ASX RELEASE 31st January 2025

Investor Update: Announcement of Loyalty and Piggyback Options Program

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 the launch of its **Loyalty Options Offer** and **Piggyback Options Offer** (together, the **Offers**), designed to reward shareholders for their ongoing support and provide an opportunity for further participation in the Company's growth. Accompanying this release is the prospectus for the Offers ("**Prospectus**"). The Prospectus contains detailed information about the terms and conditions of the Offers, the intended use of funds in the event the options under the Offers are exercised, and the associated risks.

Shareholders are encouraged to review the Prospectus in full and consult with their financial or professional advisors if they have any questions about the Offers or their participation.

Paradigm Managing Director, Mr Paul Rennie commented, "*This Loyalty and Piggyback Options program is an exciting initiative designed to reward our shareholders for their ongoing support as we progress toward a pivotal phase in our journey. With the final phase of our OA clinical program now underway, this initiative not only allows our shareholders to share in the value we aim to create but also provides an opportunity to actively participate in the next chapter of our growth. We remain deeply committed to delivering on our goals and driving meaningful outcomes for both our shareholders and patients*."

Overview of the Offers

Loyalty Options Offer

Under the Loyalty Options Offer, eligible shareholders will be issued one (1) Loyalty Option for every four (4) fully paid ordinary shares in the capital of the Company (**Shares**) held as of 5.00pm (Melbourne time) on 7 February 2025 (the **Record Date**), for nil consideration.

- **Entitlement Ratio:** 1 Loyalty Option for every 4 Shares held.
- **Exercise Price:** $0.65 per Loyalty Option.
- **Expiry Date:** 11 February 2026 (being 12 months from the date of issue) (**Loyalty Option Expiry Date**).
- **Maximum Issuance:** Up to approximately 97.36 million Loyalty Options (subject to rounding).
- **Fundraising Potential:** If the Loyalty Options are fully exercised, the Company could raise approximately $63.28 million.

Piggyback Options Offer

The Piggyback Options Offer is contingent upon the exercise of Loyalty Options. Eligible shareholders who exercise Loyalty Options on or before the Loyalty Option Expiry Date will be entitled to receive one (1) Piggyback Option for every two (2) Loyalty Options exercised (in addition to the Share received on exercise of each Loyalty Option).

- **Entitlement Ratio:** 1 Piggyback Option for every 2 Loyalty Options exercised on or before the Loyalty Option Expiry Date.
- **Exercise Price:** $1.00 per Piggyback Option.
- **Expiry Date:** 11 February 2028 (24 months from Loyalty Option Expiry Date).
- **Maximum Issuance:** Up to approximately 48.68 million Piggyback Options, assuming all Loyalty Options are issued and exercised.
- **Fundraising Potential:** If the Piggyback Options are fully issued and exercised, the Company could raise approximately $48.68 million.

Indicative Timetable

No action is required by shareholders to receive their Loyalty Options, which will be Issued in accordance with the timetable below:

Event	**Date***
Offer Announcement	31 January 2025
Ex-Date for Loyalty Options Offer	6 February 2025
Record Date for Loyalty Options Offer	7 February 2025
Issue Date of Loyalty Options	11 February 2025
Expiry Date of Loyalty Options	11 February 2026
Issue date of Piggyback Options	Promptly following the exercise of Loyalty Options
Expiry Date of Piggyback Options**	11 February 2028

*The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The commencement of quotation of the Loyalty Options is subject to confirmation from ASX.

**Assuming Loyalty Options are exercised

Key Details

- The Loyalty Options Offer and Piggyback Options Offer are **non-renounceable**, meaning entitlements cannot be transferred.
- No application forms are required for either of the Offers. Eligible shareholders will automatically receive their entitlements under the Loyalty Options Offer based on their holdings as of the Record Date.
- Funds raised will be allocated to the Company's Phase III Clinical Trial costs. Refer to section 3.1 of the Prospectus for further details.

Risks and Considerations

Investors are reminded that participation in the Loyalty and Piggyback Options Offers involves inherent risks, as detailed in section 5 of the Prospectus.

The full terms and conditions of the Loyalty Options and Piggyback Options are available in the Prospectus. Eligible shareholders are encouraged to review the Prospectus and monitor Company announcements for updates.

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).

Authorised for release by the Paradigm Board of Directors.

