

Island Pharmaceuticals Limited  
Appendix 4D  
Half-year report

### 1. Company details

Name of entity:	Island Pharmaceuticals Limited
ABN:	48 641 183 842
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

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### 2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	-	to	-
Loss from ordinary activities after tax attributable to the owners of Island Pharmaceuticals Limited	up	1031634.1 %	to	(846,022)
Loss for the half-year attributable to the owners of Island Pharmaceuticals Limited	up	1031634.1 %	to	(846,022)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the consolidated entity after providing for income tax amounted to \$846,022 (31 December 2020: \$82).

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### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>7.14</u>	<u>7.90</u>

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### 4. Control gained over entities

Not applicable.

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### 5. Loss of control over entities

Not applicable.

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### 6. Dividends

#### Current period

There were no dividends paid, recommended or declared during the current financial period.

#### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

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### 7. Dividend reinvestment plans

Not applicable.

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## 8. Details of associates and joint venture entities

Not applicable.

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## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Financial Report.

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## 11. Attachments

*Details of attachments (if any):*

The Half-year Financial Report of Island Pharmaceuticals Limited for the half-year ended 31 December 2021 is attached.

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## 12. Signed

Authorised for release by the Board.

Signed



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Paul MacLeman  
Executive Chair

Date: 24 February 2022

# **Island Pharmaceuticals Limited**

**ABN 48 641 183 842**

## **Half-year Financial Report - 31 December 2021**

**Island Pharmaceuticals Limited**  
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**31 December 2021**

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**Island Pharmaceuticals Limited**  
**Corporate directory**  
**31 December 2021**

Directors	Dr Paul MacLeman - Executive Chairman Dr David Foster - Executive Director Dr David Brookes - Non-Executive Director Mr Albert Hansen - Non-Executive Director Dr Anna Lavelle - Non-Executive Director
Company secretary	Peter Webse
Registered office	c/- Bio101 Financial Advisory Pty Ltd Suite 201 697 Burke Road Camberwell, VIC 3124
Principal place of business	Suite 201 697 Burke Road Camberwell VIC 3124
Share register	Automic Pty Ltd Deutsche Bank, Tower Level 5 126 Phillip Street Sydney NSW 2000
Auditor	Grant Thornton Audit Pty Ltd Tower 5, Collins Square 727 Collins Street Melbourne VIC 3008
Solicitors	K&L Gates Level 25 525 Collins Street Melbourne Victoria 3000
Stock exchange listing	Island Pharmaceuticals Limited shares are listed on the Australian Securities Exchange (ASX code: ILA)
Website	<a href="http://www.islandpharmaceuticals.com">www.islandpharmaceuticals.com</a>

**Island Pharmaceuticals Limited**  
**Directors' report**  
**31 December 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Island Pharmaceuticals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

**Directors**

The following persons were directors of Island Pharmaceuticals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

<b>Director</b>	<b>Appointment date</b>
Dr Paul MacLeman - Executive Chairman	25 May 2020
Dr David Foster - Executive Director	1 October 2020
Dr David Brookes - Non-Executive Director	1 October 2020
Mr Albert Hansen - Non-Executive Director	1 October 2020
Dr Anna Lavelle - Non-Executive Director	1 October 2020

**Company secretary**

Peter Webse 3 July 2020

**Principal activities**

Island Pharmaceuticals Limited is a mid-clinical stage biotechnology company listed on the Australian Securities Exchange (ASX: ILA). Island is a drug research and repurposing company. The Group strategy is to repurpose small molecules as antivirals, which may allow for rapid development of treatments or preventative measures against emerging viruses.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Financial update**

The loss for the consolidated entity after providing for income tax amounted to \$846,022 (31 December 2020: \$82).

Island's operating cash outflows for the half year was \$719,507 (31 December 2020: \$nil) and reported closing cash of \$5,829,317 at 31 December 2021 (30 June 2021 \$6,460,644).

**Review of operations**

Island Pharmaceuticals listed on the ASX following an oversubscribed A\$7.5m Initial Public Offer (IPO) on 13 April 2021. Funds raised under the IPO are enabling Island to conduct a Phase 2 study of its lead drug candidate ISLA-101 and provide working capital for research and development.

Island remained focused through the reporting period on executing a rapid path to the clinic for ISLA-101, which is a drug with a very well-known safety profile, being repurposed, initially as a potential preventative for dengue fever.

**ISLA-101 trial preparation**

Island is able to leverage the significant pre-existing body of clinical data for ISLA-101 as well as data from previously filed INDs in the US to expedite its path into the clinic to complete its PEACH trial.

