Research as a Service

# Island Pharmaceuticals Ltd

**Initiation Report**

## Clinical Proof, Policy Pull

Biotech

**11 November 2025**

**Island Pharmaceuticals Ltd (ASX:ILA) is an antiviral therapeutics company targeting infectious diseases. It is currently at clinical-stage and focused on two key antiviral assets – Galidesivir (a broad-spectrum RNA antiviral initially for Marburg) and ISLA-101 (a repurposed small-molecule drug initially for dengue). We like ILA's approach of focusing on existing drugs that can be repurposed, as considerable time, effort and investment has already been spent, while also increasing the probability of success for approval. Furthermore, both key drugs are targeting large unmet markets (the high-consequence biothreat Marburg and dengue), and each may well qualify for the FDA's Priority Review Voucher (PRV) on approval (worth US$100-160m each, providing for an immediate cash windfall). Galidesivir has very near-term prospects – clinical trial data is impressive showing a 94% survival rate in Marburg-infected primates versus 0% for the untreated cohort, and several catalysts over the next 12 months, which if positive, could result in FDA clearance by the end of 2026.**

### Business model

ILA operates a drug repurposing model; it has focused on and acquired (relatively cheaply) known antivirals with proven safety profiles and advanced them into new infectious-disease indications. This approach significantly shortens development time and cost. The company's immediate plan is to fund mid-late-stage clinical work for its two key assets, seek FDA approval and then commercialise. Both of ILA's key assets are quite likely to qualify for a PRV, which if approved, would provide for non-dilutive value and funding. The business is capital light, as Galidesivir would be sold directly to government clients (thus not requiring a large sales force) and ISLA-101 would likely be commercialised via a licensing model, meaning ILA would receive a steady source of cash flow through royalties.

### Near-term cash opportunities: why ILA is different

As a biotech, ILA stands out for a few reasons:

1. A drug re-purposing approach is lower risk, meaning a higher chance of success. This applies to both of ILA's key assets, and the company's approach in general.
2. Galidesivir's efficacy on Marburg (a highly deadly virus) is impressive – efficacy trial data on Non-Human Primates (NHP) showed a 94% survival rate for animals dosed with Galidesivir, while the untreated control group had a 0% survival rate.
3. No treatment for Marburg currently exists, yet the US government has urgent demand for one. This potentially means a fast-tracked approval process for Galidesivir. Trial results, submission of a New Drug Application (NDA), FDA clearance, receipt of a PRV, and sale to the US government as the first customer could all be possible in the next 12-18 months.

### Valuation of $0.76/share or $225.8m market cap

We value ILA through a probability-weighted NPV (rNPV), given ILA's expected cash flows are expected to be discrete and tied to the binary nature of the milestones expected over the next 12 months. Our unrisked NPV is $2.52/share and our rNPV is $0.76/share, which applies a Probably-of-Success (PoS) weighting of 30%. We anticipate increasing the PoS applied provided milestones are met over the next 12 months. We assume FDA clearance for both drugs, forecast sales explicitly to FY35, and a WACC of 15.1% incorporating a beta of 1.7x.

**Historical earnings and RaaS' estimates (in A$m unless otherwise stated)**

| Year end | Revenue | Gross profit | EBITDA | NPAT | EPS (cps) | EV/EBITDA (x) | EV/Sales (x) |
|---|---|---|---|---|---|---|---|
| 06/24a | 0 | 0 | (2.9) | (2.9) | (3.18) | n.m. | n.m. |
| 06/25a | 0 | 0 | (3.6) | (3.6) | (2.07) | n.m. | n.m. |
| 06/26f | 0 | 0 | (6.5) | (4.6) | (1.77) | n.m. | n.m. |
| 06/27f | 480.8 | 419.2 | 400.4 | 280.3 | 96.55 | 0.3 | 0.3 |

Source: Company data, RaaS estimates FY26f to FY27f

**Share Details**

| | |
|---|---|
| ASX code | ILA |
| Share price (11-November) | $0.48 |
| Market capitalisation | $122.2M |
| Shares on issue | 254.6M |
| Options on issue (various) | 43.7M |
| Cash at Sep-25 | $6.9M |
| Free float | ~68.4% |
| Avg. daily volume (12-mths) | 0.42M |

**Share Performance (12 Months)**


**Upside Case**

- Galidesivir NHP trial is successful
- Galidesivir is FDA cleared and PRV granted
- Galidesivir first sales to US government

**Downside Case**

- Animal Rule is not granted for Galidesivir
- Galidesivir NHP trial is unsuccessful
- ISLA-101 trials fail to progress

**Catalysts**

- FDA allows Animal Rule use
- Pivotal NHP trial (March quarter 2026)
- FDA clearance (late 2026)

**Board and Management**

| | |
|---|---|
| Jason Carroll | Chairman |
| David Foster | MD & CEO |
| Cameron Jones | CFO |
| Christopher Ntoumenopoulos | Non-Executive Director |

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Research as a Service

## Table of Contents

Research as a Service

# Island Pharmaceuticals Ltd

**Island Pharmaceuticals Ltd (ASX:ILA) was founded in May 2020 and listed in April 2021. The company was co-founded by current CEO and Managing Director, Dr. David Foster and biotech entrepreneur Dr. William Garner (ILA's largest shareholder currently). At the time, the company had one key asset, ISLA-101, which it was developing for dengue. From inception, the company has had a strategy of focusing on repurposed drugs. The benefit of this approach is that drugs are not being developed from the very start and have often already been tested for safety. This saves valuable time, cost and offers a potentially higher chance at success for a particular indication. In line with this strategy, ILA was able to acquire Galidesivir from BioCryst in 2025, a clinical-stage small molecule with broad antiviral activity that was being developed to treat over 20 RNA viruses, including high-priority threats such as Marburg, Ebola, measles, SARS-Cov, MER-Cov, Zika and yellow fever. The acquisition of Galidesivir and the ensuing swift progress towards potentially using the FDA's 'Animal Rule' to fast-track Galidesivir approval for use in Marburg has been the key catalyst for the share price in recent months. Galidesivir has certainly improved the company's financial prospects, while at the same time diversified its portfolio. The risk-reward for a late-stage pre-approval biotech with potential for near-term success appears very appealing given the market cap of only ~$100m currently. The Animal Rule pathway is functionally equivalent in evidentiary weight for FDA approval purposes to Phase III, where biotech companies can command a market cap of +$300m.**

## Investment Case

We detail our short- and medium-term investment case for ILA below:

- **Dual-asset strategy.** ILA's portfolio addresses two distinct high-need areas. Galidesivir targets highly lethal biothreat pathogens, with a focus on Marburg initially where there is no treatment at present. ISLA-101 targets dengue, which infects ~400m people/year with no currently-approved therapeutics and only limited vaccines available. The two assets diversify risk and tap multiple large markets.
- **Focused strategy on repurposed drugs.** ILA has able to secure (cheaply) both assets after significant investment and time has already been spent by others. This means that time to potential commercialisation is much closer, and ILA does not need to spend as much in the development process.
- **Clinical validation.** Both assets have demonstrated promising efficacy data to date. In particular, the NHP trial data on Galidesivir for Marburg is exceptional, showing a 94% survival rate in Marburg-infected primates vs 0% for the untreated cohort. Such high efficacy is very rare among antivirals.
- **Material progress and share price catalysts expected over the next 12 months.** With regards to Galidesivir, news flow may include: FDA decision by 12 November 2025 (US time) as to whether it allows the use of the Animal Rule pathway which would fast-track the process to potential FDA approval; NHP trial and results in the March quarter 2026 (hopefully replicating the strong efficacy data achieved previously); preparation of NDA and submission to the FDA in mid-2026; and FDA clearance by the end of 2026.
- **Substantial cash could be received in the next 12-18 months.** In the event of FDA clearance, this would likely include the issuance of a PRV to ILA worth US$100-160m (based on recent transactions). We believe ILA would likely sell the PRV to realise the value. In addition, we would expect sales of Galidesivir to the US government (the first likely buyer) estimated at US$100-200m p.a. shortly after FDA clearance.
- **Large addressable markets.** While Galidesivir is targeting Marburg as the first indication, the drug has demonstrated broad spectrum activity against +20 RNA viruses. ILA believes that three-four other viruses could be targeted over the medium term (potentially Ebola, measles and yellow fever), each being a US$100-200m p.a. opportunity. ISLA-101 is initially targeting dengue, which is a ~US$600m vaccine market currently and growing; while no *treatment* currently exists, the global dengue treatment market

is currently over US$2b (through symptomatic relief, hospitalisation etc), meaning that ILA could capture some of this by being first to market with an antiviral drug.

- **Founder-led, aligned board and management.** Co-founder Dr David Foster is a shareholder and leading the company while co-founder Dr William Garner is the largest shareholder with a 16.4% shareholding. Jason Carroll became Chairman in mid-2025 but has been a shareholder since 2021 and has invested several million dollars of his own money on-market and currently has a 12.2% shareholding.
- **Valuation**. Our rNPV for ILA is $0.76/share, offering 58% upside potential from the current share price.

## Company History

Island Pharmaceuticals Ltd (ASX:ILA) was founded in May 2020 and listed in April 2021. The company was co-founded by current Managing Director David Foster and biotech entrepreneur William Garner (ILA's largest shareholder currently). At the time, the company had only one key asset, ISLA-101, which is a clinical-stage small molecule drug, which it was developing for dengue. $7.5m was raised at $0.25/share at the IPO to perform a Phase II clinical study on ISLA-101.

From inception, the company has had a strategy of focusing on repurposed drugs. The benefit of this approach is that repurposed drugs have already been developed to an extent; someone else has already spent the time and R&D dollars to develop the drug. Safety may have already been proven, and the chance of ultimately having a commercially viable drug is usually higher.

In-line with its strategy of acquiring and developing repurposed drugs, ILA was able to acquire Galidesivir from BioCryst (NASDAQ:BCRX) in 2025. This is also a clinical-stage small molecule drug with broad antiviral activity that was being developed for over 20 RNA viruses including high-priority threats such as Marburg, Ebola, measles, SARS-Cov, MER-Cov, Zika and yellow fever. This acquisition has been transformational for ILA, because while ISLA-101 is very prospective, it likely has a few years to go before commercialisation; Galidesivir on the other hand could be approved and deliver cash to the company within 12-18 months.

As is the nature of clinical-stage biotechnology companies, the company has been in a cash burn phase since IPO to fund progress of clinical trials. The company has raised equity several times, firstly with $7.5m at its IPO in April 2021, followed by a $1.95m rights issue in February 2024, a $3.5m placement in October 2024 and a $3.6m placement in May 2025. These funds have largely been raised to progress ISLA-101 through Phase II studies, with the most recent equity placement also being used to expand the portfolio through the acquisition of Galidesivir. The company currently has $6.9m in cash at bank, and cash burn in the September 2025 quarter was $0.8m. The company is seeking approval from the FDA to undertake a particular animal trial for Galidesivir, which if granted, would result in approximately US$3-4m in trial costs over the next three to six months dependent on FDA feedback.

The company has had a number of changes at the board level in the past 12-18 months. It is our observation that while the previous regime progressed ISLA-101 to its current stage in a reasonable fashion, the current board and management team led by David Foster has done an exceptional job in finding and executing on the acquisition of Galidesivir and to position the company to where it is now. The board is currently comprised of three directors which while small, has been able to make quick decisions.

## Company Overview

This section explains ILA's approach to 'drug repurposing' as applied to infectious diseases, and then we discuss the two key drug assets that ILA has in its portfolio, starting with the most recently acquired and prospective drug near-term Galidesivir, followed by ISLA-101.