To learn more please visit: www.paradigmbiopharma.com

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PARADIGM BIOPHARMACEUTICALS LIMITED
ACN 169 346 963

PROSPECTUS

For the following offers:

(a) a pro-rata non-renounceable entitlement offer of one (1) loyalty bonus Option (**Loyalty Option**) for every four (4) Shares held by those Shareholders registered at the Record Date (**Loyalty Options Offer**); and

(b) a further offer to Eligible Optionholders of one (1) Option (**Piggyback Options**) for every two (2) Loyalty Options exercised prior to the Loyalty Option Expiry Date (**Piggyback Options Offer**),

(together, the **Offers**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

This Prospectus may not be released to US wire services or distributed in the United States.

STEINEPREIS PAGANIN

IMPORTANT NOTICE

This Prospectus is dated 31 January 2025 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia and certain other countries.

For further information on overseas Shareholders please refer to Section 2.7.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia, New Zealand and Singapore, except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of

information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.paradigmbiopharma.com).

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.paradigmbiopharma.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be resident in a Permitted Jurisdiction and must only access this Prospectus from within a Permitted Jurisdiction.

As set out in Sections 2.1 and 2.2, no application form is required for the Offers. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6382 1805 during office hours or by emailing the Company at info@paradigmbiopharma.com.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper 1805.

documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept an Offer please call the Company Secretary on +61 8 6382

CORPORATE DIRECTORY

Directors

Paul Rennie
Managing & Executive Director

Amos Meltzer
Non-Executive Director

Matthew Fry
Non-Executive Director

Company Secretary

Abby Macnish Niven

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PAR

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*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Indicative Timetable*

Announcement of the Offers, Lodgement of Prospectus with ASIC and ASX and release of Appendix 3B to ASX	31 January 2025
Ex Date of the Loyalty Options Offer	6 February 2025
Record Date for Loyalty Options Offer	7 February 2025
Issue date and lodgement of Appendix 2A with ASX for the Loyalty Options issued under the Loyalty Options Offer	11 February 2025
Loyalty Options Expiry Date	11 February 2026
Issue date and lodgement of Appendix 3G with ASX for the Piggyback Options issued under the Piggyback Options Offer	Upon the exercise of Loyalty Options
Piggyback Options Expiry Date	11 February 2028

*The above dates are indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The Company also reserves the right not to proceed with any of the Offers at any time.

1.2 Key statistics of the Offers

Loyalty Options

Loyalty Option Entitlement Ratio	1 Loyalty Option for every 4 Shares held at the Record Date
Offer Price per Loyalty Option	Nil
Exercise Price of Loyalty Options[1]	$0.65
Expiry Date of Loyalty Options[1]	The date that is 12 months from the date of issue of the Loyalty Options
Maximum number of Loyalty Options to be issued under the Loyalty Options Offer[2]	97,357,151

Notes:

1. Refer to Section 4.1 for the terms of the Loyalty Options.
2. Assumes that no additional Shares are issued prior to the Record Date. The Company notes the actual number of Loyalty Options to be issued may vary due to rounding of individual entitlements.

Piggyback Options

Piggyback Options Entitlement Ratio	1 Piggyback Options for every 2 Loyalty Options exercised on or before the Loyalty Option Expiry Date
Offer Price per Piggyback Option[1]	Nil
Exercise Price of Piggyback Options[2]	$1.00
Expiry Date of Piggyback Options[2]	The date that is 24 months from the expiry date of the Loyalty Options
Maximum Number of Piggyback Options to be issued under the Piggyback Options Offer[3]	48,678,576

Notes:

1. The issue of the Piggyback Options is contingent on the exercise of the Loyalty Options. No funds will be received for the issue of the Piggyback Options other than in respect of funds received on exercise of the Loyalty Options.
2. Refer to Section 4.2 for the terms of the Piggyback Options.
3. As noted above, the issue of Piggyback Options is contingent on the exercise of the Loyalty Options. This assumes all Loyalty Options which may be issued under the Loyalty Options Offer are exercised prior to the Loyalty Option Expiry Date. This number may vary due to rounding of allocation under the Loyalty Options Offer.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

2. DETAILS OF THE OFFER

2.1 The Loyalty Options Offer

The Loyalty Options Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Loyalty Option for every four (4) Shares held by Shareholders registered at the Record Date to be issued for nil consideration, exercisable at $0.65 each on or before the date that is 12 months from the date of issue of the Loyalty Options (**Loyalty Option Expiry Date**). Fractional entitlements will be rounded up to the nearest whole number.

