ASX RELEASE 15th August 2022

Letter to Optionholders

Dear Optionholder,

Non-Renounceable Rights Issue Offer

As announced on 15 August 2022, **Paradigm Biopharmaceuticals Limited** ACN 169 346 963 (the **Company**) is undertaking a fully underwritten non-renounceable pro-rata rights offer to the Company's shareholders (the **Offer**). The Offer is open to all eligible shareholders of the Company who are on the share register as at 7.00pm AEST on 18 August 2022 (**Record Date**) and who have a registered address in Australia or New Zealand.

Under the terms of the Offer, each eligible shareholder will have the right to subscribe for New Shares in the Company on the basis of 1 ordinary share in the capital of the Company (**Share**) for every 15 Shares held as at the Record Date at a price of $1.30 per new share (**Rights Issue Offer**) to raise approximately $20.3 million (before costs). If an eligible shareholder subscribes for their full entitlement under the Offer they are also entitled to apply for additional shares (under the Top-Up Facility) from any shortfall under the Offer (if any).

The Offer is fully underwritten by Bell Potter Securities Limited. The Company also announced a fully underwritten placement of Shares to raise a further approximately $45.7 million (**Placement**).

You are the holder of unlisted options to purchase Shares in the Company. The Rights Issue Offer is only available to holders of Shares in the Company, and not with respect to Shares that underly any options that have not been exercised. This letter is not an offer of securities in the Company. The purpose of this letter is to advise you that you are not entitled to participate in the Rights Issue (with respect to any Shares that underly your options) without first exercising some or all of your options. The exercise of your options needs to be completed before the Record Date.

If you decide to exercise some or all of your options before the Record Date, the Shares that issue upon that exercise of those options will be included in your shareholding as at the Record Date. Your aggregate holding of Shares at the Record Date determines the extent of your entitlement to participate in the Rights Issue Offer.

The anticipated timetable for the Offer is as set out below. The timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The particulars of the Offer are contained in the announcement made on 15 August 2022. A copy of the Rights Issue Offer Document is expected to be lodged with the ASX and available for viewing on the ASX website and the Company's website (at https://paradigmbiopharma.com/performance-progress/#announcements) on 22 August 2022. The Offer Document and the Entitlement and Acceptance Form are expected to be sent to all Eligible Shareholders on the same day.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company's share registry, Computershare Services Limited, on **1300 521 172 or +61 3 9415 4644**.

Yours faithfully

Kevin Hollingsworth
Company secretary

Indicative Timetable

Event	Date
Announcement of the Rights Issue Offer and Placement. Trading Halt ceased.	Monday, 15 August 2022.
"Ex" date for the Rights Issue Offer	Wednesday, 17 August 2022.
Record Date to determine Entitlements under the Rights Issue Offer	Thursday, 18 August 2022
Opening Date of Rights Issue Offer and despatch of Offer Booklet and Entitlement & Acceptance Form.	Monday, 22 August 2022
Last day to extend the Closing Date for Rights Issue Offer.	Friday, 2 September 2022
Closing Date for acceptances under the Rights Issue Offer	5.00pm, Wednesday, 7 September 2022
Securities quoted on a deferred settlement basis from market open	Thursday, 8 September 2022
Announcement of the results of the Issue and shortfall	Monday, 12 September 2022
Issue of the New Shares	Wednesday 14 September 2022
Trading (T+2) of New Shares expected to commence	Thursday, 15 September 2022

Authorised for release by the Paradigm Board of Directors.

To learn more please visit: www.paradigmbiopharma.com

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