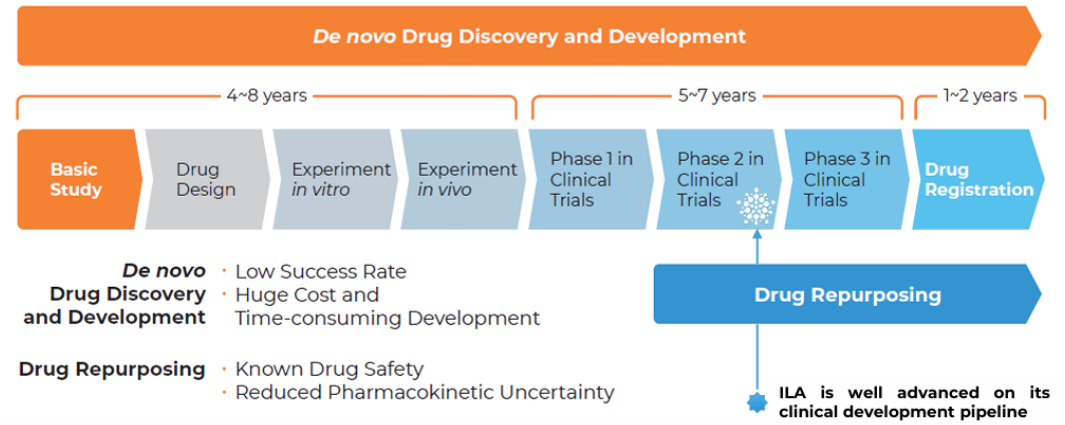
### Strategy of drug repurposing in infectious diseases

Drug repurposing is a pharmaceutical development strategy that seeks to find new therapeutic uses for existing or previously developed drugs, rather than discovering entirely new chemical entities.

Repurposing leverages existing safety, pharmacokinetic (how the body handles the drug – how it is absorbed, distributed, metabolised and excreted over time, thus informing dose selection), and manufacturing data, reducing both development cost and time to market. Because much of the early-stage toxicology and formulation work is already complete, repurposed candidates can often enter clinical trials at Phase II, skipping years of preclinical risk. There is also a higher probability of success, as the drug has known safety data.

Exhibit 1 shows the potential regulatory path for ILA's ISLA-101. As a lot of time and investment has already been spent by ISLA-101's previous owners, the path to drug approval and commerciality for ILA is significantly less expensive and shortened by several years.

**Exhibit 1: Benefits of drug repurposing**



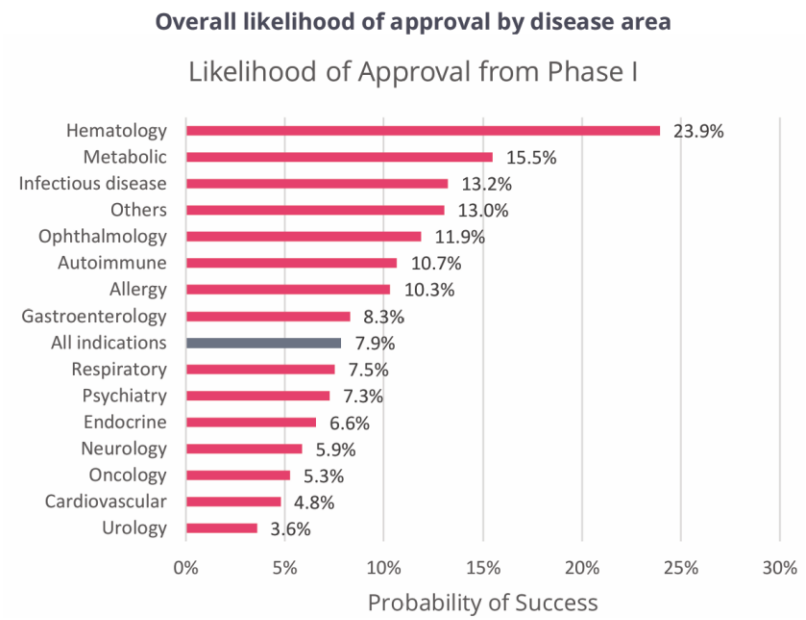

Source: Company data

A recent report from Deloitte suggested that the average cost of developing a *de novo* drug (new chemical entity) from discovery to regulatory approval is $2.23b[1]. Furthermore, this process takes 10-15 years on average[2]. In contrast, repurposed drugs on average cost US$300m and save six-seven years to reach the market[3]. This is a substantial difference and supports ILA's strategy of drug repurposing.

Furthermore, ILA's approach of focusing on infectious diseases also has its benefits. Exhibit 2 highlights that infectious disease treatments have a statistically higher likelihood of overall success in clinical trials when compared to other therapeutic areas – they have the third-highest probability of overall success behind hematology and metabolic treatments[4].

[1] https://www.fiercebiotech.com/biotech/drug-development-cost-pharma-22b-asset-2024-plus-how-glp-1s-impact-roi-deloitte
[2] https://www.n-side.com/en/insights/whats-the-average-time-to-bring-a-drug-to-market-in-2022
[3] https://www.technologynetworks.com/drug-discovery/articles/drug-repurposing-strategies-challenges-and-successes-384263
[4] https://go.bio.org/rs/490-EHZ-999/images/ClinicalDevelopmentSuccessRates2011_2020.pdf

**Exhibit 2: Infectious disease treatments have the third-highest chance of approval overall**




Source: Biotechnology Innovation Organization

## Galidesivir

### Historical development of Galidesivir

Formerly known as BCX4430, Galidesivir is broad-spectrum antiviral molecule discovered and developed by BioCryst (NASDAQ:BCRX). BioCryst's investment in Galidesivir was substantial at over US$70m over several years and was heavily tied to US government funding due to a focus on viruses that pose a threat to national health and security, particularly Viral Hemorrhagic Fevers (VHFs).

Galidesivir is an RNA dependent-RNA Polymerase (RdRp) Inhibitor – RdRps are a special enzyme that some viruses use to copy their genetic material, which is made of RNA (ribonucleic acid). So as an inhibitor, Galidesivir is a drug that blocks this mechanism of activity from working. If RdRp is blocked, the virus can't replicate efficiently, meaning infection is slowed or stopped. Galidesivir has demonstrated activity against +20 RNA viruses across nine different families, including coronaviruses, filoviruses (which include Marburg and Ebola), togaviruses, bunyaviruses, arenaviruses, paramyxoviruses, and flaviviruses (which include yellow fever and Zika).

**Exhibit 3: Galidesivir has broad spectrum activity against +20 RNA viruses**

| Virus Family | Virus | Strain/Variant |
|---|---|---|
| Filoviridae | Marburg | Musoke |
| | Marburg | Ci67 |
| | Marburg | Angola |
| | Ebola | Kikwit |
| | Sudan | Boniface |
| Togaviridae | VEE | SH3 |
| | EEE | FL93-939 |
| | WEE | California |
| | Chikungunya | AF 15561 |
| Bunyaviridae | Rift Valley Fever | ZH501 |
| | LaCrosse encep | Wisc 1960 |
| | Maporal virus | HV97021050 |
| Arenaviridae | Lassa | Josiah |
| | Junin | Romero |

| Virus Family | Virus | Strain/Variant |
|---|---|---|
| Paramyxo | Nipah virus | Malaysia |
| | HRS | A2 |
| | Measles | Chicago |
| Corona | SARS-CoV | Urbani |
| | MERS-CoV | Jordan |
| Orthomyxo | Influenza | pH1N1 |
| Picornaviridae | Rhinovirus-2 | HGP |
| Flaviviridae | West Nile | New York |
| | Yellow fever | 17D |
| | Jap. Enceph. | SA14 |
| | Powassan Virus | LB |
| | Dengue 2 | New Guinea C |
| | Zika | PRVABC59 |

Source: Company data

Galidesivir's history goes back to at least 2012, when it was first mentioned in BioCryst's annual report, where it was in pre-clinical toxicology studies. Studies that followed resulted in the first marquee efficacy publication in the journal Nature[5] in March 2014 which showed strong efficacy results in animal models of infection with Marburg virus and Ebola virus (both highly lethal viruses; further details on the strong efficacy results in the Marburg section below).

In December 2014, dosing of the first subject in a randomised, placebo-controlled Phase I clinical trial to healthy human volunteers occurred. The main goals of this first in-human study were to evaluate the safety, tolerability and pharmacokinetics of Galidesivir in healthy subjects. 91 healthy volunteers participated in the study and in August 2016, results of the study found that Galidesivir was safe and well-tolerated over a range of doses up to 10mg/kg administered intramuscular (injected into the muscle tissue). Galidesivir has also been found to be safe and well-tolerated in doses up to 20mg/kg administered intravenously (injected directly into vein). Through these trials, safety for Marburg in humans has been determined.

These years were a period of substantial R&D expense, as shown for BCX4430 (Galidesivir) in Exhibit 4.

**Exhibit 4: BioCryst's R&D expense, 2013-2015 (US$ thousands)**

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| R&D expenses by program: | | | |
| Avoralstat | $ 27,769 | $ 19,005 | $ 15,442 |
| BCX7353 | 11,819 | — | — |
| Other 2nd generation HAE compounds | 9,320 | 11,681 | — |
| BCX4430 | 12,400 | 13,060 | 3,318 |
| Peramivir | 3,690 | 2,898 | 13,627 |
| Other research, preclinical and development costs | 7,760 | 5,152 | 9,556 |
| Total R&D expenses | $ 72,758 | $ 51,796 | $ 41,943 |

Source: BioCryst 2015 annual report

Over the following years, further Galidesivir trials were conducted for other indications including Zika and yellow fever. During the COVID-19 pandemic, BioCryst engaged in dialogue with US public health authorities to assess whether Galidesivir should be evaluated for treating COVID-19 (SARS-Cov-2). A randomized, double-blind, placebo-controlled clinical trial was opened in Brazil to assess its effects in COVID-19 infected patients.

There are some key takeaways from the history above. First, Galidesivir demonstrated highly efficacious results against Marburg and Ebola in the animal trials conducted, and Galidesivir was proven to be safe and well-tolerated in humans.

Unfortunately for BioCryst, their approach may not have been sufficiently focused due to its contracts with the US government, resulting in ongoing trials over several years for other indications. It's important to understand that BioCryst's development programme was principally funded through cost-plus-fixed-fee contracts with the U.S. government, specifically the National Institute of Allergy and Infectious Diseases (NIAID/HHS) and the Biomedical Advanced Research and Development Authority (BARDA/HHS). Receiving government funding was profitable for BioCryst given the cost-plus nature of the contracts; as various outbreaks of Ebola and COVID-19 etc. occurred, BioCryst simply followed the direction of the US government on which viruses to conduct trials.

Ultimately, funding from earlier US government contracts targeting early-stage research on filovirus antivirals that BioCryst benefited from expired in 2022; the US government shifting funding priorities towards stockpiling Ebola vaccines and mAbs (monoclonal antibodies, used to neutralise viruses). This is the primary reason as to why BioCryst discontinued the Galidesivir programme, explicitly stating at the time that it had no plans to continue the Galidesivir programme without government funding. This left Galidesivir a somewhat stranded asset. This is evident and clearly seen in the decline of R&D spend on Galidesivir as per Exhibit 5.

[5] https://www.nature.com/articles/nature13027

**Exhibit 5: BioCryst's R&D expense, 2020-2022 (US$ thousands)**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| R&D expenses by program: | | | |
| Factor D Program | $146,912 | $132,267 | $ 35,265 |
| Berotralstat | 28,230 | 30,559 | 44,329 |
| FOP | 19,857 | 2,840 | 2,583 |
| Galidesivir | 1,077 | 5,740 | 9,705 |
| Peramivir | 788 | 1,245 | 1,613 |
| Other research, preclinical and development costs | 56,433 | 36,157 | 29,469 |
| Total R&D expenses | $253,297 | $208,808 | $122,964 |

Source: BioCryst 2022 annual report

## Acquisition of Galidesivir by ILA

With Galidesivir effectively shelved, an opportunity presented itself for ILA. Indeed, Dr. David Foster and the ILA Board had spent several years looking for repurposed and/or shelved drug opportunities to acquire; Galidesivir fit the bill on several fronts and was acquired for relatively low cost by ILA, as detailed below.

