

Paradigm announces fully underwritten \$66.0 million equity raising

KEY HIGHLIGHTS

- Paradigm announces a fully underwritten A\$66.0 million capital raising, comprising A\$45.7 million institutional placement and a 1 for 15 pro-rata non renounceable entitlement offer of A\$20.3 million at \$1.30 per share.
- At the completion of the transaction, Paradigm will have a proforma cash position of \$108.5m, which funds the company into CY2024.
- The Placement received strong participation from domestic and offshore institutional investors and following completion of the Placement a global long only institutional investor will become a substantial shareholder.
- Eligible shareholders subscribing for their entitlement can also apply for additional shares under a top-up facility, capped at 100% of their entitlement.
- Funds raised under the offer will be used towards:
 - Paradigm's Phase 3 clinical program and new drug application (NDA) related activities;
 - Business development related activities;
 - Product development related activities (auto injector, for example); and
 - Working capital.
- Paradigm has also announced that It Is In active partnering discussion with potential partners for Its Phase 2 asset In MPS which could further expand the company's funding position.
- Data from the first of three readouts for the PARA_OA_008 synovial fluid biomarker study is expected In September 2022.
- Paradigm will host a webinar at 12pm (AEST) Monday 15th August to discuss the capital raising undertaken by the Company and upcoming near-term catalysts.

Paradigm Biopharmaceuticals Ltd (ASX: PAR) ("Paradigm" or "the Company"), a late-stage drug development company with a focus on unmet clinical needs, is pleased to report a A\$66m fully underwritten capital raising.

Following the completion of the capital raising, Paradigm will have a proforma cash position of \$108.5m, which will fund the Company into CY2024. The Placement was supported by current institutional investors of Paradigm and new international and domestic institutional investors. As a result of the placement, a global long only institutional investor will become a substantial shareholder of Paradigm following allotment of shares in the placement.

The Company will hold an investor webinar today at 12 noon (AEST) for all shareholders where Paradigm senior management will detail information on the capital raising and upcoming near-term catalysts. Details for the webinar can be found below in this ASX release.

Paradigm looks forward to the upcoming release in September of the first of three readouts for its PARA_OA_008 synovial fluid biomarker study. Day 56 data (2-weeks

following final injection) will be released detailing initial trends of synovial fluid biomarkers between PPS treated patients and placebo. The readout is also expected to detail WOMAC® pain and function data for the twice weekly PPS group and the once weekly PPS group compared with placebo.

Paul Rennie, Paradigm Chairman commented: *"I would like to thank all institutional investors who participated in the placement, and I am delighted that all Paradigm shareholders now have the right to also invest under the fully under-written non-renounceable entitlement offer. Personally, I will be subscribing for \$300,000 of new Paradigm stock under the entitlement offer. Having a strong balance sheet is important to Paradigm so we can maintain or accelerate the momentum of our Phase 3 clinical trial. A strong balance sheet is important as we have commercial discussions in the future."*

Capital Raising Overview

Bell Potter Securities Limited acted as sole lead manager and underwriter to the fully underwritten capital raising, comprising:

- institutional placement (**Placement**) to raise approximately \$45.7 million under Paradigm's existing LR7.1 capacity; and
- 1 for 15 pro-rata non renounceable entitlement offer of new fully paid ordinary shares in PAR to eligible shareholders to raise approximately \$20.3 million (**Entitlement Offer**).

The record date for the Entitlement Offer is 7:00pm (Sydney time) on Thursday 18th August 2022. Eligible shareholders subscribing for their entitlement can also apply for additional shares under a Top-Up Facility. Applications under the Top-Up facility will be capped at 100% of an eligible shareholder's entitlement.

The offer price for the Placement and Entitlement Offer will be \$1.30 per New Share, representing a discount of:

- 34.5% to the last closing price on 10th August 2022 of \$1.985 per share;
- 28.8% to the 5-day VWAP of \$1.827 per share; and
- 8.2% discount to the 30-day VWAP of \$1.416 per share.

The Placement will result in the issue of approximately 35.1m shares and the Entitlement Offer will result in the issue of approximately 15.6m shares, at an offer price of A\$1.30 per share (**New Shares**). All New Shares issued will rank equally with existing ordinary shares. Settlement of the Placement is expected to occur on Thursday, 18th August 2022, with new shares allotted the next trading day. The Entitlement Offer is expected to close on Wednesday, 7th September 2022, with New Shares allotted on Wednesday, 14th September 2022.

The Placement is being made under Paradigm's existing capacity under ASX Listing Rule 7.1 and no Paradigm shareholder approval is required for either the Placement or the Entitlement Offer.

Use of Funds

The funds from the offer will be used for:

- Paradigm's Phase 3 clinical program and new drug application (NDA) related activities;
- Business development related activities;
- Product development related activities (auto injector, for example); and
- Working capital.

Indicative Timeline

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates below in its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act.

Event	Sydney, Australia time
Record date for Entitlement Offer	Thursday, 18 th August 2022
Settlement of New Shares issued under the Placement	Thursday, 18 th August 2022
Allotment and normal trading of New Shares under the Placement	Friday, 19 th August 2022
Entitlement Offer opening date	Monday, 22 nd August 2022
Entitlement Offer closing date (5:00pm, Sydney time)	Wednesday, 7 th September 2022
Announcement of results of Entitlement Offer	Monday, 12 th September 2022
Settlement of New Shares under the Entitlement Offer	Tuesday, 13 th September 2022
Allotment of New Shares under the Entitlement Offer	Wednesday, 14 th September 2022
Normal trading of Entitlement Offer shares	Thursday, 15 th September 2022

Investor Webinar

Paradigm Biopharmaceuticals will hold an investor webinar on Monday 15 August 2022 at 12 noon (AEST) with Chairman Paul Rennie, CEO Marco Polizzi and Chief Medical Officer, Dr Donna Skerrett.

The webinar will discuss the capital raising being undertaken by Paradigm and how this positions the Company moving forward.

Please register for the webinar at the following link:

https://us02web.zoom.us/webinar/register/WN_J4pR_hBkSA6BPKQnFcFtrg

Investors are invited to send questions prior to the webinar to: investorrelations@paradigmbiopharma.com

After registering, you will receive a confirmation email about joining the webinar. A recording will be available at the same link above shortly after the conclusion of the session on the Paradigm website.

A copy of the presentation for the webinar is available via the ASX platform or on the Paradigm website:

<https://paradigmbiopharma.com/performance-progress/#announcements>.

About Paradigm Biopharmaceuticals

Paradigm Biopharmaceuticals LTD (ASX: PAR) is a late-stage drug development company whose mission is to develop and commercialise Pentosan Polysulfate Sodium for the treatment of pain associated with musculoskeletal disorders driven by injury, inflammation, aging, degenerative disease, infection, or genetic predisposition.

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.

Authorised for release by Paradigm Chairman, Mr Paul Rennie

To learn more please visit: www.paradigmbiopharma.com

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