s12879-020-05109-0
[4] Source: https://medicalxpress.com/news/2021-03-dengue-antiviral-scientists-scores-compounds.html
[5] Source: http://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf

delivering much needed antiviral drugs for these diseases, and repurposing drugs with a well-known history enables us to deliver a faster path to market to meet this critical unmet need."

"Our drug candidate, ISLA-101 already has demonstrated strong initial activity with promising results in human cells and animal studies for dengue, Zika and other viruses and the science is backed up by an exceptionally high-profile Global Advisory Board which includes Professor Stephen Thomas, the lead principal investigator for Pfizer/BioNTech's global Phase II/III COVID-19 vaccine trials, Dr Leigh Farrell and Dr Simon Tucker, both involved in the development of the antiviral influenza drug Relenza."

Given the high case numbers, economic and health impacts, and lack of treatment options for these diseases, Island is eligible for an FDA Priority Review Voucher (PRV) for ISLA-101 – when targeted at dengue fever, Zika virus or chikungunya virus – should the Company receive a New Drug Approval for any of these three diseases by the US Food and Drug Administration (FDA). The PRV is tradeable via a secondary market and enables the holder to progress a new drug application with the FDA up to six months faster than under the standard process. This makes PRVs highly attractive to major pharmaceutical companies, with recent PRVs attracting an average valuation of ~US$110m.

Island is anticipating several significant near-term value-driving news flow events, including GMP manufacturing of new drug substance and drug product, the filing of its Investigational New Drug Application (IND) with the FDA; enrolment of the first patient into the ISLA-101 Phase II trial, and later, the Phase II trial data read out.

The funds raised under Island's IPO will allow Island to conduct a Phase II study of ISLA-101 and provide working capital and funds for research and development.

PAC Partners was the lead manager to the Island IPO and IR Department provided investor relations support.

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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) will permit Island to expedite the FDA approval process for a new drug, or sell the PRV in a secondary market. Recent transactional benchmarking suggests that PRVs attract US$75m-$150m.

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.