ILA signed a non-binding term sheet with BioCryst on 3 July 2024 to acquire Galidesivir, via a one-year option. Following this, ILA signed a binding Letter of Intent on 11 September 2024 to acquire the asset. This allowed ILA up to 12 months to complete its due diligence on Galidesivir. On 9 July 2025, ILA announced that it had purchased Galidesivir for US$500k, plus a US$50k option fee, thus delivering a second asset to ILA's portfolio. Additional terms include a US$1.5m payment to BioCryst upon Animal Rule approval in which no Phase II trial is required (discussed below), a US$1m payment upon approval of an NDA in the US or equivalent, tiered royalties of 5-10% of net sales to BioCryst, and 25% of proceeds from the sale of any Priority Review Voucher (PRV; discussed below) awarded due to FDA approval of Galidesivir, to BioCryst.

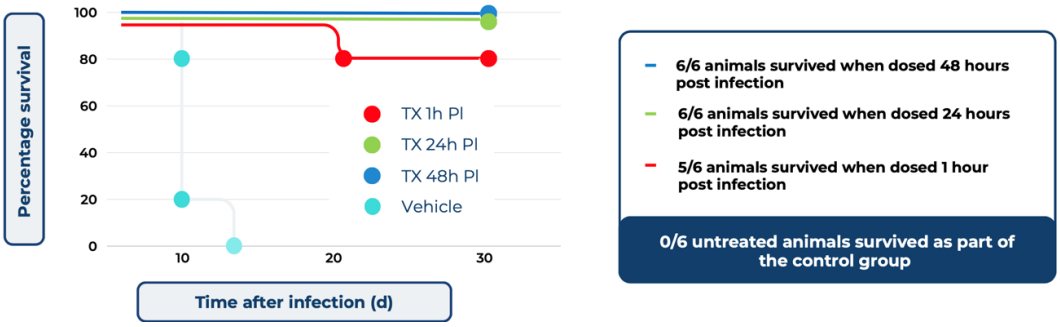
## Marburg as the first indication for Galidesivir

While Galidesivir has more than 20 viruses that it could be potentially be applied to, ILA has thoughtfully selected Marburg as the first indication to pursue. Not only has Galidesivir demonstrated high efficacy against Marburg, several factors such as 'Priority Review' and a ready customer in the US government support the decision (discussed further below).

The Marburg virus is a highly dangerous pathogen that causes Marburg Virus Disease, a rare but severe VHF (Viral Hemorrhagic Fever) similar to Ebola. It is a member of the filovirus family and is believed to originate from fruit bats, with humans infected through exposure to infected animals or via person-to-person transmission through bodily fluids. Symptoms begin abruptly with fever, severe headache and muscle aches, rapidly progressing to vomiting, diarrhoea, organ failure, and internal and external bleeding. The disease has very high case-fatality rates (CFR – the percentage of confirmed cases who die), ranging from 24% to 90% depending on the outbreak and care available. Currently, there are no approved vaccines or specific antiviral treatments. Effective outbreak control relies on early detection, isolation, supportive medical care and strict infection-prevention measures to stop transmission. Crucially, the Marburg virus has the potential to be weaponised and is classified as a Category A biothreat by the US government, which as discussed below, further heightens the opportunity for ILA.

Exhibit 6 shows how effective Galidesivir is against the Marburg virus. Galidesivir's previous owners BioCryst conducted a Non-Human Primate (NHP) study in 2014 that showed a 94% survival rate for NHPs dosed with Galidesivir, while the untreated control group showed a 0% survival rate – 24 NHPs were included in the study, with 18 animals dosed at various times post-infection, and six animals left untreated; 17 out of the 18 animals dosed with Galidesivir survived, an outstanding result.

**Exhibit 6: Galidesivir's high efficacy in Marburg, NHP study**




Source: Company data

## Potential expedited approval via the FDA's Animal Rule

Under ILA's ownership, the company wasted no time submitting a Type C meeting request with the FDA on 29 August 2025. Importantly in this request, ILA was seeking alignment with the FDA on utilising the Animal Rule to fast-track Galidesivir approval for use in Marburg. The meeting request was granted by the FDA, with written responses from the FDA expected by 12 November 2025 (US time). This response is critical as it instructs ILA on the path forward, and a favourable ruling to proceed with the Animal Rule could save several years in the regulatory approval process.

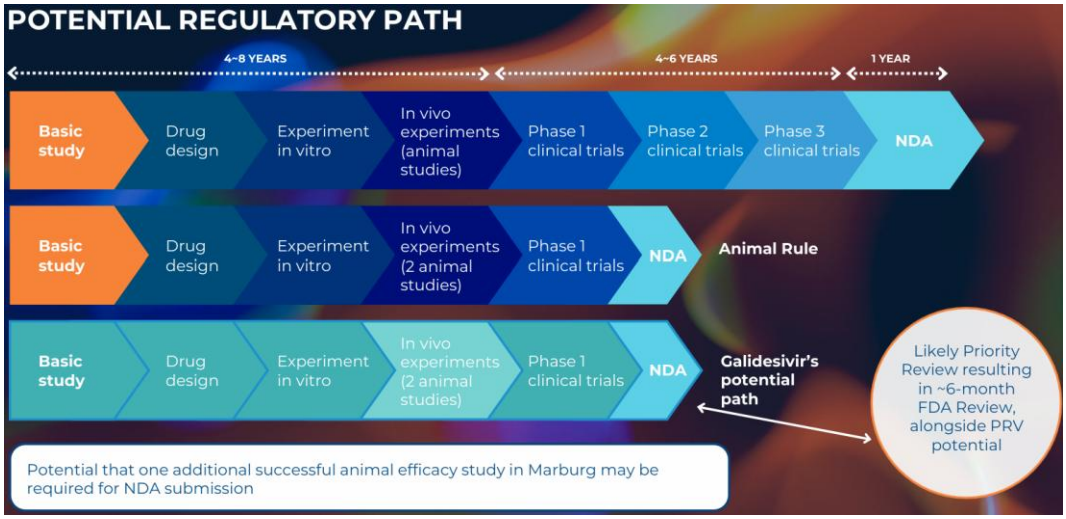
It's important to understand the Animal Rule, as it potentially expedites Galidesivir's path to market. It is a regulatory pathway of the FDA that can be utilised when human efficacy trials are not ethical or feasible. It allows the FDA to approve drugs or biological products (e.g. vaccines) based on *animal* efficacy studies when human efficacy trials cannot to be conducted (as that would involve deliberate exposure of a lethal agent to a human). For a product to be eligible under the Animal Rule, several conditions must be met including:

- A reasonably well-understood pathophysiological mechanism of the toxic substance or disease and its amelioration or prevention by the drug.
- The effect of the drug must be demonstrated in more than one animal species expected to react with a response predictive for humans; or, if only a single species is used, that species must represent a sufficiently well-characterised animal model for predicting human response.
- The animal study endpoint must be clearly related to the desired human benefit (e.g. enhanced survival or prevention of major morbidity).
- The kinetic and pharmacodynamic data (from animals and/or humans) must allow reasonable extrapolation of an effective human dose.
- The drug must still meet the safety requirements for humans (i.e. human safety studies are required even if human efficacy studies are not).

When assessing these requirements, it seems that Galidesivir and its application for Marburg satisfies the criteria i.e. Galidesivir should qualify for the Animal Rule pathway.

While Exhibit 1 highlighted the benefits of a drug repurposing strategy in terms of saving years in the typical regulatory process for drug approval, the Animal Rule is even faster as Phase II and Phase III human clinical efficacy trials (which can take several years) are not required (see Exhibit 7).

**Exhibit 7: Galidesivir's high efficacy in Marburg, NHP study**




Source: Company data

Consequently, if the FDA on or before 12 November 2025 (US time) deems that the Animal Rule pathway may be utilised to demonstrate the necessary evidence of effectiveness of Galidesivir against Marburg, then the company may potentially be only one more animal efficacy study in Marburg away from all the data it needs to submit an NDA to the FDA. And to remind, the first NHP study conducted on Galidesivir for Marburg showed a 94% survival rate for NHPs dosed with Galidesivir while the untreated control group showed a 0% survival rate; any replication of this result would be very supportive data for Galidesivir's NDA against Marburg.

Finally, the Animal Rule is a proven pathway for countermeasures of Category A biothreats (of which Marburg is classified as one). Exhibit 8 shows that since 2012, the FDA's Animal Rule approval has led to eight biothreat countermeasures joining the US Strategic National Stockpile (SNS; discussed in the next section).

**Exhibit 8: Animal Rule is a proven path for biothreat countermeasures**

| Company | Product | Year Approved | Disease Treated | SNS Sales (AUD) | Under SNS Contract |
|---|---|---|---|---|---|
| Emergent BioSolutions | raxibacumab | 2012 | Inhalational Anthrax | ~$450M | Yes |
| Kaléo | AUVI-Q | 2012 | Anaphylaxis (emergency countermeasure) | ~$100M+ | No (contract expired) |
| Emergent BioSolutions | BioThrax | 2015 | Anthrax (prophylactic vaccine) | ~$1.2B+ (multi-year) | Yes |
| Elusys Therapeutics | Anthim | 2016 | Inhalational Anthrax | ~$320M | Yes |
| SIGA Technologies | TPOXX | 2018 | Smallpox | ~$850M+ (ongoing) | Yes |
| Paratek Pharmaceuticals | Nuzyra | 2018 | Anthrax (post-exposure prophylaxis) | ~$120M (partial uptake) | Yes (limited scope) |
| Bavarian Nordic | Jynneos | 2019 | Smallpox / Monkeypox | ~$300M+ | Yes |
| Chimerix | Tembexa | 2021 | Smallpox | ~$400M | Yes |

Source: Company data

We've assessed the above diseases (Exhibit 8) where their respective countermeasures were approved by the FDA via the Animal Rule, and ranked them by their case-fatality rates (CFR):

**Exhibit 9: CFR of diseases where the Animal Rule was utilised for countermeasures**

| Disease | Approximate CFR range (as observed historically) % | Year approved |
|---|---|---|
| Inhalation anthrax | 85-90 | 2012 and 2016 |
| Marburg | 24-90 | No approved drug yet |
| Smallpox | ~30 | 2018 and 2019 |
| Anthrax (cutaneous) | ~20 | 2012 and 2018 |
| Monkeypox (Mpox) | 1-10 | 2019 |
| Anaphylaxis | 0.5-1 | 2018, 2019 and 2021 |

Source: RaaS analysis

What's clear here is that countermeasures for diseases with far lower CFRs have been granted Animal Rule pathway by the FDA. It supports the argument that Galidesivir for Marburg has a reasonable chance of being granted Animal Rule pathway, especially given its high CFR.

Since the FDA's Animal Rule regulations were first published in 2002, there have been several updates in guidance and compliance including in 2015[6], 2019[7], 2022[8]. More defined requirements, scrutiny and expectations of robustness have effectively set the regulatory bar higher over time, and the FDA now expects:

- Stronger translational correlation between animal and human PK/PD (pharmacokinetics – what the body does to the drug; and pharmacodynamics – what the drug does to the body).
- Model reproducibility under Good Laboratory Practice (GLP) conditions.
- Bridging analyses (dose/exposure equivalence) to humans.

Despite this, the pathway remains available. A stricter expectation may potentially translate to needing two NHP trials done, or a larger sample size etc. Again, the FDA's feedback by 12 November 2025 (US time) should instruct ILA on the path forward.

Interestingly, while US government funding for filovirus antivirals tapered after 2022, the emergence of Marburg outbreaks in the past few years have resulted in renewed interest in filovirus countermeasures by both BARDA (Biomedical Advanced Research and Development Authority, a US government authority) and CEPI (Coalition for Epidemic Preparedness Innovations, a global non-US funder).

Exhibit 10 shows the five most recent Marburg outbreaks. All have been small in case numbers, mostly due to rapid public health responses, yet have had high fatality rates.

