

FULLY UNDERWRITTEN \$30M CAPITAL RAISE TO FUND COMPANY THROUGH TO TOPLINE READ OUT OF PHASE 3 OSTEOARTHRITIS TRIAL IN MID 2025

KEY HIGHLIGHTS

- Paradigm announces fully underwritten \$30m capital raise comprising an \$18m placement and a \$12m accelerated non renounceable entitlement offer (**ANREO or Entitlement Offer**)
- The placement and the institutional offer raised a total of \$21.1m and received strong support from new and existing institutional and sophisticated investors in Australia and internationally (Placement).
- The accelerated offer to eligible institutional shareholders has now completed, raising approximately \$3.1 million with a take up of 78%.
- The 1 for 10 retail entitlement offer of \$9m is fully underwritten and is expected to open at 9:00am Monday 6 November.
- The pro-forma cash balance at the completion of the Placement and Entitlement Offer will be \$69.4 million, with an additional \$33.8 million if all options are exercised before they lapse.
- Funds raised under the offer, and the proceeds from the exercise of options, will be used to fund Paradigm through to mid CY25 (without relying on additional licensing revenue, should that be generated), including the expected top-line readout from the Phase 3 OA clinical trial.
- Key upcoming catalysts for the Company include commencement of next stage of Phase 3 OA program, TGA provisional approval, readout of top-line data for phase 2 program for MPS and potential regional licensing agreements for OA and MPS.

Paradigm Biopharmaceuticals Ltd (ASX:PAR) (“Paradigm” or “the Company”), a late-stage drug development company focused on delivering new therapies to address unmet medical needs, is pleased to announce that the \$30m capital raise announced 30 October 2023 is fully underwritten by lead manager Bell Potter Securities (**Bell Potter or the Underwriter**).

The Company has completed the \$18m placement that has been strongly supported by new and existing institutional and sophisticated Paradigm shareholders. The Company has now received confirmation that the accelerated entitlement offer to eligible institutional shareholders has received take up by existing institutions totalling \$3.1m million with a take up rate of 78% from eligible institutional shareholders.

The record date for the retail entitlement offer is 1 November 2023 (**Record Date**).

Paradigm Managing Director, Paul Rennie commented: "I would like to thank all the existing shareholders for their continued support of Paradigm and would like to welcome the new institutional investors as we continue to progress iPPS as a potential blockbuster therapy for osteoarthritis. To receive such strong support is a great endorsement of the ongoing strength of our clinical assets and focusses the Company on progressing our phase 3 OA clinical program and commercial licensing discussions to achieve value for all Paradigm shareholders."

Capital Raise Summary

The fully underwritten capital raise of \$30.1 million (before costs) will be comprised of:

- a Placement to institutional investors to subscribe for approximately 42 million shares at an issue price of \$0.43 per share to raise approximately \$18 million; and
- an accelerated non-renounceable Entitlement Offer of 1 share for every 10 shares held by eligible shareholders on the Record Date at an issue price of \$0.43 per share to raise approximately \$12.1 million.
- Every 4 shares subscribed for and issued under the Entitlement Offer and Placement will be accompanied by 3 free-attaching options exercisable at \$0.65 expiring on 30 November 2024.

Replacement Prospectus

The Company has today lodged a replacement prospectus (**Prospectus**) with ASIC, updating the original prospectus for the Placement and Entitlement Offer dated 30 October 2023. The key differences between the Prospectus and the original prospectus are to disclose the Company's entry into the Underwriting Agreement pursuant to which the Placement and the Entitlement Offer will be fully underwritten by Bell Potter and to include the offer of up to 10,074,426 options on the same terms as the Options under the Placement and Entitlement Offer (**Sub-Underwriter Options**) to the Underwriter and/or sub-underwriters of the Entitlement Offer and Placement as previously disclosed in the original prospectus.

The material terms of the Underwriting Agreement, including the fees to be paid to Bell Potter in consideration for its underwriting services are also set out in the Prospectus.

Commencement of the Retail Entitlement Offer

The Entitlement Offer is being conducted through:

- an accelerated offer to eligible institutional shareholders in Australia, New Zealand, Hong Kong, Cayman Islands, Singapore, the United Kingdom and the United States (**Institutional Offer**) which is now completed; and
- an offer to eligible retail shareholders, being retail shareholders with a registered address in Australia or New Zealand (or that the Company has otherwise determined is eligible to participate without any requirement for a prospectus or any other disclosure document to be lodged or registered and who is not in the United States and not acting for the account or benefit of a person in the United States) (**Eligible Retail Shareholders**) (**Retail Offer**).

Eligible Retail Shareholders with a registered address in Australia or New Zealand as at 7:00pm (Sydney time) on the Record Date are invited to participate in the Entitlement offer at the same offer price as the Institutional Offer. The Retail Offer will open at 9:00am (Sydney time) Monday 6 November and close at 5:00pm (Sydney time) on Monday 20 November.

