27 April 2026

ASX Announcement

March 2026 Quarterly Activities Report

- **FDA provides clear alignment on Galidesivir's Animal Rule pathway, validating Marburg model and clearly defining a two-stage clinical development program**
- **Defined regulatory pathway significantly de-risks development and supports progression towards potential approval and US government procurement**
- **FDA alignment also confirms PRV eligibility, with recent PRV sales (~US$200m) highlighting a significant potential value catalyst**
- **CRADA executed with USAMRIID and the Geneva Foundation to advance studies required under FDA's Animal Rule**
- **USAMRIID has played a central role in Galidesivir's historical development, including preclinical and non-human primate studies**
- **Previously USAMRIID studies highlight strong survival rates in Marburg and Ebola infected non-human primates following Galidesivir administration**
- **$9m strategic placement completed, strengthening balance sheet ahead of next phase of clinical, regulatory and manufacturing activities**
- **Strategic collaboration with Burnet Institute expands ISLA-101 and Galidesivir pipeline optionality across additional high-value viral indications**
- **New US patent granted for Galidesivir in filoviridae viruses, strengthening IP position and supporting long-term commercial potential in biodefence markets**
- **Work alongside USAMRIID and Texas Biomedical Research Institute (BSL-4) well progressed, with next phase of clinical development to commence shortly**

MELBOURNE Australia, 27 April 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 March 2026 (**quarter**).

During the period, Island made considerable progress advancing the clinical development pathway for its Galidesivir antiviral program through constructive regulatory engagement with the US Food & Drug Administration (FDA). This has provided clear alignment on Galidesivir's Animal Rule development pathway and validates Island's proposed Marburg model.

Further, the Company secured new strategic funding to advance clinical development initiatives and secured a Cooperative Research and Development Agreement (CRADA) with the US Army Medical Research Institute of Infectious Diseases (USAMRIID), a part of the Defense Health Agency (DHA), and The Geneva Foundation for Medical Research (Geneva), which provides exceptional optionality to advance Galidesivir's clinical development.

Over the coming months, the Company remains focused on advancing Galidesivir through the FDA's Animal Rule pathway, leveraging strategic government and research partnerships to progress clinical development and position the program for potential biodefence procurement and non-dilutive revenue opportunities.

Management commentary:

CEO and Managing Director, Dr David Foster said: *"The March quarter represents a pivotal period for Island, with significant progress made in defining a clear, executable pathway to advance Galidesivir toward approval and potential commercialisation. Our engagement with the US FDA has provided critical regulatory alignment on the Animal Rule pathway, including validation of our proposed Marburg model and a clearly defined two-stage development program. This materially de-risks the clinical pathway and establishes a structured framework to progress toward potential approval.*

Importantly, we complemented this regulatory progress with the execution of a CRADA alongside USAMRIID and The Geneva Foundation, providing access to world-leading biodefence expertise and infrastructure to support the non-human primate studies required under the Animal Rule. These partnerships are highly strategic and position Island within the US biodefence ecosystem, which is central to our long-term commercial strategy.

In parallel, we have continued to expand the strategic and commercial optionality of our antiviral portfolio. Our collaboration with the Burnet Institute enables us to leverage existing datasets to evaluate ISLA-101 and Galidesivir across additional high-value viral indications, aligned with national stockpile and global health security priorities, without the need for significant additional capital investment.

We have also strengthened our intellectual property position with the grant of a new US patent covering the use of Galidesivir across filoviridae viruses, including Marburg and Ebola. This further reinforces the long-term value of the program and supports our positioning within high-priority biodefence markets.

From a capital perspective, the Company is now well funded following completion of a $9m strategic placement, alongside additional non-dilutive funding through the R&D Tax Incentive. This provides excellent financial capacity to execute the next phase of clinical and regulatory activities, which will occur over the coming months.

Looking ahead, our focus remains on advancing Galidesivir through the Animal Rule pathway, progressing key studies under the CRADA and continuing to build strategic alignment with US government stakeholders. We believe Island is now uniquely positioned at the intersection of regulatory clarity, scientific validation and biodefence demand, with a clear pathway to unlocking significant long-term value through potential government procurement and non-dilutive revenue streams."