The PEACH trial is a Phase 2a, randomized, double blind, placebo-controlled study for the Prophylactic Examination of an Antiviral in a Dengue Challenge Model. It is anticipated that the Phase 2a clinical trial will begin dosing subjects in early 2022 and will take 8-12 months to complete. The trial may enrol up to 16 individuals.

In September, the Company announced it had entered into a manufacturing agreement to have drug substance for its upcoming PEACH Phase 2a clinical trial manufactured. In December this was manufactured and will be used in formulation of the final dose form that will be used in the PEACH study. Manufacturing of the formulated Drug Product is expected to begin shortly.

Island is collaborating with the State University of New York (SUNY) Upstate in Syracuse for the ISLA-101 Phase II Clinical Trial. The Company has maintained frequent communication with collaborators at SUNY Upstate to continue planning for the dengue human infection model (DHIM) Phase 2 clinical trial.

In November 2021, Island signed a Clinical Trial Agreement with The Research Foundation for The State University of New York (SUNY) on behalf of Upstate Medical University, Syracuse NY, where the trial will be conducted, and where PEACH's control (untreated) arm viral challenge studies have already been completed.

Dr. Kristopher Paolino, MD was also announced as Principal Investigator on the trial. Dr. Paolino is an Assistant Professor of Medicine and Assistant Professor of Microbiology and Immunology at Upstate University Hospital. He previously worked for the Walter Reed Army Medical Center and the Walter Reed Army Institute of Research in Washington, DC USA. His research interests include vaccine development, Lyme disease, neglected tropical diseases and malaria, and novel therapeutics including bacteriophage therapy.

In addition, Island has been working with regulatory consultants to finalise its Investigational New Drug (IND) application, which will be submitted to the US Food and Drug Administration following completion of clinical product manufacturing. A summary of IND preparedness was released post the reporting period on 10 February 2022, via an investor presentation update.

Island announced it had signed a key agreement with Clinical Research Organization (CRO) ICON Government and Public Health Solutions, Inc. f/k/a Clinical Research Management, Inc. ("ICON GPHS"). ICON GPHS is a CRO with significant expertise in clinical trials, including the dengue human infection model (DHIM) that Island will be using in the PEACH study.

ICON has a solid professional history as a quality CRO and has worked in the field of dengue fever research in the past. This Agreement allows Island to continue moving forward with its Phase 2a trial preparations at a rapid pace.

### Pipeline development and intellectual property

Island continues to engage with its experienced Scientific Advisory Board (SAB). Through the quarter, the SAB met and discussed activities related to ISLA-101 and potential future product development.

Island announced a research and development collaboration with Griffith University to screen for active anti-viral molecules in a rational repurposing strategy. This collaboration adds to Island's existing collaboration with Monash University and provides the opportunity to explore different libraries of molecules with diverse technologies against viruses of significant unmet medical need.

An Australian patent grant for ISLA-101, entitled, "Method of Viral Inhibition" was issued on AUS Patent No 2019213440 and has an expiration date of 16 April 2034. Island has licensed the IP portfolio, generated by Monash University. The patent covers a method of treating or preventing dengue virus or other mosquito borne virus infections with ISLA-101. This is the third patent granted to Island in the last 12 months, adding to an estate that includes patents granted for the same coverage in the United States, Singapore and Brazil. Its granting is a significant development for Island Pharmaceuticals.

Through the quarter, a data-driven analysis was completed, where Island reviewed a number of viruses with unmet needs, for which the Company may develop future products. Island and its experienced Scientific Advisory Board (SAB) will be prioritising the viruses identified in this analysis to select viruses to nominate as targets in the two previously announced research collaboration.

### Corporate

In November 2021, Island held its inaugural Annual General Meeting. All resolutions were passed with votes in favour in excess of 95.8%. Island thanks those shareholders who attended and all those who voted.

Post the period, Island announced that Ms. Teresa Byrne had been appointed as Vice President Clinical Product Development. Teresa has been engaged to oversee clinical development of Isla-101 in the upcoming PEACH trial and other pipeline development programs. Teresa is an experienced Clinical Research Executive, with more than 20 years of pharmaceutical industry experience from the research bench to the clinic, and has experience in both large company settings such as big pharmaceutical companies as well as in smaller biotech companies and CRO organizations.

Teresa is a key addition to the team as Island builds out the support required to further develop ISLA-101 and pipeline development programs. In addition to overseeing the PEACH study, Teresa will support all of Island's programs in a variety of ways including establishment of quality and/or clinical operations structure and systems, general clinical and quality oversight, vendor management, qualification and oversight.

