

Island Pharmaceuticals Limited (ASX: ILA)

Pre-Quotation Disclosure

The following information is provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation of shares (**Shares**) in Island Pharmaceuticals Limited (the **Company** or **Island Pharmaceuticals**) (ASX: ILA).

Capitalised terms not defined in this document have the meaning given to them in the prospectus lodged with the Australian Securities and Investments Commission on 26 February 2021 (**Prospectus**).

Completion of Offer and Restructure

Island Pharmaceuticals confirms that the Offer closed on 29 March 2021 and allotment of 30,000,000 fully paid ordinary shares occurred on 7 April 2021.

The Company confirms completion of the following under the Restructure on 7 April 2021:

- the issue of 968,465 fully paid ordinary shares on the conversion of all existing Isla US convertible notes;
- the issue of 2,012,545 options under the employee incentive scheme in exchange for all the existing options under the Isla US employee incentive plan;
- the issue of 50,000,002 fully paid ordinary shares in exchange for all the existing common stock issued in Isla US;
- the issue of 4,245,871 replacement option warrants in exchange for all the existing Isla US issued warrants;
- the issue of 3,669,744 options to PAC Partners Securities Pty Ltd;
- the issue of 58,389 options to 60P Australia Pty Ltd; and
- the issue of 4,458,333 options to Island Pharmaceuticals' directors and company secretary.

Bookbuild Information

In relation to the funds raised pursuant to the Broker Firm Offer conducted by the Lead Manager (**Bookbuild**):

- 30,000,000 Shares were allocated under the Bookbuild and the price at which they were issued was \$0.25 each;
- no promoters or related parties of the Company acquired a material number of securities under the Bookbuild;
- no concessionary fee or other arrangements were entered into which had the result that the effective transfer price paid by some allottees differed materially from the Bookbuild price of \$0.25;
- no arrangements have been entered into which have had the result that some allottees have received a material benefit for agreeing to participate in the Bookbuild at the Bookbuild price and which was not received by other allottees; and
- no arrangements have been entered into with associates of the Company or the Lead Manager to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

Despatch Date

The despatch date of CHESS allotment notices and issuer sponsored holding statements was 8 April 2021. There were no monies to be refunded.

Capital Structure

The capital structure of Island Pharmaceuticals following the completion of the Offer and Restructure is as follows:

Security	Number
Fully paid ordinary shares	80,968,468
Options	14,444,882

Restricted Securities

The following table shows the number of Restricted Securities and the applicable restriction periods.

Security	Number	Restriction Period
Fully paid ordinary shares	2,428	to 10 February 2022
Fully paid ordinary shares	565	to 11 February 2022
Fully paid ordinary shares	169	to 17 February 2022
Fully paid ordinary shares	38,022,140	24 months from date of quotation
Options - \$0.3730, expiring 04/4/2023	67,866	24 months from date of quotation
Options - \$0.2130, expiring 07/4/2024	58,389	12 months from date of issue
Options - \$0.3125, expiring 13/4/2024	3,669,744	24 months from date of quotation
Options - \$0.3625, expiring 30/4/2024	3,925,000	24 months from date of quotation
Options - \$0.3125, expiring 30/4/2024	177,778	24 months from date of quotation
Options - \$0.3750, expiring 30/4/2024	177,778	24 months from date of quotation
Options - \$0.4375, expiring 30/4/2024	177,777	24 months from date of quotation

Voluntary Escrow

The following table shows the number of Shares subject to voluntary escrow and the applicable escrow periods.

Security	Number	Escrow Period
Fully paid ordinary shares	6,710,041	6 months from date of quotation

Waiver from ASX Listing Rule 9.1

ASX has granted the Company a waiver from ASX Listing Rule 9.1 in relation to seed capitalists who paid cash for fully paid ordinary securities in Isla US (**US Seed Capitalists**). This waiver permits the US Seed Capitalists to be treated (for the purposes of restricted securities) as seed capitalists in the Company rather than as vendors of classified assets (also known as "look-through relief"). Pursuant to the look-through relief, the US Seed Capitalists will be able to rely on the cash formula relief in relation to the restriction of their Existing Shares and Options.

Authorised for release by Dr Paul MacLeman, Executive Chairman

For more information, please contact:

Island Therapeutics Limited

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About Island Pharmaceuticals www.islapharma.com

Island is clinical-stage drug repurposing company, focused on the topical area of antiviral therapeutics for infectious diseases. Our lead asset is Isla101, a drug with a well-established safety profile, being repurposed for the prevention and treatment of dengue fever and other mosquito (or vector) borne diseases. The Company is advancing toward a Phase II clinical trial in dengue-infected subjects.

If Isla101 achieves FDA approval, and certain other criteria are met, Isla may be eligible to obtain a "Priority Review Voucher" at the time of FDA approval. This means that as well as getting approval to manufacture and sell Isla101, the Priority Review Voucher (PRV) will permit Island to expedite the FDA approval process for a new drug, or sell the PRV in a secondary market. Recent transactional benchmarking suggests that PRVs attract US\$75m-\$150m.