Operational overview:

FDA provides clear alignment on Galidesivir's Animal Rule development pathway:

In a major milestone, Island received constructive and strategically important guidance from the US FDA, which confirmed the validity of Island's proposed animal model. The correspondence also outlined the required final steps to progress Galidesivir towards approval under the FDA's Animal Rule.

Correspondence was received on 30 January 2026 and provided a clear regulatory alignment on the use of the Angola strain of Marburg, the cynomolgus macaque model and the viral challenge dose, all of which are the core elements that underpin Animal Rule development.

As part of the correspondence, the FDA also defined a two-stage clinical development pathway for Galidesivir, enabling Island to advance targeted dose-optimisation and pharmacokinetic (PK) studies, after which the Company will engage FDA regarding pivotal study design, , which will provide the requisite data for potential approval.

Animal Rule approval represents a significant opportunity and unlocks a defined regulatory pathway for medical countermeasures targeting high consequence viral threats.

Animal Rule approval has the potential to unlock US Government procurement, including inclusion in the Strategic National Stockpile (SNS) – a pathway associated with significant, long-term, non-dilutive revenue. In addition, approval would entitle Island to a Priority Review Voucher (PRV), a highly valuable regulatory incentive. The most recent PRV sale totalled US$200m, highlighting the substantial commercial potential associated with this program.

The Company is continuing to advance a number of clinical development initiatives to advance approval and will provide ongoing updates as developments materialise.

CRADA with USAMRIID and the Geneva Foundation to advance Galidesivir approval opportunity:

Island delivered another major milestone, following the execution of a CRADA with USAMRIID and the Geneva Foundation to advance Galidesivir's clinical development as a potential treatment for Marburg under the FDA's Animal Rule.

The US Army Medical Research Institute of Infectious Diseases (USAMRIID) is a globally recognised leader in biodefence and high-containment infectious disease research. Established in 1969, USAMRIID is the only laboratory within the US Department of Defense equipped to safely study highly hazardous pathogens at Biosafety Level 4 (BSL-4) and plays a central role in the development of medical countermeasures, including vaccines, therapeutics and diagnostics for emerging biological threats.

USAMRIID has been instrumental in the historical development of Galidesivir, supporting preclinical through to non-human primate studies which demonstrated potent antiviral activity against Ebola and Marburg viruses, underpinning the asset's continued advancement as a broad-spectrum antiviral candidate.

The Geneva Foundation is a leading US-based non-profit organisation specialising in military medical research and biodefence program execution. Established in 1993, Geneva partners with the Department of Defense, federal agencies, academic institutions and industry to accelerate development of medical countermeasures for high-consequence health threats. With approximately US$383m in annual research funding and active collaborations spanning 49 universities, academic medical centres and 95 industry partners across 39 Department of Defense installations, Geneva provides significant operational scale and expertise. Its capabilities in government-sponsored research, regulatory navigation and compliant program execution position it as a highly credible and strategically aligned partner to support the continued advancement of Galidesivir.

As part of the CRADA, Island will collaborate with USAMRIID and the Geneva Foundation to design and conduct the non-human primate studies required to advance Galidesivir towards new drug application (NDA) approval for use in Marburg under the FDA's Animal Rule. Work between the parties has continued to advance in recent weeks, leaving Island well positioned to advance Galidesivir's clinical development over the coming months.

Antiviral pipeline expansion through strategic collaboration with Burnet Institute:

During the period, Island advanced its broader antiviral pipeline through a strategic research collaboration with the Burnet Institute, one of Australia's leading infectious disease research organisations. The collaboration is focused on evaluating the potential application of both assets, ISLA-101 and Galidesivir, against additional high-value viral threats including measles, chikungunya and Ross River virus, all of which represent areas of significant unmet medical need with no approved treatments.

The program is designed to leverage existing clinical and preclinical datasets to expand development pathways and maximise asset value without the need for new molecule acquisition or material capital outlay, aligning with national stockpile, biodefence and public health frameworks. Work is being led by Dr Johanna Fraser, co-lead inventor of ISLA-101 and a recognised arbovirology expert, providing strong scientific continuity and domain expertise.

Dr Fraser has recently secured a competitive three-year grant from the Australian Government National Health and Medical Research Council (NHMRC) grant, valued at over $780,000, to support further clinical research associated with ISLA-101. The grant was awarded to Burnet and sits alongside the Company's existing collaboration providing an opportunity to further expand joint research activities.