**Exhibit 10: The five most recent Marburg outbreaks**

| Location | Year | Cases | Deaths | CFR (%) |
|---|---|---|---|---|
| Tanzania | 2025 | 10 | 10 | 100 |
| Rwanda | 2024 | 66 | 15 | 23 |
| Equatorial Guinea | 2023 | 17 | 12 | 71 |
| Tanzania | 2023 | 9 | 6 | 67 |
| Ghana | 2022 | 3 | 3 | 100 |

Source: WHO

The largest recorded Marburg virus outbreak occurred in Angola in 2004-05 and was also the deadliest Marburg epidemic ever documented. It lasted nine months, and resulted in 374 cases and 329 deaths, resulting in a CFR of 88%. Following this epidemic, the US government categorised Marburg as a Category A biothreat pathogen.

While there has never been a confirmed bioterrorist attack involving Marburg (all known outbreaks have been natural or due to a laboratory accident), it was researched as a potential bioweapon by the Soviet Union during the Cold War era and is regarded as a Category A biothreat agent by the US government.

[6] https://www.fda.gov/media/88625/download
[7] https://www.fda.gov/emergency-preparedness-and-response/preparedness-research/animal-rule-information
[8] https://www.fda.gov/media/166001/download

## US Strategic National Stockpile (SNS)

As mentioned, Marburg has the potential to be weaponised and is classified as a Category A biothreat by the US Centers for Disease Control and Prevention (CDC), and this has implications for the US SNS.

The SNS is the US government's national reserve of essential medicines, vaccines, medical devices and protective equipment, stored and ready to be rapidly deployed to states, territories, tribal nations and major metropolitan areas to support response when public health emergencies or disasters exceed local capacity. It was originally established in 1999 (as the National Pharmaceutical Stockpile) and formally renamed and expanded following the 2001 anthrax attacks to address bioterrorism and other high-consequence events.

Amongst other things, within the SNS are medical countermeasures for highly deadly Category A biothreats such as Anthrax, Smallpox, Botulism toxin, Tularaemia, Plague and VHFs such as Ebola. These are high-priority because they can be easily disseminated, cause high mortality and might cause a major public health impact. While the SNS contents are not fully publicly enumerated for security reasons, there are vaccines, antitoxins, antibiotics and other countermeasures for many Category A biothreats.

Importantly, Marburg is the only Category A biothreat that has no treatment presently available in the SNS. This clear gap is something that ILA is trying to address with Galidesivir. As shown in Exhibit 8, the US government has paid handsomely for countermeasure drugs for Category A biothreats. These countermeasures have generated 'lifetime sales' of between US$100m-1.2b at an average of US$467m. To date, ILA estimates ~US$600m has been provided through US grants to develop a Marburg countermeasure with no result to date; it does highlight however the US government's desire for a countermeasure for Marburg. We believe it's reasonable to conclude that the US government would be ILA's first customer for Galidesivir in the event of FDA clearance. Based on historic sales for various countermeasures, ILA estimates that sales of Galidesivir to the US government's SNS for Marburg could amount to US$100-200m p.a., with replenishment every two years (given the shelf-life of the drug).

Beyond Marburg, it's interesting to observe that only one strain of Ebola (the Ebola Zaire species) has a countermeasure in the SNS (as far as we can deduce), and while measles is not classified as a Category A biothreat, there is no public evidence of countermeasures for measles in the SNS. While these are longer-dated opportunities, ILA believes that Galidesivir could be applied to three-four viruses over the medium-term including Ebola, yellow fever and measles, each potentially presenting a ~US$100-200m p.a. sale opportunity.

It's also worth noting that there are other government stockpiles that hold medical countermeasures, including Australia's National Medical Stockpile (NMS), Canada's National Emergency Strategic Stockpile (NESS), the UK's Chemical, Biological, Radiological, and Nuclear (CBRN) stockpile, and the EU's Health Emergency Preparedness and Response Authority / rescEU stockpiles; these are potential customer opportunities for Galidesivir to be sold into.

## Priority Review and Priority Review Voucher (PRV) potential

The final reason why Marburg is the logical indication to pursue first with Galidesivir is related to Priority Review and PRV potential.

Priority Review is a review designation that the FDA gives to certain NDAs or Biologics License Applications (BLAs). It is granted when a drug offers a significant therapeutic advance or addresses an unmet medical need for a serious condition; it effectively shortens the review goal from the standard 10-12 months, down to about six months. The benefit is obviously a faster FDA decision on approval which if positive, means earlier potential market entry. We believe ILA would likely request a Priority Review with its NDA submission and given the unaddressed nature of Marburg to date, we think a Priority Review is likely.

In addition, a PRV is a tradable reward issued by the FDA to encourage the development of drugs for neglected or high-threat diseases. PRVs have historically been issued upon FDA approval for qualifying drugs in one of these categories:

1. Tropical diseases (TD-PRV programme; active);
2. Rare paediatric diseases (RP-PRV programme; sunset); and
3. Medical countermeasures for biothreats (MCM-PRV programme; sunset).

Marburg qualifies under the TD-PRV programme (the only active PRV programme currently). The PRV itself is essentially a transferable token that the receiving company could use for any future drug applications to receive Priority Review. Alternatively, the company can sell the PRV to another company (it is tradable). The monetary value of PRVs is substantial, with recent transactions on market over 2024-2025 in the US$100-160m range. The reason for the high value is getting a drug to market four to six months earlier can be quite meaningful in sales for a large pharmaceutical company with a blockbuster drug. If Galidesivir is approved for Marburg by the FDA, we believe ILA is highly likely to receive a PRV, and from ILA's perspective it would make sense to sell the PRV to receive a large cash injection, which could be used to fund the business further and/or pay a dividend to shareholders.

To summarise, the Galidesivir opportunity appears promising due to several reasons. A substantial investment of over US$70m has already been spent on Galidesivir, with the drug deemed safe and NHP efficacy trials showing impressive results to date. Given the urgent and unmet need for a countermeasure drug against Marburg, a pathway exists for expediated FDA approval, with monetisation opportunities over the next 12-18 months. The following key milestones could potentially be achieved over the next 12 months:

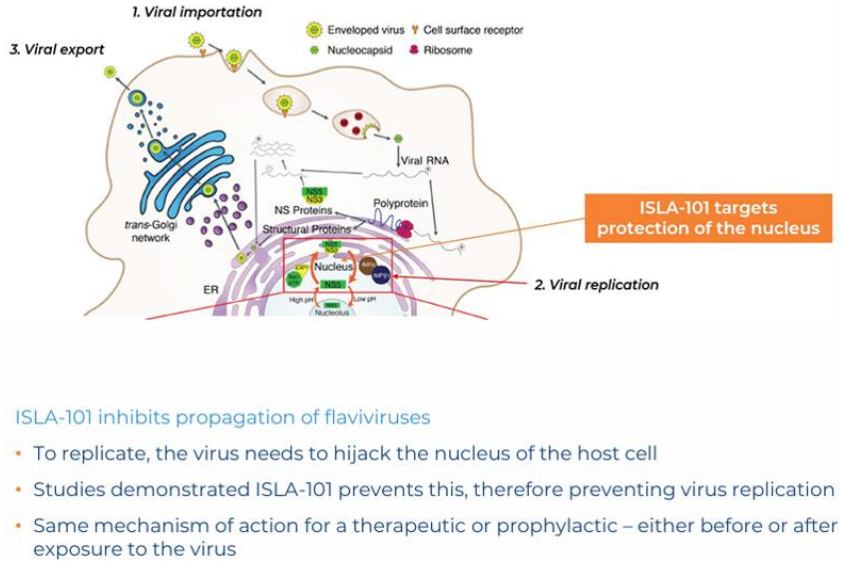
1. By 12 November 2025 (US time) – FDA allows the Animal Rule pathway to be used.
2. March quarter 2026 – NHP trial and results demonstrating efficacy against Marburg.
3. Mid-2026 – preparation of NDA and submission to the FDA.
4. December quarter 2026 – FDA clearance for Galidesivir for use against Marburg. Receipt of PRV (worth US$100-160m) and sale of drug to the US government for its SNS (estimated at US$100-200m p.a.).

## ISLA-101

Formerly known as Fenretinide, ISLA-101 is ILA's second key asset, which has been repurposed and has demonstrated activity against mosquito-borne flaviviruses including dengue, Zika, West Nile and yellow fever. Activity against dengue virus has shown the most promise to date, and what ISLA-101 is initially focused on.

ISLA-101 prevents the nuclear entry of the viral non-structural protein 5 (NS5) of the dengue virus into the host cell, thereby inhibiting a key step of the viral replication process. It is administered orally via a soft gel capsule and has been assessed prophylactically (to prevent virus infection) and therapeutically (as a treatment to virus infection) as part of its clinical programme. If the NS5 inhibition works, it means the drug could reduce viremia (viral load) and thereby reduce severity and duration of dengue infections.

**Exhibit 11: Mechanism of action for ISLA-101**




Source: Company data

## Historical development of ISLA-101

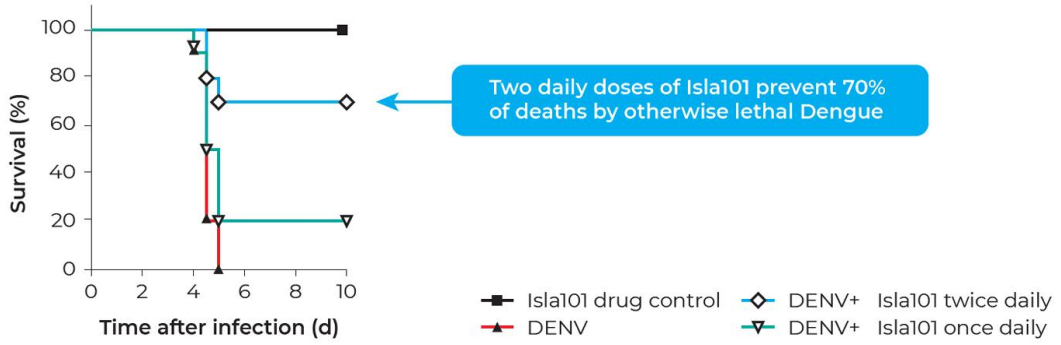
As a repurposed drug, ISLA-101 has already been part of 48 Phase I, II and III human clinical trials in indications including cancer and respiratory diseases. The drug was originally developed by McNeil Laboratories (a Johnson & Johnson company) and then investigated more broadly by Johnson & Johnson in oncology. While the drug was not found to be efficacious in Oncology, it was proven to be safe. Following this, the drug was donated/transferred to the US National Cancer Institute (NCI) which ran multiple cancer studies. Separate academic work by Monash University and Harvard University demonstrated antiviral activity versus flaviviruses; Monash University generated the IP portfolio for using ISLA-101 against all four strains of dengue, as well as other mosquito-borne viruses. Eventually, ILA executed an exclusive licence with Monash University covering the antiviral IP, and ILA is currently developing the asset.

## Dengue as the first indication for ISLA-101

As mentioned, ISLA-101 has demonstrated activity against many mosquito-borne flaviviruses including dengue, Zika, West Nile and yellow fever. See the 'Flaviviruses' and 'Dengue' sections of this report for further detail on these viruses.

When ILA acquired ISLA-101 as a repurposed drug, it focused its effort on dengue as the first indication given the promising data evident at the time. Specifically, ISLA-101 was shown to prevent death in 70% of subjects in extremely lethal dengue animal models, as per Exhibit 12.

