



Update Summary

Entity name

ISLAND PHARMACEUTICALS LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

26/2/2024

Reason for update to a previous announcement

Update to reflect attaching options are free

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

ISLAND PHARMACEUTICALS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

48641183842

1.3 ASX issuer code

ILA

1.4 The announcement is

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Update to reflect attaching options are free

1.4b Date of previous announcement to this update

26/2/2024

1.5 Date of this announcement

26/2/2024

1.6 The Proposed issue is:

A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

+ Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?

No

Part 3B - Offer details

+Class or classes of +securities that will participate in the proposed issue and +class or classes of +securities proposed to be issued

ASX +security code and description

ILA : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +security code and description

ILA : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities do not have +CDIs issued over them)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities do not have +CDIs issued over them)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

2

For a given quantity of +securities held

5



What will be done with fractional entitlements?	Maximum number of +securities proposed to be issued (subject to rounding)
Fractions rounded up to the next whole number	32,507,388

Offer price details for retail security holders

In what currency will the offer be made?	What is the offer price per +security for the retail offer?
AUD - Australian Dollar	AUD 0.06000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

Additional Securities will only be available where the number of Shares the subject of Applications received under the Rights Issue Offer is less than the aggregate Entitlements, the aggregate Entitlements being 32,507,388 New Shares. Any Additional Shares issued under the Top-Up Facility will be at the Issue Price with attaching options.

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

Subject to the Corporations Act and the Listing Rules, the Board in its discretion may determine the allocation subscriptions for Additional Shares (if any).

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities do not have +CDIs issued over them)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities do not have +CDIs issued over them)



Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Options with an exercise price of \$0.06 and an expiry date of 14 March 2025

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

1

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

32,507,388

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

Yes

Describe the limits on over-subscription

Additional Securities will only be available where the number of Shares the subject of Applications received under the Rights Issue Offer is less than the aggregate Entitlements, the aggregate Entitlements being 32,507,388 New Shares. Any Additional Shares issued under the Top-Up Facility will be at the Issue Price with attaching options.

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

Subject to the Corporations Act and the Listing Rules, the Board in its discretion may determine the allocation subscriptions for Additional Shares (if any).

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0600

Expiry date

14/3/2025



Details of the type of +security that will be issued if the option is exercised

ILA : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share (ASX:ILA) and if exercised by 14 June 2024, one Further Option as outlined in the Prospectus dated 26 February 2024

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Prospectus lodged on 26 February 2024 available at <https://www.islandpharmaceuticals.com/site/investor/asx-announcements>

Part 3C - Timetable

3C.1 +Record date

29/2/2024

3C.2 Ex date

28/2/2024

3C.4 Record date

29/2/2024

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

5/3/2024

3C.6 Offer closing date

14/3/2024

3C.7 Last day to extend the offer closing date

11/3/2024

3C.9 Trading in new +securities commences on a deferred settlement basis

15/3/2024

3C.11 +Issue date and last day for entity to announce results of +pro rata issue

21/3/2024

3C.12 Date trading starts on a normal T+2 basis

22/3/2024

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

26/3/2024



Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

Yes

3E.1a Who is the lead manager/broker?

PAC Partners Securities Pty Ltd

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Management and underwriting fees of 6.0% of the gross proceeds of the Offers; and

Issued the lesser of:

- o 1 Option for every 5 Shares issued under the Offers; or
 - o 4,500,000 Options,
- with an exercise price of \$0.12 and expiry 3 years from the date of issue

3E.2 Is the proposed offer to be underwritten?

Yes

3E.2a Who are the underwriter(s)?

PAC Partners Securities Pty Ltd

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

Fully underwritten

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

No fees in addition to fees outlined above in 3E.1b

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

- Failure to comply with Consitution, statute or ASIC guidelines;
 - there is a delay in any date specified in the Timetable which is greater than 5 Business Days;
 - the Company agrees to charge (or grant any other form of security) over the whole or a substantial part of its business or property to any third party;
 - there is a delay in any date specified in the Timetable which is greater than 5 Business Days;
 - the Company;
 - (i) disposes or agree to dispose of the whole or a substantial part of its business or property; or
 - (ii) ceases or threatens to carry on business,
- in either case, without the prior written consent of the Underwriter;
- Material changes to the Prospectus sen before the Prospectus
 - laws introduced which has altered adversely or could reasonably be expected to alter adversely:
 - (iii) any condition or circumstances relating to the Issue or the Prospectus existing at the time of execution of this Agreement; or
 - (iv) the income tax position of the Company.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

As outlined in 3E.1b



Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

Analysing data from Phase 1 dose escalation study
Preparation for Phase 2 clinical trial (PEACH study) including submissions and discussions with FDA
The Company's business development activities, working capital, corporate activities, and offer costs

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

Only available to shareholders that have an address in Australia or New Zealand or is a shareholder with a registered address in the United States, Colombia, the Netherlands, Hong Kong or Singapore as determined by the Company in its absolute discretion.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

Refer to Prospectus dated 26.02.2024

3F.6 URL on the entity's website where investors can download information about the proposed issue

<https://www.islandpharmaceuticals.com/site/investor/asx-announcements>

3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a +disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

Yes

3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a +disclosure document or +PDS for the +securities proposed to be issued