**Island Pharmaceuticals Limited**  
**Directors' report**  
**31 December 2021**

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Paul MacLeman  
Executive Chair

24 February 2022

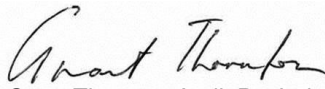


## Auditor's Independence Declaration

### To the Directors of Island Pharmaceuticals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Island Pharmaceuticals Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 24<sup>th</sup> February 2022

**Island Pharmaceuticals Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

	Note	31 Dec 2021 \$	31 Dec 2020 \$
<b>Revenue</b>			
Revenue		-	-
Total revenue		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Corporate and administration expenses		(348,868)	(82)
Share based payment expense		(169,637)	-
Research and development expenses		(213,117)	-
Professional services expenses		(76,378)	-
Employee benefits expense		(126,821)	-
Effect of changes in foreign exchange rates		88,799	-
Total expenses		<u>(846,022)</u>	<u>(82)</u>
<b>Loss before income tax expense</b>		(846,022)	(82)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of Island Pharmaceuticals Limited</b>		(846,022)	(82)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year attributable to the owners of Island Pharmaceuticals Limited</b>		<u>(846,022)</u>	<u>(82)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	5	(1.04)	(8,200.00)
Diluted earnings per share	5	(1.04)	(8,200.00)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

Island Pharmaceuticals Limited  
 Consolidated statement of financial position  
 As at 31 December 2021

	Note	31 Dec 2021 \$	30 June 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,829,317	6,460,644
Trade and other receivables		9,602	59,147
Other current assets		70,873	116,119
Total current assets		<u>5,909,792</u>	<u>6,635,910</u>
<b>Total assets</b>		<u>5,909,792</u>	<u>6,635,910</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	88,640	230,483
Employee benefits		22,059	6,347
Total current liabilities		<u>110,699</u>	<u>236,830</u>
<b>Total liabilities</b>		<u>110,699</u>	<u>236,830</u>
<b>Net assets</b>		<u>5,799,093</u>	<u>6,399,080</u>
<b>Equity</b>			
Issued capital	8	19,900,792	19,825,792
Reserves	9	(11,128,263)	(11,299,298)
Accumulated losses		(2,973,436)	(2,127,414)
<b>Total equity</b>		<u>5,799,093</u>	<u>6,399,080</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Island Pharmaceuticals Limited  
Consolidated statement of changes in equity  
For the half-year ended 31 December 2021

	Issued capital \$	Foreign exchange reserve \$	Share-based payment reserve \$	Restructure reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2020	1	-	-	-	(658)	(657)
Loss after income tax expense for the half-year	-	-	-	-	(82)	(82)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(82)	(82)
Balance at 31 December 2020	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(740)</u>	<u>(739)</u>
	Issued capital \$	Foreign exchange reserve \$	Share-based payment reserve \$	Restructure reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	19,825,791	(1,190)	1,349,796	(12,647,904)	(2,127,413)	6,399,080
Loss after income tax expense for the half-year	-	-	-	-	(846,022)	(846,022)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(846,022)	(846,022)
<i>Transactions with owners in their capacity as owners:</i>						
Foreign exchange reserve movements	-	1,398	-	-	-	1,398
Share-based payments	-	-	169,637	-	-	169,637
Issue of ordinary shares	75,000	-	-	-	-	75,000
Balance at 31 December 2021	<u>19,900,791</u>	<u>208</u>	<u>1,519,433</u>	<u>(12,647,904)</u>	<u>(2,973,435)</u>	<u>5,799,093</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Island Pharmaceuticals Limited  
 Consolidated statement of cash flows  
 For the half-year ended 31 December 2021

	31 Dec 2021 \$	31 Dec 2020 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(719,507)	-
Net cash used in operating activities	(719,507)	-
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents	(719,507)	-
Cash and cash equivalents at the beginning of the financial half-year	6,460,644	1
Effects of exchange rate changes on cash and cash equivalents	88,180	-
Cash and cash equivalents at the end of the financial half-year	<u>5,829,317</u>	<u>1</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

### Note 1. General information

The financial statements cover Island Pharmaceuticals Limited as a consolidated entity consisting of Island Pharmaceuticals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Island Pharmaceuticals Limited's functional and presentation currency.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Island Pharmaceuticals Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2021 comprise the Company and its subsidiary entities (together referred to as the "Group" and individually as "Group entities").

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2022.

### Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Note 3. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the six-month period ended 31 December 2021 the entity has incurred a loss after tax of \$846,022 (31 December 2020: \$82) and incurred a net cash outflow from operating activities of \$719,507 (31 December 2020: \$nil). As at 31 December 2021, the group has had net assets of \$5,799,093 (30 June 2021: \$6,399,080) and cash reserves of \$5,829,317 (30 June 2021: \$6,460,644).

The directors are satisfied that at the date of the signing of the financial report, there are reasonable grounds to believe that the company will be able to meet its debts as and when they fall due and that it is appropriate for the financial report to be prepared on a going concern basis.

### Note 4. Operating segments

From the beginning of the period the Board considers that the Company has only operated in one Segment. The financial information presented in the statement of financial performance and statement of financial position represents the information for the business segment.

Island Pharmaceuticals Limited  
Notes to the consolidated financial statements  
31 December 2021

Note 5. Earnings per share

	31 Dec 2021 \$	31 Dec 2020 \$
Loss after income tax attributable to the owners of Island Pharmaceuticals Limited	<u>(846,022)</u>	<u>(82)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>81,038,960</u>	<u>1</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>81,038,960</u>	<u>1</u>
	Cents	Cents
Basic earnings per share	(1.04)	(8,200.00)
Diluted earnings per share	(1.04)	(8,200.00)

Note 6. Cash and cash equivalents

	31 Dec 2021 \$	30 June 2021 \$
Cash at bank	<u>5,829,317</u>	<u>6,460,644</u>

Note 7. Trade and other payables

	31 Dec 2021 \$	30 June 2021 \$
Trade payables	41,770	81,958
Accrued expenses	37,501	136,778
Other payables	9,369	11,747
	<u>88,640</u>	<u>230,483</u>

Note 8. Issued capital

	31 Dec 2021 Shares	30 June 2021 Shares	31 Dec 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	<u>81,268,468</u>	<u>80,968,468</u>	<u>19,900,792</u>	<u>19,825,792</u>

**Note 8. Issued capital (continued)**

The following movements in ordinary shares were recorded during the half-year ended.

	31 Dec 2021 Shares	30 June 2021 Shares	31 Dec 2021 \$	30 June 2021 \$
Balance brought forward as at 1 July	80,968,468	1	19,825,792	1
Issuance of Ordinary Shares upon conversion of the Convertible Notes	-	968,465	-	242,116
Issuance of Ordinary Shares in exchange for all existing Ordinary Shares issued in Isla Pharmaceuticals Inc	-	50,000,002	-	12,500,001
Issue of Ordinary Shares	300,000	30,000,000	75,000	7,500,000
Less: Share placement costs	-	-	-	(416,326)
	<u>81,268,468</u>	<u>80,968,468</u>	<u>19,900,792</u>	<u>19,825,792</u>

At the Annual General Meeting held on 17 November 2021, shareholders approved the issue of 300,000 shares in lieu of Director's fees for the period 1/10/2020 to 13/04/2021 at a deemed issue price of \$0.25 per share.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 9. Reserves**

	31 Dec 2021 \$	30 June 2021 \$
Foreign currency reserve	208	(1,190)
Share-based payments reserve	1,519,433	1,349,796
Restructure reserve	<u>(12,647,904)</u>	<u>(12,647,904)</u>
	<u>(11,128,263)</u>	<u>(11,299,298)</u>

*Foreign exchange reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

	31 Dec 2021 \$	30 June 2021 \$
Reconciliation:		
Balance at beginning of year	(1,190)	-
Translation of subsidiary	<u>1,398</u>	<u>(1,190)</u>
Balance at end of year	<u>208</u>	<u>(1,190)</u>



**Note 9. Reserves (continued)**

**Share-based payments reserve**

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

	31 Dec 2021	30 June 2021
	\$	\$
Reconciliation:		
Balance at beginning of period	1,349,796	-
Share based payment expense	<u>169,637</u>	<u>1,349,796</u>
Balance at end of period	<u><u>1,519,433</u></u>	<u><u>1,349,796</u></u>

There were no new options issued during the six-month period to 31 December 2021.

**Note 10. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 11. Commitments and contingencies**

The directors are of the opinion that there are no significant commitments and contingencies requiring disclosure for the company as at 31 December 2021.

**Note 12. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Island Pharmaceuticals Limited**  
**Directors' declaration**  
**31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Paul MacLeman  
Executive Chair

24 February 2022

# Independent Auditor's Review Report

To the Members of Island Pharmaceuticals Limited

## Report on the review of the half-year financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Island Pharmaceuticals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Island Pharmaceuticals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

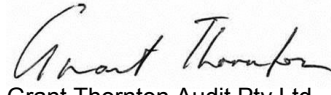
### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 24 February 2022