**Exhibit 12: Animal models have shown prevention of death from lethal dengue**




Source: Company data

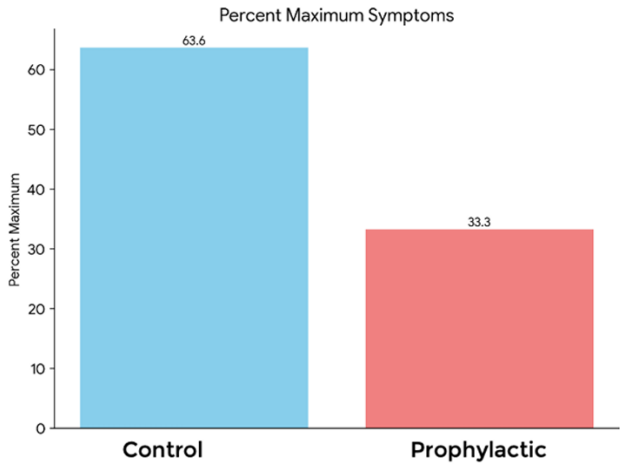
## Phase II trial for dengue

Since ILA listed in 2021, it sought to take ISLA-101 for dengue to Phase II trial. For various reasons, trial commencement was delayed by around two years due to inventory issues and FDA regulatory issues around dosing. Finally in August 2024, ILA's clinical trial protocol was cleared with the FDA, and the study structured as a Phase IIa/b trial with the active treatment being 600mg/m$^2$/day (per square metre of body surface area [BSA]), and dosage being 300mg/m$^2$/twice a day, 12 hours apart. The Phase 2a/b trial was named PROTECT – short for PROphylactic and TrEatment Challenge Trial and structured as follows:

1. Phase IIa – a prophylactic (preventative) arm. Four subjects randomised 3:1 (active:placebo). Subjects received ISLA-101 or placebo three days before being inoculated with an attenuated strain of dengue.
2. Phase IIb – a therapeutic (treatment) arm. 10 subjects randomised 8:2 (active:placebo). Subjects were inoculated with an attenuated strain of dengue and then administered with either ISLA-101 or placebo seven days post-virus exposure.

Phase IIa of the PROTECT trial was conducted in late 2024. Reduced viremia (the primary endpoint) was seen in subjects treated with ISLA-101, showing evidence of anti-dengue virus activity. The Safety Review Committee (SRC) saw no safety concerns and recommended that ILA proceed with Phase IIb which commenced in early 2025. Top-line results for Phase IIa/b were announced on 12 June 2025. Results from the preventative arm were encouraging, with a clinically meaningful reduction in both viremia and symptoms compared to control. With the therapeutic arm, however, while there was a reduction in viremia, a reduction in symptoms were less pronounced. The treatment result was not as positive as the preventative result.

**Exhibit 13: Phase IIa (prophylactic) showed patients doses with ISLA-101 were less sick**




Source: Company data

Currently, ILA is reviewing the data and obtaining guidance on recommended subsequent actions for the clinical development of ISLA-101. The potential course of action is likely to be determined some time in 2026. A possible scenario is that ILA decides to progress ISLA-101 as a preventative measure only (and not a treatment measure) in further clinical trials, moving to Phase III.

Like with Galidesivir, ISLA-101 is potentially eligible to receive a PRV upon approval by the FDA (see the Priority Review and Priority Review Voucher (PRV) potential section earlier in this report for further details on PRV), even if approved just as a prophylactic.

Beyond dengue, ISLA-101 could be applied to other flaviviruses, as the mechanism of action is the same. This potential opportunity is longer dated, and we would explore the possibility further in subsequent reports if ISLA-101 were to be approved by the FDA for dengue.

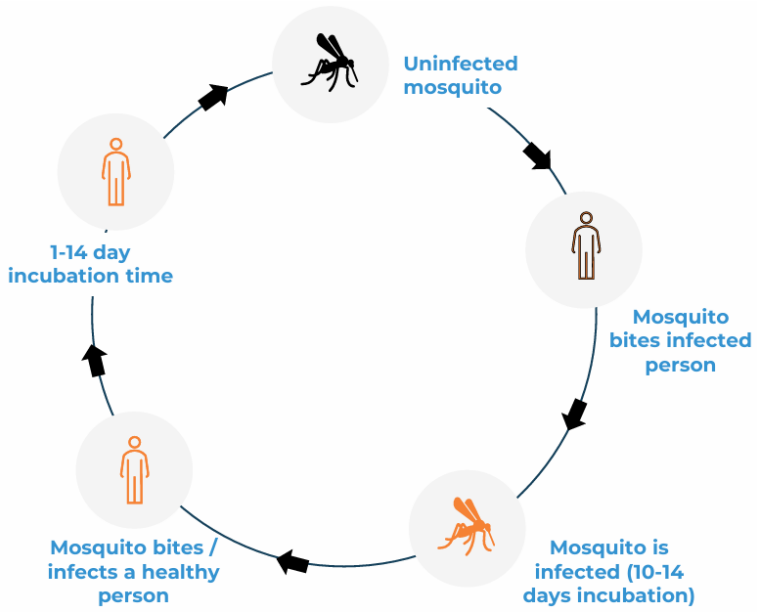
### Flaviviruses

Mosquito-borne flaviviruses pose a serious public health challenge and can cause severe illnesses in humans. There has been extensive global spread and epidemic transmission of various flaviviruses over the past several decades. While only sporadic dengue virus epidemics were documented before the second World War, it is estimated that tens or hundreds of millions of dengue infections occur annually (more in the section below) – it is the most wide-spread flavivirus in humans. Other flaviviruses infections are much more modest with reported infections for yellow fever at around 200,000 cases and 30,000 deaths annually[9] and Zika and West Nile in the thousands or tens of thousands of infections per year (although Zika did peak at 3,299,755 infections in 2016)[10]. Note these are *reported* infections, with actual total infections substantially higher.

### Dengue

Dengue is a viral infection spread by two main species of mosquitoes, Aedes aegypti (primary vector) and Aedes albopictus (secondary). It is found in tropical and subtropical regions across the world, particularly in areas where mosquito vectors thrive.

**Exhibit 14: Process of dengue infection**




Source: Company data

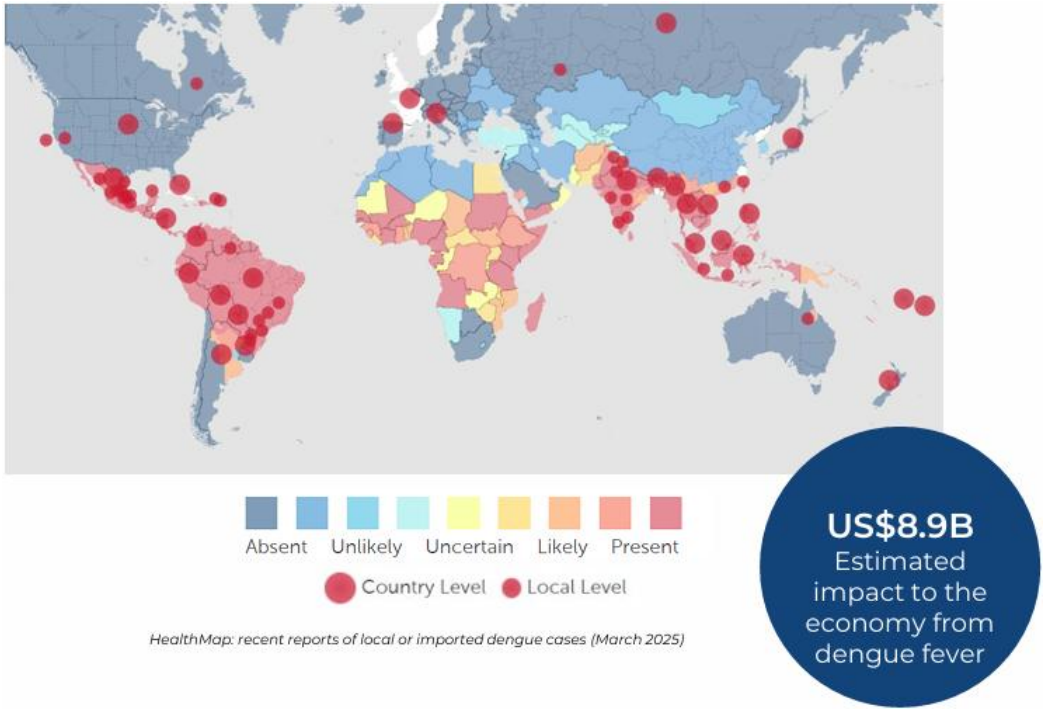
[9] https://emedicine.medscape.com/article/232244-overview#a6
[10] https://www.sciencedirect.com/science/article/pii/S1876034124002910

Dengue can affect anyone with most people infected experiencing mild or no symptoms. They typically get better in one to two weeks. Individuals who are infected for a second time, however, are at greater risk of severe dengue, and the symptoms often come after the initial fever has passed. These symptoms include severe abdominal pain, persistent vomiting, rapid breathing, shock, bleeding and seizure. Sometimes, dengue can be severe and lead to death. There is no treatment for dengue, so the approach is typically timely diagnosis of dengue and appropriate clinical management such as the use of relief medication for symptoms.

Dengue virus has four serotypes (DENV-1, DENV-2, DENV-3, DENV-4). Each serotype is a different strain and from the immune system's perspective, infection with one serotype provides long-term immunity to the same serotype and only transient immunity to the other serotypes.

About half of the world's population (~4b people) live in areas at risk of dengue and the disease is endemic in more than 100 countries[11].

**Exhibit 15: Dengue – common, spreading and costly**

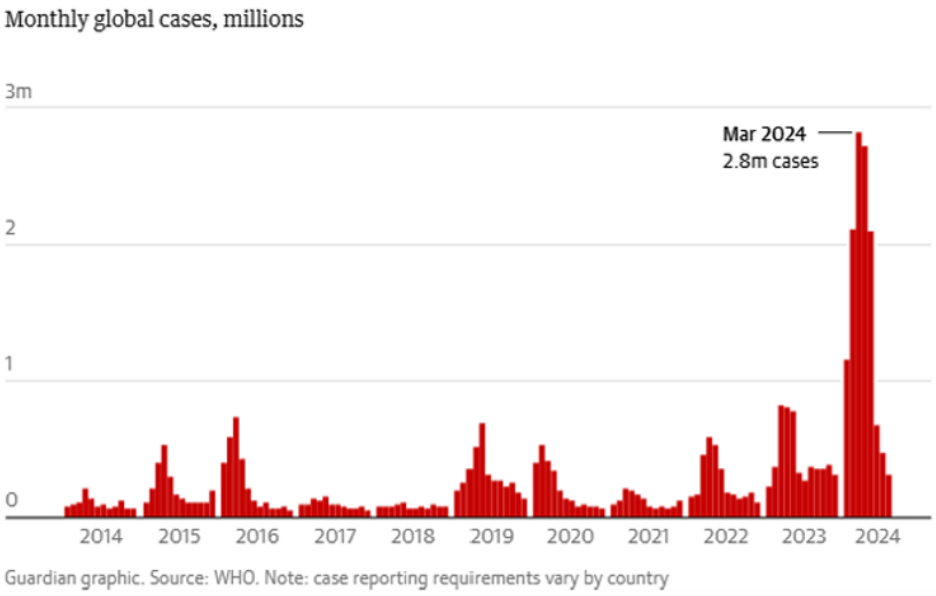



Source: Company data

The incidence of dengue has grown worldwide substantially over time, with the number of cases reported to the World Health Organisation (WHO) increasing from 505,430 cases in 2000 to 14.6m in 2024 (a historic high), and with more than 12,000 dengue-related deaths reported in 2024. Note these numbers are based on *reported* cases to the WHO. For *actual* infections, model estimates vary widely with some suggesting 50-100m[12] cases of dengue infections per year worldwide, up to 390m[13] and 400m[14]. If the ratio of 12,000 *reported* deaths to 14.6m *reported* cases is applied to model estimates of 400m infections per year, it would equate to ~329k deaths annually.

[11] https://www.who.int/news-room/fact-sheets/detail/dengue-and-severe-dengue
[12] https://www.who.int/news-room/questions-and-answers/item/dengue-and-severe-dengue
[13] https://pmc.ncbi.nlm.nih.gov/articles/PMC9210046
[14] https://pmc.ncbi.nlm.nih.gov/articles/PMC7696730

**Exhibit 16: Global cases of dengue fever rose steeply in 2024**




Source: WHO

## The market opportunity – the vaccine market for dengue

While there is currently no specific treatment for dengue, it is instructive to assess the vaccine market for dengue. A vaccine is a prophylactic given before infection to build up immune system protection, in this case against the dengue virus. Currently, there are two licensed vaccines for dengue that cover all four strains (although effectiveness against all four strains has been questioned[15] [16]) – Dengvaxia (CYD-TDV) by Sanofi Pasteur and Qdenga (TAK-003) by Takeda Pharmaceuticals. Outside of these two vaccines, there are several clinical-stage vaccines currently in trials.

