PARADIGM BIOPHARMA

ASX RELEASE 29 August 2025

Financial Year 2025 Annual Report

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, presents the FY25 Annual Report. FY25 was a pivotal year for Paradigm Biopharmaceuticals, marking the transition from regulatory preparation to active clinical execution of our global Phase 3 program. With strengthened operational foundations, strategic financing, and the expansion of the Company's osteoarthritis pipeline, Paradigm continues to advance its mission of transforming the treatment landscape for osteoarthritis. Our efforts throughout the year have laid the groundwork for a major inflection point in FY26 as patient enrolment progresses and interim analysis approaches.

Key Highlights of FY25

Global Phase 3 Trial Execution Underway

- Paradigm transitioned from regulatory preparation to full execution of its pivotal Phase 3 trial (PARA_OA_012) for iPPS in moderate-to-severe knee osteoarthritis. The FDA accepted the final protocol without further comment in October 2024.
- The Company finalised regulatory protocols, completed manufacturing of investigational product (iPPS and placebo), onboarded CROs, and implemented daily electronic pain reporting to reduce variability and bias.
- By financial year-end, 27 clinical sites were initiated across Australia and the US, with patient screening underway, establishing strong momentum for recruitment into FY26.
- The trial design incorporates 466 participants (233 per arm) and is powered at over 86% to detect a treatment effect size of 0.3. If the previously observed effect size of >0.4 is replicated, statistical power exceeds 98%, greatly increasing the likelihood of success.

Strengthened Financial Platform to Support Key Milestones

- A $16 million equity raise in December 2024 funded initial trial activities including CRO engagement, site contracting, and investigational product supply.
- In July 2025, Paradigm secured a US$27 million (A$41.2 million) convertible note facility with Obsidian Global Partners to support full trial execution through interim analysis, ensuring financial runway for continued progress across key geographies.

OA Pipeline Expansion Through Strategic Asset Acquisition

- Paradigm broadened its osteoarthritis portfolio with the acquisition of Pentacoxib™, a novel oral PPS + COX-2 inhibitor combination targeting earlier-stage OA. Early formulation exploration is planned, with a staged approach

planned to assess development potential and alignment with Paradigm's end-to-end OA treatment strategy.

Outlook for FY26

Paradigm enters FY26 with strong operational momentum, having moved from regulatory groundwork to the active execution of its global Phase 3 clinical trial evaluating Zilosul® (iPPS) for moderate-to-severe knee osteoarthritis. Patient enrolment has commenced at clinical sites across Australia and the United States, and the Company is progressing toward its next key milestone: achieving 50% recruitment by the end of calendar year 2025. This will enable the planned interim analysis in mid-2026, an important inflection point for validating the program and unlocking further clinical and commercial value.

The Company has focused its resources on building the infrastructure required to ensure timely and efficient execution of the trial. With accelerating site activations and a robust operational framework in place, Paradigm is well-positioned to sustain recruitment momentum and deliver statistically meaningful results. The design of PARA_OA_012, which includes strong powering assumptions, validated endpoints, and smart-device-enabled pain reporting, has been structured to minimise bias and maximise the likelihood of replicating previous Phase 2 outcomes.

Alongside the iPPS program, Paradigm is advancing early formulation development for Pentacoxib™, a novel oral combination of PPS and a COX-2 inhibitor targeting patients with earlier-stage osteoarthritis. This initiative supports the Company's broader objective to address the full OA disease spectrum and expand future commercial opportunities across both human and veterinary segments.

The Board and Executive team remain focused on achieving the clinical, regulatory, and commercial milestones required to drive shareholder value. The Company is confident that ongoing delivery of operational milestones, including patient recruitment and trial execution, will support a more accurate reflection of the underlying value of the iPPS program. Importantly, this progress underpins the potential conversion of the loyalty options issued in February 2025.