Exercise of the Loyalty Options, on or before the Expiry Date, entitles the Eligible Shareholder to:

(a) one (1) new Share for each Loyalty Option exercised; and

(b) one (1) Piggyback Option for every two (2) Loyalty Options exercised (being the Options the subject of the Piggyback Options Offer).

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 97,357,151 Loyalty Options (subject to rounding of entitlements under the Loyalty Options Offer) will be issued. No funds will be raised from the issue of the Loyalty Options, however if the maximum number of Loyalty Options are exercised, the Company will raise approximately $63,282,148.

As at the date of this Prospectus, the Company has 2,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Loyalty Options Offer. Please refer to Section 3.5 for information on the exercise price and expiry date of the Options on issue.

The Loyalty Options will be issued on the terms and conditions set out in Section 4.1.

Any Shares issued upon the future exercise of Loyalty Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.3 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Loyalty Options Offer and the intended use of funds raised are set out in Section 3.1.

As this is a bonus issue of Options, Eligible Shareholders are not required to apply for Loyalty Options under the Loyalty Options Offer and, accordingly, there is no application form attached to this Prospectus for the Loyalty Options Offer.

The Loyalty Options Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Loyalty Options offered under the Loyalty Options Offer.

2.2 The Piggyback Options Offer

The Piggyback Options Offer is an offer to Eligible Optionholders of one (1) Piggyback Option for every two (2) Loyalty Option exercised on or before the Loyalty Option Expiry Date, exercisable at $1.00 each on or before the date that is 24 months from the Loyalty Option Expiry Date (**Piggyback Option Expiry Date**).

Each Piggyback Option entitles the Eligible Optionholder to one (1) new Share on exercise of the Piggyback Option on or before the Piggyback Option Expiry Date.

Assuming all Loyalty Options are exercised, based on the capital structure of the Company as at the date of this Prospectus (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue), approximately 48,678,576 Piggyback Options (subject to rounding of entitlements under the Loyalty Options Offer) will be issued.

The Piggyback Options are contingent on the exercise of the Loyalty Options. No funds will be raised from the issue of the Piggyback Options, other than in respect of funds received on exercise of the Loyalty Options (as noted in Section 2.1 above). However, if:

(a) all Loyalty Options issued under the Loyalty Options Offer are exercised; and

(b) all Piggyback Options issued on exercise of the Loyalty Options are exercised,

the Company will raise approximately $48,678,576 in additional funds.

Only Eligible Optionholders will be entitled to participate in the Piggyback Options Offer. The Piggyback Options Offer is non-renounceable, which means that Eligible Optionholders may not transfer their rights to any Piggyback Options offered under the Piggyback Options Offer.

The Piggyback Options will be issued on the terms and conditions set out in Section 4.2.

Any Shares issued upon the future exercise of Piggyback Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.3 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Piggyback Options Offer and the intended use of funds raised are set out in Section 3.1.

As the Piggyback Options Offer involves the issue of Piggyback Options to Eligible Optionholders (who will submit exercise notices), there will be no requirement for applications to be submitted to receive Piggyback Options.

2.3 Minimum subscription

There is no minimum subscription under the Offers.

2.4 ASX listing

Application for Official Quotation of the Loyalty Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Loyalty Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any of the Loyalty Options offered under this Prospectus.

The fact that ASX may grant Official Quotation to the Loyalty Options is not to be taken in any way as an indication of the merits of the Company or the Loyalty Options now offered for subscription.

The Company does not currently intend to apply for Official Quotation of the Piggyback Options issued pursuant to this Prospectus.

2.5 Issue of Loyalty Options

As noted in Section 2.1, **no application form is required** and the Loyalty Options issued pursuant to the Loyalty Options Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for the Loyalty Options issued under the Loyalty Options Offer will be mailed as soon as practicable after the issue.

2.6 Issue of Piggyback Options

As noted in Section 2.2, **no application form is required** and the Piggyback Options issued pursuant to the Piggyback Options Offer will be issued on exercise of the Loyalty Options in accordance with the terms and conditions set out in Section 4.1.

Holding statements for the Piggyback Options issued under the Piggyback Options Offer, on exercise of the Loyalty Options will be mailed as soon as practicable after their issue.

2.7 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Shares will not be issued to Shareholders with a registered address which is

outside Australia, New Zealand, Singapore, United Kingdom and Hong Kong (**Permitted Jurisdictions**).