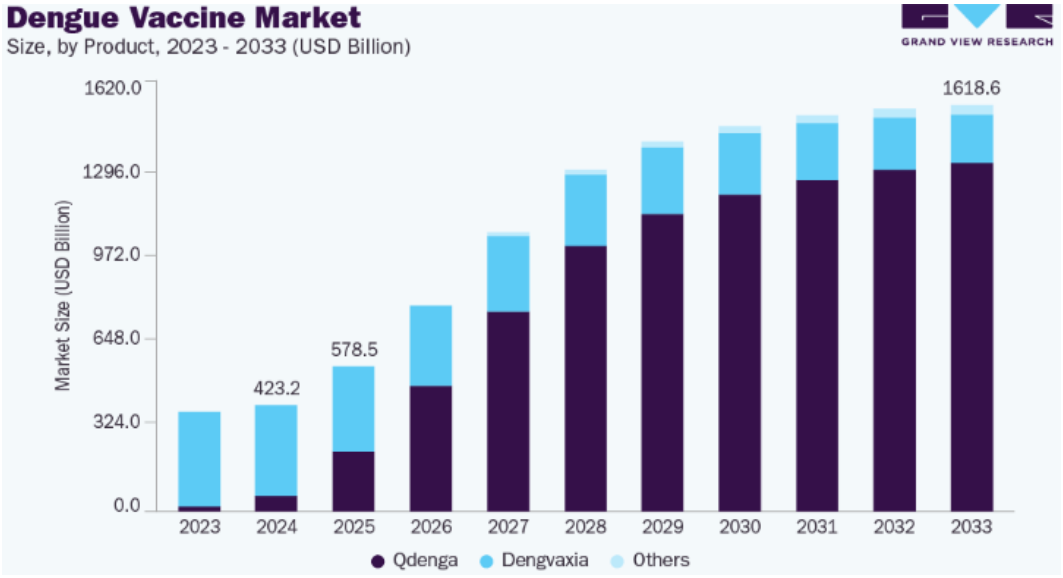
Dengvaxia was the first dengue vaccine ever licensed (in 2015 in the Philippines), however, later data showed that in people without prior dengue exposure, vaccination could increase the risk of severe dengue fever if they later became infected; Dengvaxia's own label has been modified by the FDA to be not approved for use in individuals not previously infected by any dengue virus serotype[17]; consequently, it has more limited use and Sanofi Pasteur itself has shifted focus away from Dengvaxia commercialisation and says it no longer seeks new markets.

Qdenga first received regulatory approval in Indonesia on 22 August 2022 and is now available in 29 countries with additional approvals pending. The company itself projects peak sales of Qdenga globally at US$1.6-2.0b by 2030[18]. Related to this, the company aims to ramp up production to 100m doses annually by 2030. Currently, Qdenga sells for about US$40 per dose in endemic countries (e.g. Indonesia) while in the travel and private-market setting (e.g. Germany and the UK) it sells for around $110-120 per dose.

The dengue vaccine market is currently US$578.5m in size between the two key vaccines mentioned and expected to grow at 13.7% CAGR to 2033[19], as per Exhibit 17.

[15] https://www.nature.com/articles/s41591-025-03771-y.pdf
[16] https://www.sciencedirect.com/science/article/pii/S2590136224001773
[17] https://www.fda.gov/media/187189/download
[18] https://pj.jiho.jp/article/248511
[19] https://www.grandviewresearch.com/industry-analysis/dengue-vaccine-market-report

**Exhibit 17: Dengue vaccine market growth forecast**




Source: Grand View Research

If ISLA-101 was approved as a *prophylactic* only, the above dengue vaccine market estimate gives some guide as to the market opportunity in endemic countries. In reality, ISLA-101 would probably be complementary to vaccines given the use cases are different e.g. vaccines can take months to become effective in a human body, while ISLA-101 could be used effectively short term on an outbreak-by-outbreak basis. Furthermore, a dengue vaccine ideally should be effective against all four serotypes (as mentioned earlier, this is not necessarily the case with the two registered vaccines), while ISLA-101 has demonstrated similar efficacy against all four serotypes). The drawback to ISLA-101 vs vaccines is that ISLA-101 is effective only while the drug is being taken, while vaccines by nature improve the immune system over the longer term.

Outside of endemic markets, ISLA-101 would likely be used as a prophylactic in the travel medicine market i.e. when a traveller from a developed country might travel to a dengue endemic country. As a guide, this is currently done with antimalarials in the travel medicine market.

If ISLA-101 was approved as a *treatment* as well, the addressable market is potentially larger again. As per Exhibit 18, the global dengue fever treatment market is projected to grow from US$2.14b in 2024 to US$3.87b by 2035[20]. With no specific treatment for currently available, ILA would be first to market with an antiviral drug.

[20] https://www.marketresearchfuture.com/reports/dengue-fever-treatment-market-9269

**Exhibit 18: Dengue fever treatment market growth forecast**


Source: Market Research Future

Finally, if ISLA-101 is successful against dengue, it could be explored for other flaviviruses including yellow fever, Zika and West Nile over time as the mechanism of action is the same.

## Galidesivir competitors

While Galidesivir has shown activity across +20 RNA viruses, the short-term focus is on filoviruses (of which Marburg is the first that Galidesivir is targeting).

Exhibit 19 shows the companies with filovirus (Marburg/Ebola) countermeasures that we could find. While there are many focused on Ebola (Zaire strain), competition in Marburg is limited.

**Exhibit 19: Companies working on filovirus countermeasures**

| Company | Countermeasure (product) | Modality | Filovirus target(s) | Stage / Status | Notes / Partners |
|---|---|---|---|---|---|
| Regeneron | Inmazeb (REGN-EB3) | 3-mAb cocktail | Ebola Zaire | FDA-approved (Oct 14, 2020) | First FDA-approved Ebola treatment; stockpiled |
| Ridgeback Biotherapeutics | Ebanga (ansuvimab/mAb114) | mAb | Ebola Zaire | FDA-approved (Dec 21, 2020) | Originator; commercial partner Emergent in U.S./Canada |
| Emergent BioSolutions | Ebanga distribution | Commercial/ manufacturing | Ebola Zaire | Commercial partner | Manages supply & distribution contracts/stockpiles |
| Merck (MSD) | Ervebo (rVSV-ZEBOV) | Live viral-vector vaccine | Ebola Zaire | FDA-approved (Dec 2019) | Global stockpiles via Gavi/WHO |
| Janssen (J&J) + Bavarian Nordic | Zabdeno/Mvabea | Ad26 prime + MVA-BN booster | Ebola Zaire | EU-authorised (Jul 1, 2020) | Heterologous 2-dose regimen; preparedness use |
| Mapp Biopharmaceutical | ZMapp | 3-mAb cocktail (plant-made) | Ebola Zaire | Investigational (not approved) | Historic emergency use; superseded by mAb114/REGN-EB3 efficacy |
| Gilead Sciences | Remdesivir | Small-molecule antiviral | Ebola (trialed) | Not approved for Ebola | mAb arms outperformed RDV |
| IAVI | rVSVΔG-MARV-GP | Live viral-vector vaccine | Marburg | Phase 1 planned/initiating (program factsheets) | Same rVSV tech family as Ervebo; strong NHP data |
| Oxford (Jenner Inst.) | ChAdOx1-Marburg | Adenoviral-vector vaccine | Marburg | First-in-human trial launched Jul 2024 | MAGIC-01 Phase 1 in adults |
| Sabin Vaccine Institute | cAd3-Marburg (and cAd3-Sudan) | Adenoviral-vector vaccines | Marburg / Sudan ebolavirus | Phase 2 (2025); BARDA-supported | Outbreak response doses supplied; ReiThera as mfg partner |
| ReiThera (CDMO) | cAd3-Sudan/Marburg | Viral-vector vaccine | Sudan / Marburg | Supplying Phase 2 material; Uganda trial launch | CDMO supporting Sabin programs |
| CanSino Biologics | Ad5-EBOV | Adenoviral-vector vaccine | Ebola Zaire | China NDA approval (Oct 19, 2017) | In China's national stockpile |
| Gamaleya | GamEvac-Combi | rVSV + rAd5 prime-boost | Ebola Zaire | Russia approval (Dec 2015) | Used in Guinea cohorts; domestic authorization |
| GeoVax | GEO-EM01 | MVA-VLP vaccine | Ebola (Zaire/Sudan) | Preclinical; macaque protection | Patent activity; MVA-VLP platform |
| GSK (with NIH/NIAID) | cAd3-EBO-Z | Adenoviral-vector vaccine | Ebola Zaire | Phase III effort during 2015 outbreak (non-commercial) | Major 2014–15 deployments for trials |
| SAB Biotherapeutics | SAB-139 | Fully human polyclonal antibodies | Ebola Zaire | Preclinical NHP/rodent data | Tc-bovine platform; survival benefit in models |
| Vaxart | Oral Ebola vaccine (Ad5 tablet) | Oral adenoviral vaccine | Ebola Zaire | Preclinical/early development | Tablet-based platform; cold-chain-lite concept |

Source: RaaS research

The only FDA-approved treatments today are Inmazeb and Ebanga, both for Ebola (Zaire). Ervebo is the sole FDA-approved vaccine for Ebola (Zaire). Zabdeno/Mvabea is a vaccine combination for Ebola (Zaire) approved in the EU. Interestingly, the companies targeting Marburg are few and at various stages, and all are targeting vaccines. ILA's Galidesivir is the only drug targeting treatment.

## ISLA-101 competitors

For ISLA-101 competitors, we focus on companies working on treatments and vaccines for flaviviruses. Exhibit 20 shows the companies that we could find.

**Exhibit 20: Companies working on flavivirus countermeasures**

| Company | Product / Program | Modality | Flavivirus Target(s) | Stage / Status | Notes / Partners |
|---|---|---|---|---|---|
| Enanta Pharmaceuticals | NS3 protease / NS5 polymerase inhibitors | Small-molecule antiviral | Dengue virus (Flavivirus genus) | Preclinical / discovery | Using HCV expertise to design pan-flavivirus inhibitors targeting viral replication |
| Ridgeback Biotherapeutics | Broad-spectrum RNA virus nucleoside analogs | Small molecule antiviral | Dengue virus and Zika virus (pan-flavivirus potential) | Preclinical | Developing oral antivirals leveraging mAb and nucleoside platforms used in Ebola and COVID |
| Takeda Pharmaceuticals | Qdenga (TAK-003) | Live-attenuated tetravalent vaccine | Dengue virus (4 serotypes) | Approved (EU 2022, WHO PQ 2024) | Not a treatment but establishes Takeda's flavivirus domain leadership |
| Sanofi Pasteur | Dengvaxia (CYD-TDV) | Live recombinant tetravalent vaccine | Dengue virus (4 serotypes) | Approved (>20 countries, WHO 2015) | First dengue vaccine; used mainly in previously infected populations due to ADE risk |
| Moderna | mRNA-1893 | mRNA vaccine candidate | Zika virus | Phase 2 clinical trial | Platform applicable to other flaviviruses; partnered with NIH |
| ReiThera Srl | GRAd-Zika (vaccine vector platform) | Adenoviral vector vaccine | Zika virus | Preclinical | Italian CDMO; platform adaptable to Zika and other flavivirus antigens |
| IAVI / Batavia Biosciences | rVSV vector programs | Viral-vector vaccine platform | Zika and related flaviviruses | Discovery / prototype stage | rVSV platform adapted from Ervebo (Ebola) to flavivirus antigens |
| 48 Bio / academic collaborators | Small-molecule and antibody screening programs | Drug discovery | Dengue virus and Zika virus | Early preclinical | NIH-funded screening consortium for pan-flavivirus inhibitors and neutralizing antibodies |
| Emergent BioSolutions / BARDA | Broad-spectrum antiviral procurement programs | Government R&D support | Dengue, Zika, yellow fever | Funded projects (2020–present) | Focused on biodefense and outbreak preparedness antivirals |

Source: RaaS research

We note the flavivirus countermeasure landscape is dominated by vaccine programmes. Flavivirus antiviral development is generally at earlier preclinical stages. ILA is the most advanced of the group, having completed Phase IIa/b trials.