Collectively, the initiative strengthens Island's intellectual property position, expands the commercial and strategic optionality of its antiviral portfolio and supports the Company's broader objective of developing a suite of antivirals aligned with global health security and biodefence priorities.

Additional US patent granted to Galidesivir in Marburg and other filoviridae viruses:

Island further strengthened its intellectual property position with the grant of US Patent No. 12,508,266, covering the use of Galidesivir for the treatment of filoviridae viruses, including Marburg and Ebola.

The patent provides protection through to October 2031 and includes broad claims relating to the therapeutic application of Galidesivir across this high-priority virus family, which is classified by the US Government as posing a significant public health and biosecurity threat.

The grant is directly aligned with Island's clinical development strategy for Galidesivir under the FDA's Animal Rule pathway for Marburg and represents a continued expansion of the Company's patent portfolio following the asset acquisition.

Collectively, this strengthening IP framework enhances the long-term commercial potential of Galidesivir and supports the Company's positioning within biodefence and government procurement markets.

Corporate:

$9m in strategic funding to advance Galidesivir clinical development and US Government Strategic National Stockpile opportunities:

The Company considerably strengthened its balance sheet during the period, following completion of a placement to raise $9m through the use of 25,714,285 new fully paid ordinary shares (Shares) at an issue price of $0.35 per share.

New funding was secured from a select group of local and international institutions, as well as sophisticated investors. The placement was cornerstoned by a US-based family office.

Funds will be deployed towards Island's two-stage clinical development pathway for Galidesivir and subsequent New Drug Application (NDA) with the FDA. Capital will also be used for manufacturing of additional Galidesivir supply for clinical trial potential commercial use and to advance regulatory and pre-clinical work associated with additional strategic National Stockpile opportunities in Ebola and Sudan virus.

Receipt of R&D Tax Incentive Refund:

Subsequent to the end of the period, the Company received a ~$143,000 refund under the Australian Government's R&D Tax Incentive for FY25. The refund relates to eligible expenditure associated with the ongoing development of ISLA-101. The refund represents a 48.5% tax offset on eligible activities.

Shareholder engagement activities and US industry engagement initiatives:

Island undertook a number of shareholder engagement initiatives over the course of the quarter, which provided multiple opportunities to engage with a range of Australian and international investors, as well as potential strategic partners.

Shareholder engagement activities included investor meetings with institutions, family offices, private investors, stockbrokers and analysts in Australia and the US, and webinar presentations to provide additional details on ongoing correspondence with the US FDA.

The Company also worked alongside Todd Strategy Group (TSG) and MC2, to advance industry engagement initiatives in the US.

Financial summary:

The Company held cash and cash equivalents of $14.18m at March 2026 (31 December 2025: $6.87m). Net cash used in operating activities totalled $1.3m, which included costs related to the ongoing research and development of Galidesivir and ISLA-101, as well as staff, 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 $139,000, which includes salary for the CEO/Managing Director and Director fees (including superannuation) for the Non-Executive Chair and Non-Executive director and their consulting fees as announced to the ASX.

Issue of options to advisors

The Company entered into a corporate advisory and investor relations agreement with Taurus Capital, under which 4,000,000 unlisted options exercisable at $0.60 per option and expiring three years from the date of issue were issued as consideration for corporate advisory and investor relations services.

- Ends -

Approved for release to the ASX by:

David Foster (CEO and Managing Director)
Island Pharmaceuticals Limited
info@islandpharmaceuticals.com

Investors and media, for further information, please contact:

Henry Jordan
Six Degrees Investor Relations
+61 (0) 431 271 538
henry.jordan@sdir.com.au

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 March 2026

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	(777)	(1,645)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(78)	(291)
	(f) administration and corporate costs	(532)	(1,541)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	62	171
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**	**(1,325)**	**(3,306)**

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 (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**	**-**	**(845)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,000	9,102
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	171	2,518
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(583)	(585)
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**	**8,588**	**11,035**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,870	7,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,325)	(3,306)
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 (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,588	11,035
4.5	Effect of movement in exchange rates on cash held	47	44
4.6	**Cash and cash equivalents at end of period**	**14,180**	**14,180**

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	2,509	239
5.2	Call deposits	11,671	6,631
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)**	**14,180**	**6,870**

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	139
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 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)	(1,325)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	14,180
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	14,180
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**10.7**

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 April 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.