New Zealand

The Loyalty Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, the Company is issuing Piggyback Options to existing shareholders of the Company for no consideration.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This Prospectus and any other materials relating to the Loyalty Options and the Piggyback Options offered under this Prospectus have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Loyalty Options and the Piggyback Options may not be issued, circulated or distributed, nor may such securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Loyalty Options or the Piggyback Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Loyalty Options and Piggyback Options and the underlying shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Prospectus nor any other document relating to the offer of Loyalty Options and the Piggyback Options has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Loyalty Options and the Piggyback Options.

The Loyalty Options and the Piggyback Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Loyalty Options and the Piggyback Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons

referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

Hong Kong

WARNING: This Prospectus may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offers

The primary purposes of the Loyalty Options Offer and Piggyback Options Offer are:

(a) to reward Shareholders for continuing to support the Company;

(b) to provide long-term supportive Shareholders a potential benefit of greater exposure to the potential future success of the Company;

(c) to provide the Company with a potential source of additional capital if the Loyalty Options or the Piggyback Options are exercised;

(d) to raise funds incrementally such that the Company will receive:

(i) funds from the exercise of the Loyalty Options during the six-month expiry period in which those Loyalty Options are able to be exercised and converted into Shares and Piggyback Options; and

(ii) later, further funds raised from the exercise of any Piggyback Options during the expiry period in which those Piggyback Options are able to be exercised and converted into Shares.

An additional purpose of the Loyalty Options Offer and Piggyback Options Offer is to remove any trading restrictions attaching to Shares issued on exercise of the Loyalty Options and Piggyback Options issued under the Loyalty Options Offer and Piggyback Options Offer respectively, given that the Loyalty Options and Piggyback Options offered under the Loyalty Options Offer and Piggyback Options Offer are being issued with disclosure under this Prospectus.

No funds will be raised directly under the Loyalty Options Offer as the Loyalty Options are being issued for nil consideration. However, if all the Loyalty Options are exercised, the Company will receive approximately $63,282,148 in aggregate, by virtue of payment of the exercise price.

Further, if the Piggyback Options are in turn exercised in full, the Company will raise up to an additional approximately $48,678,576 in aggregate by virtue of payment of the exercise price.

Any funds raised upon exercise of any of the Loyalty Options, and subsequently any of the Piggyback Options, will be allocated to the Company's Phase III Clinical Trial costs. Such allocation is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Loyalty Options Offer

The principal effect of the Loyalty Options Offer, assuming no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to increase the number of Options on issue from 2,500,000 as at the date of this Prospectus to 99,857,151 Options (comprised of existing Options and the Loyalty Options).

If all Loyalty Options are exercised (and no Shares are issued including on exercise or conversion of other Securities on issue), the effect will be to:

(a) increase the Company's cash reserves by approximately $63,282,148 (less expenses);

(b) increase the number of Shares on issue from 389,428,603 Shares to 486,785,754 Share; and

(c) change the number of Options on issue from 99,857,151 Options to 51,178,576 Options (comprised of existing Options and the Piggyback Options),

immediately following the issue of the Shares and Piggyback Options on exercise of the Loyalty Options.

3.3 Effect of the Piggyback Options Offer

The principal effect of the Piggyback Options Offer, assuming all Loyalty Options are exercised in full and no Shares are issued including on exercise or conversion of other Securities on issued, prior to the Record Date, will be to increase the number of Options on issue from 2,500,000 as at the date of this Prospectus to 51,178,576 Options.

If all Piggyback Options are exercised (and no Shares are issued including on exercise or conversion of other Securities on issue, other than in respect of on exercise of the Loyalty Options) the effect would be to:

(a) increase the Company's cash reserves by approximately $48,678,576;

(b) increase the number of Shares on issue from 486,785,754 Shares to 535,464,330 Shares;

(c) decrease the number of Options on issue from 51,178,576 to 2,500,000,

immediately following the issue of the Shares on exercise of the Piggyback Options.

3.4 Financial effect of the Offers

The Loyalty Options to be issued pursuant to the Loyalty Options Offer will be issued for no consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the Loyalty Options are exercised, and, in turn, additional capital will be raised if the Piggyback Options to be issued pursuant to the Piggyback Options Offer, on exercise of the Loyalty Options, are exercised, which will affect the Company's balance sheet.

The Company is unable to specify with any certainty the extent of any change to the balance sheet, given that:

(a) there is no certainty if or when any of the Loyalty Options will be exercised; and

(b) there is no certainty if or when any of the Piggyback Options issued (if any) will be exercised.