# Key ILA Financials

## Revenue

We detail our key revenue assumptions below.

- **Galidesivir**. We assume that the FDA ultimately approves Galidesivir for Marburg. Regardless of whether one or two more NHP trials are required (they are relatively short trials), we model receipt of a PRV that ILA sells for US$150m (A$231m) in H2 FY27. ILA nets 75% of the proceeds (A$173m) as BioCryst receives 25% of PRV sale proceeds as agreed. We also assume that ILA sells Galidesivir directly to the US government for its SNS in H2 FY27, receiving US$200m (A$308m) every two years (the shelf life of Galidesivir). This is effectively US$100m annualised, we regard this as a conservative assumption given what the US government has paid for other proven countermeasures against Category A biothreats. Repeat sales are modelled out to FY33, the year that patents on Galidesivir currently run out to. N.B. new formulations developed over the next several years could extend the IP, but we have not assumed that in our modelling. Also note that Galidesivir has potential to be sold to other customers and could see label expansion and be sold for other viruses, but we do not model this yet.
- **ISLA-101.** We assume that ISLA-101 is approved for dengue as a *prophylactic only* and commercialisation begins in FY29. We do not assume that it is sold as a therapy yet given the Phase IIa/b studies were not as compelling. Given commercialisation is at least several years away, we have not made specific assumptions around number of doses, price etc. Rather, we have taken dengue vaccine market projections for FY29 at around US$1.4b, assumed that ISLA-101 takes a 25% market share, and employs a licensing model where ILA gets a 20% royalty on all sales. Market estimates are for the dengue vaccine market to grow by 13.7% between 2023-2033; we assume a 5% growth rate p.a. over the forecast period. While ISLA-101 may qualify for a PRV, given potential approval is several years away, we do not assume this being received (as another dengue antiviral drug or biologic might make it to the market first, capturing the PRV on offer).

## Gross margin

Gross margins for both drugs should be reasonably high, given low to moderate COGS for small-molecule antivirals. We assume a 20% COGS for both drugs, meaning gross margins of 80%.

## Operating costs

Key operating costs for ILA and our key assumptions for each line item are summarised below:

- **Employee** costs represent a relatively low cost as we assume that ISLA-101 is licensed out to a partner, while Galidesivir would be sold primarily through government procurement (e.g. SNS contracts) meaning that sales and marketing resources should be minimal. We estimate employee costs to be 3-4% of revenues.
- **Operating** expenses are modelled at around 10-15% of revenues over the forecast period, which covers the (small) corporate footprint, regulatory and compliance requirements, and scaling up for direct sales of Galidesivir.
- **R&D** costs range 10-15% of revenues over the forecast period, covering clinical trials, ongoing formulation and label expansion work.

A financial summary for ILA is presented in Exhibit 21.

**Exhibit 21: ILA P&L summary FY24a-FY28f (A$m unless specified)**

| Year-ended June | 2024a | 2025a | 2026f | 2027f | 2028f |
|---|---|---|---|---|---|
| **Revenue** | **0** | **0** | **0** | **480.77** | **0** |
| % growth | n.a. | n.a. | n.a. | n.a. | n.a. |
| Galidesivir | 0 | 0 | 0 | 307.69 | 0 |
| ISLA-101 | 0 | 0 | 0 | 0 | 0 |
| PRV | 0 | 0 | 0 | 173.08 | 0 |
| Other | 1.26 | 0.12 | 0 | 0 | 0 |
| | | | | | |
| Gross profit | 0 | 0 | 0 | 419.23 | 0 |
| GP (%) | 0 | 0 | 0 | 87 | 0 |
| | | | | | |
| Costs | 4.13 | 3.74 | 6.53 | 18.80 | 22.01 |
| **Adj. EBITDA** | **(2.86)** | **(3.62)** | **(6.53)** | **400.44** | **(22.01)** |
| D&A | 0 | 0 | 0 | 0 | 0 |
| **EBIT** | **(2.86)** | **(3.62)** | **(6.53)** | **400.44** | **(22.01)** |
| Interest income/(expense) | (0.05) | 0.03 | 0.01 | 0.00 | 0.26 |
| Tax expense/(income) | 0 | 0 | (1.96) | 120.13 | (6.53) |
| **NPATA** | **(2.87)** | **(3.58)** | **(4.57)** | **280.30** | **(15.23)** |

Source: Company data for actuals, RaaS estimates for FY26f-FY28f

## Other Financial Commentary

### Cash flow

**First meaningful cash flows** are only expected in FY27 with the sale of the PRV voucher (one-off) and first sales of Galidesivir to the US government, with cash received upfront on delivery. From here, we assume repeat sales of Galidesivir to the US government every two years and cash received accordingly, with the last sale in FY33. While lucrative, this makes for a lumpy cash profile.

We assume cash flow from royalties received from the sale of ISLA-101 from FY29 onwards. This second income stream should help reduce the lumpiness of cash flows to ILA, as royalties should be a regular and increasing amount over the forecast period.

**Minimal capex spend** is forecast as ILA would not manufacture directly from its own facilities. Rather, it would likely supply the US SNS through contract manufacturing. Using a Contract Manufacturing Organisation (CMO) is standard for other biodefence suppliers like SIGA Technologies and Emergent BioSolutions.

**Cash burn for the next 12 months**. Cash burn in the September 2025 quarter was $0.8m. If the company can proceed down the Animal Rule pathway, each NHP trial would cost US$3-4m. It is quite likely that ILA would look to raise equity next year on the back of positive developments with its Galidesivir programme.

### Balance sheet

**Cash at bank as of 30 September 2025 was $6.9m**.

**Options in the money.** With all options outstanding significantly in the money, we expect the exercise of options to result in $1.0m of additional cash in December 2025, $0.3m in April 2026 and $1.4m in December 2026.

**No borrowings** on the balance sheet.

**No intangibles** are listed.

## Valuation

ILA is a unique company (as many biotechs are) so regarding peer analysis we can make some high-level observations. If ILA is successfully granted Animal Rule pathway, it would be functionally equivalent in evidentiary weight for FDA approval purposes to Phase III. Given trial data to date is strong, and the addressable markets are sizable, it seems reasonable that ILA should trade at a higher market cap more commensurate with biotech companies at Phase III stage. This could be in the order of $300m or higher, provided milestones are met over the next 12 months.

### DCF valuation

We use a DCF methodology, specifically a probability-weighted NPV (rNPV), as our primary valuation approach, as is typical with biotechs given timelines and catalysts are binary and tied to regulatory milestones rather than steady cash flows.

Earnings are estimated out to FY35, with a heavily discounted terminal value to reflect expiry of patents. Our unrisked valuation (NPV) is $2.52/share. To this, we assign a Probability-of-Success (PoS) weighting of 30% given many milestones are yet to be achieved over the next 12 months. This yields a rNPV of $0.76/share. We anticipate increasing the PoS applied to the NPV as milestones are met over the next 12 months, to potentially achieve our unrisked NPV over time.

We would highlight the following as being key drivers/assumptions of this valuation:

- 15.1% discount rate incorporating a beta of 1.7x, RFR 4.0% and equity risk premium of 6.5%;
- Perpetuity growth rate of 2.2%, capturing expiry of patents; PV of terminal value is <20% of total NPV;
- Galidesivir sales is for Marburg only, from FY27 to FY33. 10% royalty cost paid to BioCryst;
- ISLA-101 sales as a dengue preventative drug only beginning in FY29. ISLA-101 takes a 25% market share of the US$1.4b dengue vaccine market, growing at 5% p.a., with a 20% royalty;
- Sustainable EBITDA margin of ~60%;
- Shares on issue are fully diluted to 298.4m shares; and
- No acquisitions.

**Exhibit 22: ILA base-case rNPV (in A$m unless otherwise stated)**

| Parameters | Outcome |
|---|---|
| Discount rate/WACC (%) | 15.1 |
| Beta (x) | 1.7 |
| Terminal growth rate assumption (%) | 2.2 |
| | |
| Sum of PV ($m) | 631.7 |
| PV of terminal value ($m) | 114.3 |
| PV of enterprise ($m) | 745.9 |
| Debt (cash) @ December 2024 ($m) | (6.9) |
| Net value – shareholder ($m) | 752.8 |
| No. of diluted shares on issue (m) | 298.4 |
| NPV ($/share) | **2.52** |
| rNPV ($/share) – 30% Probability of Success applied | **0.76** |

Source: RaaS estimates

## SWOT Analysis

We see the strengths and opportunities for ILA outweighing weakness and threats.

Our Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis is summarised below.

**Exhibit 23: Strengths, Weaknesses, Opportunities, Threats**

| Strengths | Opportunities |
|---|---|
| Dual de-risking clinical trials, with strong results to date | Biodefence procurement tailwinds from national stockpiles |
| Capital-light structure – repurposed drugs and outsourcing | First-in-class dengue antiviral for large unmet-need market |
| FDA-recognised paths – Animal Rule and drug repurposing | PRV monetisation – US$100-160m potential for each drug |
| Access to non-dilutive funding potential with PRV | Regional licensing and co-development for ISLA-101 |
| Founders and insiders own 31.7% | Platform optionality – label extension potential for other indications |
| **Weaknesses** | **Threats** |
| Binary regulatory outcomes on each asset programme | Competing antiviral entrants for dengue |
| Limited internal infrastructure e.g. for clinical operations | Regulatory uncertainty under the Animal Rule |
| Thin balance sheet – may require further capital raises | Funding environment volatility |
| Low market visibility – early stage, microcap status | Manufacturing / supply chain dependency |

Source: RaaS analysis

## Key Sensitivities and Risks

Following are the RaaS assessed key sensitivities and risks around earnings forecast and resulting valuation:

### Sales and market share assumptions

While the demand for a countermeasure for Marburg is high, the quantum of any potential sales is likely a wide range. We erred on the side of caution for our estimate on sales of Galidesivir, but even that might prove to be too high. For ISLA-101, we have assumed it sells as a preventative drug only, achieving effectively a 25% penetration on the estimated size of the dengue vaccine market, but that might prove to be too high.

### Discount rates applied to NPV

We currently apply a WACC of 15.1% incorporating a beta of 1.7x to arrive at our NPV valuation. At this stage, a Probability of Success (PoS) of 30% is also applied given the numerous binary events expected over the next 12 months. We expect the PoS applied to increase over time as milestones are met favourably.

### Regulatory and clinical risk

Binary approval outcomes – Galidesivir's success and time to market depends on securing Animal Rule pathway, reproducing strong efficacy results, and ultimately FDA clearance. Any additional data requirements or shifting of FDA guidance could delay or invalidate approval timelines. Similarly, ISLA-101's success depends on potential Phase III outcomes.

### Competitive and market risk

ISLA-101 commercialisation is several years away, so first-mover other similar drugs could make it to market first, narrowing ISLA-101's market opportunity. This also impact ISLA-101's qualification to receive a PRV.

### Funding and execution risk

Ongoing capital requirements, as ILA remains pre-revenue and is likely to require equity raising to fund progress including further clinical trials, R&D and regulatory submissions. If ILA gets to commercialisation stage, ILA will rely on contract research and manufacturing partners; delays, quality issues or partner disputes could disrupt progress.

## Board of Directors

The Board is currently small in size with three Directors, but has been appropriate in being able to function and move quickly on opportunities. We expect the Board to grow in size as the company matures over time.

**Jason Carroll, Non-Executive Chairman**. Mr Carroll is a very experienced life sciences executive with a 34-year career in the industry. He was appointed Chairman on 2 July 2025. In addition, he is currently CEO and Executive Director of Tryptamine Therapeutics (ASX:TYP).

