

PARADIGM PRE-AGM UPDATE

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 provide the following update to shareholders in the lead up to the Annual General Meeting (**AGM**) on 29 November 2023.

Independent Non-Executive Chairperson & Non-Executive Director search.

- In accordance with best practice corporate governance, the Board of Directors has engaged a global recruitment firm to commence a search for an Independent Chairperson appropriate to assist the Company through to the completion of PAR’s late-stage clinical trials and regulatory approvals and commercialisation.
- Mr Paul Rennie will remain as Executive Chairman until a suitable appointment is ready to be announced. Mr Paul Rennie will then continue the role of Managing Director, focusing on the licensing and commercial activities of the Company. The Board of Directors looks forward to updating shareholders on this process.
- Helen Fisher has informed the Board that due to increased demands on her time, she will resign from the Paradigm Board on the appointment of a replacement suitable Non-Executive Director, in order to focus on her other commitments going forward.
- In light of this, the Board is commencing a search for an Independent Non-Executive Director with commercial experience and financial expertise.
- Paradigm Executive Chairman, Mr Paul Rennie, has voluntarily agreed to a salary reduction of 20% with effect from 1 December 2023 to drive enhanced alignment with shareholders.

Performance rights aligned with shareholder value creation and returns.

- In Paradigm’s Notice of Annual General Meeting¹, the Board of Directors has proposed resolutions 5 and 6 to approve the issue of performance rights to Mr Paul Rennie and Dr Donna Skerrett under the Company’s Employee Performance Right Plan (shareholder approval of the Plan is sought under resolution 4 in the Company’s Notice of AGM). The independent directors consider that, in view of the vesting conditions being directly aligned with shareholder interests, these financial incentives are an appropriate incentive for key management personnel.
- The vesting conditions required for the performance rights over the measurement period are as follows:²

100% Vesting:

¹ Notice Of Annual General Meeting ASX released on 25 October 2023.

² Vesting Conditions will be measured at the Vesting date defines as three (3) years from the Grant Date (expected in January 2024).

1. **Shareholder Target:** A minimum Total Shareholder Return (TSR) representing a compounded annual growth rate (CAGR) of 40% per annum;³ **AND**
2. **Employee Target:** Current employment by Paradigm as at the vesting date with acceptable employee performance over the period as assessed according to the Company's performance management system; **AND**
3. **Company Target:** Successful completion of PAR's iPPS Phase 3 trial in Osteoarthritis (defined as having met clinical primary endpoints) **AND** has filed a New Drug Application with the U.S. FDA.

Achievement of the Shareholder Target would be expected to result in a share price return of approximately 174% over the measurement period.⁴ Should the Shareholder Target not be met; no performance rights will vest.

50% Vesting:

Performance rights are eligible to vest at 50% should the Shareholder Target (as per above) **AND** Employee Target (as per above) be achieved **AND** Paradigm has successfully completed its Phase 3 trial in OA and has met its primary endpoints but has **NOT** filed a New Drug Application with the U.S. FDA.

Stretch Targets:

Should 100% of performance rights vest, 'stretch' targets resulting in additional performance rights include:

1. A binding, exclusive licence, and supply agreement with one or more third parties for iPPS for OA in China subject to an upfront payment of at least A\$30m; **OR**
2. A binding, exclusive licence and supply agreement is achieved with one or more third parties for iPPS for MPS; **OR**
3. The Company receives Provisional Approval from the Australian TGA covering iPPS for OA.

These cumulative targets, if achieved, are expected to deliver a substantial increase in shareholder value, thereby representing a win-win for both shareholders and company management.

The Performance Rights were objectively benchmarked against independent data found in the AON Redford survey, based on the roles and responsibilities of the senior executives.

-Ends-

³ Total Shareholder Return is calculated as change in Share Price from the Grant Date to the Vesting Date plus any shareholder distributions, if applicable.

⁴ With nil shareholder distributions applicable.

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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