The expenses of the Offers will be met from the Company's existing cash reserves. Accordingly, the Offers will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves.

3.5 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	NUMBER
Shares currently on issue	389,428,603
Shares offered pursuant to the Offers	Nil
Total Shares on issue after completion of the Offers[1, 2]	**389,428,603**

Notes:

1. Assuming no Shares are issued prior to the Record Date, including on exercise or conversion of securities on issue.
2. The Company notes that if:
   (a) all the Loyalty Options which may be issued under the Loyalty Options Offer are exercised; and
   (b) all the Piggyback Options issued on conversion of the Loyalty Options are exercised,

   a further 146,035,727 Shares will be issued (assuming that no Shares are issued prior to the Record Date, including on exercise or conversion of securities on issue). This number may vary due to rounding of entitlements under the Loyalty Options Offer. The Company notes that if no Loyalty Options are exercised prior to the Loyalty Option Expiry Date, there will be no change to the number of Shares currently on issue as a result of the Offers.

Options

	NUMBER
Options currently on issue	2,500,000[1]
Loyalty Options to be issued pursuant to the Loyalty Options Offer[2]	97,357,151
Maximum number of Piggyback Options to be issued under the Piggyback Options Offer[3]	48,678,576
Total Options on issue after completion of the Offers	**148,535,727**

Notes:

1. Exercisable at $0.65 on or before 9 February 2026.
2. Assuming no Shares are issued prior to the Record Date, including on exercise or conversion of securities on issue. This number may vary due to rounding of entitlements under the Loyalty Options Offer.
3. The issue of Piggyback Options is contingent on the exercise of the Loyalty Options. This assumes all Loyalty Options which may be issued under the Loyalty Options Offer are exercised prior to the Loyalty Option Expiry Date. This number may vary due to rounding of allocation under the Loyalty Options Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 391,928,603 Shares and on completion of the Offers (assuming all Loyalty Options are exercised prior to the Loyalty Options Expiry Date and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 537,964,330 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.6 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

DIRECTOR	SHARES	OPTIONS	LOYATLY OPTION ENTITLEMENT	PIGGYBACK OPTION ENTITLEMENT[1]
Paul Rennie	20,726,750	-	5,181,688	2,590,844
Amos Meltzer	-	-	-	-
Matthew Fry	1,419,830	-	354,958	177,479

Notes:

1. Assuming that the Director exercises all of their Loyalty Options before the Loyalty Option expiry date.

3.7 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Paul Rennie and associates	20,726,750	5.32%

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Terms of the Loyalty Options

(a) **Entitlement**

Exercise of the Loyalty Options, on or before the Expiry Date, entitles the Eligible Shareholder to:

(i) one (1) new Share for each Loyalty Option exercised; and

(ii) one (1) Piggyback Option for every two (2) Loyalty Options exercised (refer Section 4.2 of this Prospectus for the terms and conditions of the Piggyback Options).

(b) **Exercise Price**

Subject to paragraph 4.1(i), the amount payable upon exercise of each Loyalty Option will be $0.65 (**Exercise Price**).

(c) **Expiry Date**

Each Loyalty Option will expire at 5:00 pm (AEST) on the date which 12 months after the date of issue of the Loyalty Options. A Loyalty Option not exercised before the Loyalty Option Expiry Date will automatically lapse on the Loyalty Option Expiry Date.

(d) **Exercise Period**

The Loyalty Options are exercisable at any time on or prior to the Loyalty Option Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Loyalty Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option holding statement (**Notice of Exercise**) and payment of the Exercise Price for each Loyalty Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Bous Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Securities on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Securities required under these terms and conditions in respect of the number of Loyalty Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Loyalty Options.

If a notice delivered under 4.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such

notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Loyalty Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options without exercising the Loyalty Options.

(k) **Change in exercise price**

A Loyalty Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

(l) **Transferability**

The Loyalty Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.2 Terms of the Piggyback Options

(a) **Entitlement**

Each Piggyback Option entitles the holder to subscribe for one Share upon exercise of the Piggyback Option.

(b) **Exercise Price**

Subject to paragraph 4.2(i), the amount payable upon exercise of each Piggyback Option will be $1.00 (**Exercise Price**).

(c) **Expiry Date**

Each Piggyback Option will expire at 5:00 pm (AEST) on the date that Is 24 months from the Loyalty Option Expiry Date. A Piggyback Option not exercised before the Piggyback Option Expiry Date will automatically lapse on the Piggyback Option Expiry Date.