Mr Carroll brings specialist expertise in both R&D and corporate strategy, and has held leadership roles at industry giants Johnson & Johnson, Janssen Pharmaceutica, iNova Pharmaceuticals and Bristol-Myers Squibb. Past roles have covered operations, sales and marketing, and business development.

Mr Carroll has expertise across pharmaceuticals, biologics, medical devices, OTC and consumer medicines. He received his B.Sc. in Organic Chemistry from Flinders University in South Australia and completed his Master of Business Administration in Technology Management from Deakin University.

Mr Carroll has been a substantial shareholder of ILA since 2021 and has invested several million dollars of his own money on-market since becoming a shareholder.

**David Foster, Managing Director and Chief Executive Officer**. Dr Foster was appointed Managing Director on 1 October 2020. He has over 25 years of experience in private legal practice, representing early-stage pharmaceutical and biotechnology companies developing a variety of therapeutics including biologics and small molecules. He has also served as intellectual property counsel at Medarex, a mid-sized biotherapeutics company, acquired by Bristol-Myers Squibb.

Dr Foster co-founded Robers Foster LLP – a technology focused law firm, and is a board member of BioNTX – a regional life science trade association. He is also a Member of the Australian Institute of Company Directors. He holds a Ph.D. from The University of Texas Southwestern Medical Center and J.D. from Golden Gate University School of Law.

**Christopher Ntoumenopoulos, Non-Executive Director**. Mr Ntoumenopoulos was appointed Non-Executive Director on 19 November 2024. He is the Managing Director of Twenty 1 Corporate, an Australian-based corporate advisory firm. He has extensive experience in financial markets, with over 20 years of raising capital and providing corporate advisory services.

He was a founding director of both ResApp Health (ASX:RAP) which was acquired by Pfizer, and Race Oncology (ASX:RAC). Currently, he serves as a non-executive director at TrivarX (ASX:TRI) and Tryptamine Therapeutics (ASX:TYP).

## Shareholders

Founders and insiders account for 31.6% of the register. Dr William Garner is the co-founder of ILA and its largest shareholder with a 16.4% shareholding. Jason Carroll is the Chairman and has a 12.2% shareholding. MWP Partners is an institutional fund manager based in Hong Kong and has an 8.3% holding. Dr Daniel Tillett is the Managing Director of Race Oncology and is a well-regarded biotech specialist and investor, and owns 5.5%. Dr David Foster is the CEO and Managing Director and a co-founder and has a 2.5% shareholding.

**Exhibit 24: ILA substantial shareholders November 2025**

| Holder | % total |
|---|---|
| Dr William James Garner | 16.4 |
| Jason Carroll | 12.2 |
| MWP Partners Limited | 8.3 |
| Dr Daniel Tillett | 5.5 |
| Dr David Foster | 2.5 |

Source: ASX disclosures

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## Exhibit 25: ILA Financial Summary

| Island Pharmaceuticals (ASX:ILA) | | | | | |
|---|---|---|---|---|---|
| **Profit and Loss (A$m)** | | | | | |
| **Y/E 30 June** | **FY24A** | **FY25A** | **FY26F** | **FY27F** | **FY28F** |
| Sales Revenue | 0.0 | 0.0 | 0.0 | 480.8 | 0.0 |
| Gross Profit | 0.0 | 0.0 | 0.0 | 419.2 | 0.0 |
| EBITDA underlying | (2.9) | (3.6) | (6.5) | 400.4 | (22.0) |
| Depn | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amort | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT underlying | (2.9) | (3.6) | (6.5) | 400.4 | (22.0) |
| Interest | (0.1) | 0.0 | 0.0 | (0.0) | 0.3 |
| Tax | 0.0 | 0.0 | 2.0 | (120.1) | 6.5 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equity accounted assoc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NPAT pre significant items* | (2.9) | (3.6) | (4.6) | 280.3 | (15.2) |
| Significant items | 0.0 | (0.3) | 0.0 | 0.0 | 0.0 |
| **NPAT (reported)** | **(2.9)** | **(3.9)** | **(4.6)** | **280.3** | **(15.2)** |
| **Cash flow (A$m)** | | | | | |
| **Y/E 30 June** | **FY24A** | **FY25A** | **FY26F** | **FY27F** | **FY28F** |
| EBITDA underlying (Stat) | (2.9) | (3.6) | (6.5) | 400.4 | (22.0) |
| Interest | 0.0 | 0.1 | 0.0 | (0.0) | 0.3 |
| Tax | 0.0 | 0.0 | 0.0 | (122.8) | 0.0 |
| Working capital changes | (0.3) | 0.8 | (1.8) | (13.9) | 13.9 |
| Operating cash flow | (3.2) | (2.8) | (8.3) | 263.7 | (7.9) |
| Mtce capex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free cash flow | (3.2) | (2.8) | (8.3) | 263.7 | (7.9) |
| Growth capex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acquisitions/Disposals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow pre financing | (3.2) | (2.8) | (8.3) | 263.7 | (7.9) |
| Equity | 2.6 | 8.8 | 0.0 | 0.0 | 0.0 |
| Debt | 0.4 | (0.4) | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow for year | (0.2) | 5.6 | (8.3) | 263.7 | (7.9) |
| **Balance sheet (A$m)** | | | | | |
| **Y/E 30 June** | **FY24A** | **FY25A** | **FY26F** | **FY27F** | **FY28F** |
| Cash | 1.7 | 7.3 | 0.6 | 264.3 | 256.4 |
| Accounts receivable | 0.9 | 0.2 | 0.0 | 24.2 | 0.0 |
| Inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current assets | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| *Total current assets* | *2.6* | *7.5* | *0.7* | *288.6* | *256.5* |
| PPE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Intangibles and Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax asset | 0.0 | 0.0 | 2.0 | 4.7 | 11.2 |
| Other non current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *Total non current assets* | *0.0* | *0.0* | *2.0* | *4.7* | *11.2* |
| **Total Assets** | 2.6 | 7.5 | 2.6 | 293.3 | 267.7 |
| Accounts payable | 0.6 | 0.3 | 0.0 | 10.3 | 0.0 |
| Short term debt | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax payable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current liabilities | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| *Total current liabilities* | *1.0* | *0.3* | *0.0* | *10.4* | *0.0* |
| Long term debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non current liabs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *Total long term liabilities* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| **Total Liabilities** | 1.0 | 0.3 | 0.0 | 10.4 | 0.0 |
| **Net Assets** | **1.5** | **7.2** | **2.6** | **282.9** | **267.7** |
| | | | | | |
| Share capital | 22.4 | 31.6 | 31.6 | 31.6 | 31.6 |
| Accumulated profits/losses | (21.2) | (25.1) | (29.7) | 250.6 | 235.4 |
| Reserves | 0.3 | 0.6 | 0.6 | 0.6 | 0.6 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Shareholder funds** | **1.5** | **7.2** | **2.6** | **282.9** | **267.7** |

| Share price (11 November 2025) | | | | | | A$ | 0.48 |
|---|---|---|---|---|---|---|---|
| **Interim (A$m)** | **H125A** | **H225A** | **H126F** | **H226F** | **H127F** | **H227F** |
| Revenue | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 480.8 |
| EBITDA | (1.5) | (2.2) | (1.8) | (4.8) | (9.0) | 409.4 |
| EBIT | (1.5) | (2.2) | (1.8) | (4.8) | (9.0) | 409.4 |
| NPAT (normalised) | (1.5) | (2.1) | (1.2) | (3.3) | (6.3) | 286.6 |
| Minorities | - | - | - | - | - | - |
| NPAT (reported) | (1.5) | (2.4) | (1.2) | (3.3) | (6.3) | 286.6 |
| EPS (normalised) | (0.85) | (1.22) | (0.52) | (1.24) | (2.33) | 98.88 |
| EPS (reported) | (0.84) | (1.42) | (0.45) | (1.24) | (2.17) | 98.23 |
| Dividend (cps) | - | - | - | - | - | - |
| Imputation | - | - | - | - | - | 30.0 |
| Operating cash flow | 2.2 | (4.9) | (3.5) | (4.8) | (9.0) | 272.7 |
| Free Cash flow | 3.2 | (6.0) | (3.5) | (4.8) | (9.0) | 272.7 |
| **Divisions** | **H125A** | **H225A** | **H126F** | **H226F** | **H127F** | **H227F** |
| Galidesivir | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 307.7 |
| ISLA-101 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Sales revenue** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **307.7** |
| | | | | | | |
| COGS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (61.5) |
| Employment costs | (0.1) | (0.2) | (0.3) | (0.3) | (0.5) | (0.5) |
| Operating costs | (0.7) | (1.3) | (0.5) | (0.5) | (2.5) | (3.0) |
| R&D costs | (0.7) | (0.7) | (1.0) | (4.0) | (6.0) | (6.3) |
| | | | | | | |
| EBITDA (adjusted) | (1.5) | 6.7 | (1.8) | (4.8) | (9.0) | 409.4 |

| Margins, Leverage, Returns | | FY24A | FY25A | FY26F | FY27F | FY28F |
|---|---|---|---|---|---|---|
| EBITDA | | n/a | n/a | n/a | 83.3% | n/a |
| EBIT | | n/a | n/a | n/a | 83.3% | n/a |
| NPAT pre significant items | | n/a | n/a | n/a | 58.3% | n/a |
| Net Debt (Cash) | | 1.2 | 7.3 | 0.6 | 264.3 | 256.4 |
| Net Debt/EBITDA (x) | (x) | n/a | n/a | n/a | 0.7 | n/a |
| ND/ND+Equity (%) | (%) | (441.6%) | 7608.2% | (29.7%) | (1421.6%) | (2285.2%) |
| EBIT interest cover (x) | (x) | n/a | n/a | n/a | 0.0 | n/a |
| ROA | | (223.3%) | (72.0%) | (129.3%) | 270.7% | (7.8%) |
| ROE | | (378.4%) | (90.4%) | (93.8%) | 196.4% | (5.5%) |
| ROIC | | (2049.5%) | (3871.6%) | (480.9%) | 2723.1% | (102.2%) |
| | | | | | | |
| **Working capital** | | 0.3 | (0.1) | 0.0 | 13.9 | 0.0 |
| **WC/Sales (%)** | | n/a | n/a | n/a | 2.9% | n/a |
| **Revenue growth** | | n/a | n/a | n/a | n/a | n/a |
| **EBIT growth pa** | | n/a | n/a | n/a | n/a | n/a |

| **Pricing** | | **FY24A** | **FY25A** | **FY26F** | **FY27F** | **FY28F** |
|---|---|---|---|---|---|---|
| No of shares (y/e) | (m) | 127 | 233 | 270 | 290 | 292 |
| Weighted Av Dil Shares | (m) | 90 | 173 | 233 | 270 | 298 |
| | | | | | | |
| EPS Reported | cps | (3.18) | (2.26) | (1.59) | 94.42 | (5.16) |
| EPS Normalised/Diluted | cps | (3.18) | (2.07) | (1.77) | 96.55 | (5.16) |
| EPS growth (norm/dil) | | n/a | n/a | n/a | -5561% | n/a |
| DPS | cps | - | - | - | - | - |
| DPS Growth | | n/a | n/a | n/a | n/a | n/a |
| Dividend yield | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Dividend imputation | | 0 | 0 | 0 | 0 | 30 |
| PE (x) | | - | - | - | 0.5 | - |
| PE market | | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| Premium/(discount) | | n/a | n/a | n/a | (97.6%) | n/a |
| EV/EBITDA | | n/a | n/a | n/a | 0.3 | n/a |
| FCF/Share | cps | -2.5 | -1.2 | -3.1 | 91.0 | -2.7 |
| Price/FCF share | | - 19.2 | - 40.4 | - 15.7 | 0.5 | - 17.8 |
| Free Cash flow Yield | | (5.2%) | (2.5%) | (6.4%) | 189.5% | (5.6%) |

* excludes non-cash share-based payments

Source: Company data for actuals, RaaS estimates (FY26F-FY28F)

# FINANCIAL SERVICES GUIDE

## RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26th March 2024

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This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

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- provide general advice to retail and wholesale clients in relation to
    - Securities

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BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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