Eligible Retail Shareholders will receive a copy of the Prospectus, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Retail Offer.

The shortfall, if any, will then be placed in accordance with the terms of the Underwriting Agreement. New Shares issued under the Entitlement Offer shortfall will be subscribed for by the Underwriter or sub-underwriter/s, in accordance with the underwriting agreement between the Company and the Underwriter. The Entitlement Offer is fully sub-underwritten by domestic and international institutional investors.

All new shares to be issued under the Entitlement Offer will rank equally with existing PAR fully paid ordinary shares in all respects. New shares and options under the Retail Offer are expected to be issued on Monday 27 November, and commence normal trading on Tuesday 28 November 2023.

Summary of Use of Funds

The proceeds from the offer will be used to fund the Company's phase 3 OA clinical program and to pay for the costs of the Placement and Entitlement Offer. The proceeds are expected to fund the Company's OA phase 3 clinical program to the end of CY2024 with the exercise of options expected to provide further runway to mid CY 2025 and past Paradigm's expected top-line read out from the phase 3 clinical trial.

Paradigm expects to confirm the 2mg/kg twice weekly optimal dose in Q1 CY 2024 and commence enrolment into the next stage of the phase 3 OA program shortly thereafter.

Paradigm is focussed on partnering its clinical assets and expects any licensing transaction to add further funding sources to bring iPPS through to commercialisation in multiple jurisdictions simultaneously.

Upcoming Catalysts

Event	Target Date
MPS VI phase 2 clinical trials – top-line data.	Q4 CY 2023
Phase 3 OA program – FDA protocol review next stage of Phase 3 program.	Q1 CY 2024
TGA Provisional Approval OA - submission for next stage determination application.	Q1 CY 2024
Phase 3 OA program – next stage enrollment commencement, subject to regulatory agreement.	H1 CY 2024
Regional licensing agreement(s) in OA and MPS.	H1 CY 2024

TGA Provisional Approval OA - dossier submission, pending determination of application approval.	Q3 CY 2024
The MPS I and PARA_OA_008 – Peer Review Publications.	CY 2024
Potential expedited or provisional approval submissions for MPS program (Brazil, Australia).	CY 2024

Entitlement Offer and Placement Timetable

An indicative timetable for the Entitlement Offer and Placement is set out below (subject to change):

Event	Date
Lodgement of original prospectus	Monday, 30 October 2023
Announcement of results of the Placement and the Institutional Offer	Tuesday, 31 October 2023
Lodgement of replacement prospectus	Tuesday, 31 October 2023
Trading halt lifted	Wednesday, 1 November 2023
Record Date for the Retail Offer	7.00pm (AEDT) Wednesday, 1 November 2023
Prospectus despatched to Eligible Retail Shareholders	Monday, 6 November 2023
Addendum to Notice of AGM despatched to Shareholders	Monday, 6 November 2023
Allotment of Shares under the Placement and the Institutional Offer	Wednesday, 8 November 2023 (before noon AEDT)
Quotation of Shares issued under the Placement and the Institutional Offer	Thursday, 9 November 2023
Last day to extend the closing date of the Retail Offer	Wednesday, 15 November 2023 (before noon AEDT)
Closing date of the Retail Offer	Monday, 20 November 2023
Announcement of results of Retail Offer	Thursday, 23 November 2023 (before noon AEDT)
Allotment of Shares under the Retail Offer and Options under the Entitlement Offer	Monday, 27 November 2023 (before noon AEDT)
Quotation of Shares issued under the Retail Offer and Options under the Entitlement Offer	Tuesday, 28 November 2023

Paradigm AGM approval to be sought to issue the Placement Options and (if applicable) Sub-Underwriter Options	Wednesday, 29 November 2023
Issue of Placement Options and (if applicable) Sub-Underwriter Options	Wednesday, 29 November 2023 (before noon AEDT)
Quotation of Placement Options and (if applicable) Sub-Underwriter Options	Thursday, 30 November 2023

** The above timetable is indicative only and is subject to change.*

-Ends-

About Paradigm Biopharmaceuticals Ltd.

Paradigm Biopharmaceuticals Ltd. (ASX:PAR) is a late-stage drug development company driven by a purpose to improve patients' health and quality of life by discovering, developing, and delivering pharmaceutical therapies. Paradigm's current focus is developing injectable (subcutaneous) pentosan polysulfate sodium (**iPPS**) for the treatment of diseases where inflammation plays a major pathogenic role, indicating a need for the anti-inflammatory and tissue regenerative properties of iPPS, such as in osteoarthritis (phase 3) and mucopolysaccharidosis (phase 2).

Forward Looking Statements

This Company announcement contains forward-looking statements, including statements regarding anticipated commencement dates or completions dates of preclinical or clinical trials, regulatory developments and regulatory approval. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements.

To learn more please visit: <https://paradigmbiopharma.com>

Approved for release by the Paradigm Board of Directors.

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