(d) **Exercise Period**

The Piggyback Options are exercisable at any time on or prior to the Piggyback Option Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Piggyback Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Piggyback Option holding statement (**Notice of Exercise**) and payment of the Exercise Price for each Piggyback Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise

Price for each Piggyback Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Piggyback Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Piggyback Options.

If a notice delivered under 4.2(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Piggyback Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Piggyback Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Piggyback Options without exercising the Piggyback Options.

(k) **Change in exercise price**

A Piggyback Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Piggyback Option can be exercised.

(l) **Transferability**

The Piggyback Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.3 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the

contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Research and Development Activities	Paradigm's future success is dependent on the results of Paradigm's current and planned future clinical trials using Pentosan Polysulfate Sodium (**PPS**) and whether it proves to be a safe and effective treatment in the target therapeutic application. Paradigm's lead product based on PPS is an experimental product in clinical development and product commercialisation resulting in any potential product sales and revenues is likely to be years away; and there is no guarantee that it will be successful. It requires additional research and development, including ongoing clinical evaluation of safety and efficacy in clinical trials and regulatory approval prior to marketing authorisation. Drug development generally is often associated with a high failure rate and until Paradigm is able to provide further clinical evidence of the ability of Paradigm's PPS product to improve outcomes in patients, the future success of the product in development remains speculative. Research and development risks include uncertainty of the outcome of results, difficulties or delays in development and generally the uncertainty that surrounds the scientific development of pharmaceutical products.
Clinical Development	Clinical trials are inherently very risky, costly and it is possible the Paradigm clinical trials may demonstrate that its PPS products are unsuccessful or non-efficacious, impracticable or costly - which may impact profitability and future commercial potential. Failure or negative or inconclusive results can occur at many stages in development and the results of earlier clinical trials are not necessarily predictive of future results. In addition, data obtained from trials is susceptible to varying interpretations, and regulators may not interpret the data as favourably as Paradigm, which may delay, limit or prevent regulatory approval.

RISK CATEGORY	RISK
Commercial Risk	Paradigm may, from time to time, consider acquisition, licensing, partnership or other corporate opportunities for Paradigm's product development programs. There can be no assurance that any such acquisition, licensing, partnership or corporate opportunities can be concluded on terms that are, or are believed by Paradigm to be, commercially acceptable. In the case of licensing and partnership opportunities, even if such terms are agreed there is a risk that the performance of distributors and the delivery of contracted outcomes by collaborators will not occur due to a range of unforeseen factors relating to environment, technology and market conditions.
Market penetration	Where Paradigm does obtain regulatory approval (and this is subject to the outcomes of future clinical trials by Paradigm), future success will also depend on Paradigm's ability to achieve market acceptance and attract and retain customers, which includes convincing potential consumers and partners of the efficacy of Paradigm's products and Paradigm's ability to manufacture a sufficient quantity and quality of products at a satisfactory price. There is no guarantee that Paradigm will be successful in obtaining regulatory approvals, commercialising a therapeutic product or the degree of market penetration or uptake which is achieved.
Manufacturing	There is a risk that scale-up of commercial supplies of Pentosan Polysulfate Sodium (PPS) may present technical and supply difficulties. Any unforeseen difficulty relating to manufacturing or supply of commercial GMP quantities of PPS may negatively impact Paradigm's ability to generate profit in future.

5.3 Industry specific

RISK CATEGORY	RISK
Regulatory Approval	Paradigm operates within a highly regulated industry, relating to the manufacture, distribution and supply of pharmaceutical products. There is no guarantee that Paradigm will obtain the required approvals, licenses and registrations from all relevant regulatory authorities in all jurisdictions in which it operates. The commencement of clinical trials may be delayed and Paradigm may incur further costs if the Food and Drug Administration (FDA) and other Regulatory Agencies observe deficiencies that require resolution or request additional studies be conducted in addition to those that are currently planned. A change in regulation may also adversely affect Paradigm's ability to commercialise and manufacture its treatments.
Intellectual Property risks	Securing rights in technology and patents is an integral part of securing potential product value in the outcomes of biotechnology research and development. Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes. Paradigm's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of biotechnology companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in biotechnology patents nor their enforceability can be predicted. There can be no assurance that any patents which Paradigm may own, access or control will afford Paradigm commercially significant protection of its technology or its

RISK CATEGORY	RISK
	products or have commercial application or that access to these patents will mean that Paradigm will be free to commercialise its drug candidates. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid Paradigm's patented technology. Paradigm's current Patenting strategies do not cover all countries which may lead to generic competition arising in those markets.
Competition	The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change, both in Australia and internationally, and there are no guarantees about Paradigm's ability to successfully compete. Paradigm's products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and internationally, are pursuing the development of competing products. Some of these companies may have, or may develop, technologies superior to Paradigm's own technology. Some competitors of Paradigm may have substantially greater financial, technical and human resources than Paradigm does, as well as broader product offerings and greater market and brand presence. Paradigm's services, expertise or products may be rendered obsolete or uneconomical or decrease in attractiveness or value by advances or entirely different approaches developed by either Paradigm or its competitors.
Insurance and Uninsured Risks	Although Paradigm maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and Paradigm may decide not to insure against certain risks because of high premiums or other reasons.
Product Safety and Efficacy	Serious or unexpected health, safety or efficacy concerns with Paradigm's (or similar third party) products may expose Paradigm to reputational harm or reduced market acceptance of its products, and lead to product recalls and/or product liability claims and resulting liability, and increased regulatory reporting. There can be no guarantee that unforeseen adverse events or manufacturing defects will not occur. Paradigm will seek to obtain adequate product liability insurance at the appropriate time in order to minimise its liability to such claims however there can be no assurance that adequate insurance coverage will be available at an acceptable cost. Any health, safety or efficacy concerns are likely to lead to reduced customer demand and impact on potential future profits of Paradigm.

5.4 General risks

RISK CATEGORY	RISK
Additional requirements for capital	The funds raised under from exercise of the Loyalty Options will complement the Company's existing cash reserves and available current assets and are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates or future revenues are below the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of

RISK CATEGORY	RISK
	opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of operations and further development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.
Economic risks	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
Market conditions	Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.
Reliance on key personnel	Paradigm is reliant on key personnel employed or engaged by Paradigm. Loss of such personnel may have a material adverse impact on the performance of Paradigm. In addition, recruiting qualified personnel is critical to Paradigm's success. As Paradigm's business grows, it may require additional key financial, administrative, investor and public relations personnel as well as additional staff for operations. While Paradigm believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. The loss of key personnel or the inability to attract suitably qualified additional personnel could have a material adverse effect on Paradigm's financial performance.

RISK CATEGORY	RISK
Litigation risks	In the ordinary course of conducting its business, Paradigm is exposed to potential litigation and other proceedings, including through claims of breach of agreements, intellectual property infringement or in relation to employees (through personal injuries, occupational health and safety or otherwise). If such proceedings were brought against Paradigm, it would incur considerable defence costs (even if successful), with the potential for damages and costs awards against Paradigm if it were unsuccessful, which could have a significant negative financial effect on Paradigm's business. Changes in laws can also heighten litigation risk (for example, antitrust and intellectual property). Circumstances may also arise in which Paradigm, having received legal advice, considers that it is reasonable or necessary to initiate litigation or other proceedings, including, for example, to protect its intellectual property rights. There has been substantial litigation and other proceedings in the pharmaceutical industry, including class actions from purchasers and end users of pharmaceutical products.
Dividend Guidance	No assurances can be given in relation to the payment of future dividends. Future determinations as to the payment of dividends by Paradigm will be at the discretion of Paradigm and will depend upon the availability of profits, the operating results and financial conditions of Paradigm, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by Paradigm. No assurance can be given in relation to the level of tax deferral of future dividends. Tax deferred capacity will depend upon the amount of capital allowances available and other factors.
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

(i) the annual financial report most recently lodged by the Company with the ASIC;

(ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

(iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
31 January 2025	PAR Selections Advanced Clinical as CRO for Phase 3
30 January 2025	Quarterly Activities/Appendix 4C Cash Flow Report
29 January 2025	Application for quotation of securities – PAR
24 January 2025	Paradigm Receives $6.3m R&D Tax Refund
16 January 2025	Notice of release of escrowed securities
30 December 2024	Change of Director's Interest Notice
20 December 2024	Notification regarding unquoted securities - PAR
13 December 2024	Cleansing Notice
13 December 2024	Application for quotation of securities – PAR
9 December 2024	PAR Capital Raising Presentation
9 December 2024	Proposed issue of securities - PAR

DATE	DESCRIPTION OF ANNOUNCEMENT
9 December 2024	Successful Completion of $16M Placement for Phase 3
5 December 2024	Change of Director's Interest Notice
5 December 2024	Change of Director's Interest Notice
5 December 2024	Trading Halt
5 December 2024	Appendix 3H - Notification of cessation of securities
4 December 2024	Appendix 2A
28 November 2024	Paradigm to Proceed with Phase 3 Knee OA Trial
25 November 2024	Response to ASX Price Query
21 November 2024	Change of Director's Interest Notice
21 November 2024	Notification of cessation of securities - PAR
20 November 2024	Final Director's Interest Notice
20 November 2024	Dr. Skerrett Steps Down from Board Following AGM
19 November 2024	Results of Meeting
19 November 2024	2024 Chairman Address and AGM Presentation
31 October 2024	Quarterly Activities/Appendix 4C Cash Flow Report
31 October 2024	Phase 3 Protocol Submission to US FDA
24 October 2024	Proposed issue of securities - PAR
23 October 2024	Change of Director's Interest Notice
23 October 2024	Change of Director's Interest Notice
22 October 2024	Notification of cessation of securities - PAR
21 October 2024	Paradigm Investor Update
18 October 2024	Notice of Annual General Meeting/Proxy Form
16 October 2024	Change of Director's Interest Notice
16 October 2024	Change of Director's Interest Notice
26 September 2024	Ceasing to be a substantial holder
20 September 2024	Date of AGM & Closing Date for Director Nominations
18 September 2024	PAR RECEIVES POSITIVE RESPONSE FROM US FDA FOR PHASE 3
10 September 2024	Application for quotation of securities - PAR
3 September 2024	Notice of release of escrowed securities
30 August 2024	Appendix 4G and Corporate Governance Statement
30 August 2024	Appendix 4E and 2024 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website **www.paradigmbiopharma.com**.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	($)	DATE
Highest	$0.6100	27 November 2024
Lowest	$0.1975	30 October 2024
Last	$0.5550	30 January 2025

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 3.6.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors (inclusive of superannuation) for the past financial year and the proposed annual remuneration for the financial year ending 30 June 2024:

DIRECTOR	PREVIOUS FINANCIAL YEAR (ENDED 30 JUNE 2024)[1]	CURRENT FINANCIAL YEAR (ENDING 30 JUNE 2025)
Paul Rennie	$1,096,287[1]	$1,226,588[2]
Amos Meltzer	$88,800[3]	$89,200[4]
Matthew Fry	$24,242[4]	$72,727[6]

Notes:

1. Comprising $947,820 in salary and fees, $20,421 in leave entitlements, $27,399 in superannuation payments and $100,647 in share-based payments.
2. Comprising $988,114 in salary and fees, $33,268 in leave entitlements, $29,932 in superannuation payments and $175,274 in share-based payments.
3. Comprising $80,000 in salary and fees and $8,800 in superannuation payments.
4. Comprising $80,000 in salary and fees and $9,200 in superannuation payments.
5. In salary and fees.
6. In salary and fees.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $40,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling $110,677.23(excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility

for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.7 Expenses of the offer

The total expenses of the Offers are estimated to be approximately $118,407 (excluding GST) and are expected to be applied towards the items set out in the table below:

	$
ASIC fees	$3,206
ASX fees	$67,201
Legal fees	$40,000
Printing and distribution	$5,000
Miscellaneous	$3,000
Total	**$118,407**

As noted at Section 3.4 the expenses of the Offers will be met from the Company's existing cash reserves.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Paradigm Biopharmaceuticals Limited (ACN 169 346 963).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Optionholder means an Eligible Shareholder who exercises a Loyalty Option prior to the Loyalty Option Expiry Date.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Loyalty Options Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Loyalty Options Offer.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in a Permitted Jurisdiction.

Loyalty Option means an Option issued on the terms set out in Section 4.1.

Loyalty Option Expiry Date has the meaning given in Section 2.1

Loyalty Options Offer means the non-renounceable bonus issue of Loyalty Options referred to in Section 2.1.

Offers means together the Loyalty Options Offer and the Piggyback Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Piggyback Option means an Option issued on the terms set out in Section 4.2.

Piggyback Option Expiry Date has the meaning given in Section 2.2.

Piggyback Options Offer means the offer of Piggyback Options under this Prospectus referred to in Section 2.2.

Permitted Jurisdiction means Australia, New Zealand, Singapore, United Kingdom and Hong Kong.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.