As Paradigm progresses toward this critical data point, the Company will continue to explore potential pathways to earlier commercialisation and is committed to initiatives that support long-term value creation and ensure regional and global access to innovative therapies for osteoarthritis.

Hear From Our Founder and Managing Director

To hear more about Paradigm's FY25 progress and future plans, watch the video update from Founder and Managing Director, **Mr Paul Rennie**, here:

https://investors.paradigmbiopharma.com/link/P2zdVP

-Ends-

About Paradigm Biopharmaceuticals

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 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 PPS, such as in osteoarthritis (phase 3).

Forward Looking Statements

This Company announcement contains or may contain 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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APPENDIX 4E
Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Paradigm Biopharmaceuticals Limited
ABN	(ABN 94 169 346 963)
Year Ended	30 June 2025
Previous Corresponding Reporting Period	01 July 2023 to 30 June 2024

1. Results for Announcement to the Market

	$	$ and % increase/(decrease) over previous corresponding period
Revenue from continuing activities	7,105,400	663,131 10.29%
(Loss) from continuing activities after tax attributable to members	(18,770,745)	(39,960,105) (68.04%)
Net (loss) for the period attributable to members	(18,770,745)	(39,960,105) (68.04%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	N/A	N/A
Interim Dividend	N/A	N/A
Record date for determining entitlements to the dividends (if any)	N/A	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood: N/A

2. Key ratios

	Current Period	Previous corresponding period (Restated)
Basic earnings per ordinary security (cents per share)	(5.97) cents	(20.03) cents
Diluted earnings per ordinary security (cents per share)	(5.97) cents	(20.03) cents
Net tangible asset backing per ordinary security (cents per share)	5.33 cents	6.23 cents

3. Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity since the date in the current period on which control was acquired.	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

4. Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	✓	The accounts are in the process of being audited	
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A			

5. Attachments Forming Part of Appendix 4E

The Annual Report of Paradigm Biopharmaceuticals Limited for the year ended 30 June 2025 is attached.

6. Signed

Signed in accordance with a resolution of the Directors.

Signed _____

Date: 29 August 2025
Paul Rennie
Managing Director

PARADIGM
BIOPHARMA

EXTRACTING TRUE VALUE WITH UNTAPPED POTENTIAL

Annual Report
2025

Paradigm Biopharmaceuticals Ltd. is a late-stage clinical development company. We are driven by a purpose to improve patients' health and quality of life by, developing, and delivering pharmaceutical therapies.

Paradigm has a vision to be recognised as a global leader in the development and commercialisation of innovative pharmaceutical therapies. Paradigm's values of innovation, transparency, adaptability, collaboration, respect, and accountability comprise the central pillars of the organisation and influence all activities and decisions.

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HIGHLIGHTS

27 sites

initiated to date across US and Australia

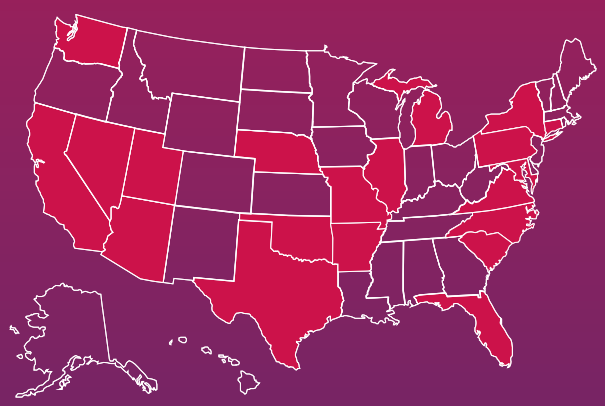
A$6.3m

R&D Tax Incentive received for FY24 Claim

28th November 2025

Successful conclusion of 30-day FDA review period enabling Paradigm to proceed with the pivotal phase 3 clinical trial

PARA_OA_012 PHASE 3 STUDY LOCATIONS



United State of America
50 sites

Australia
15 sites

KEY HIGHLIGHTS

Phase 3 trial execution underway

Paradigm transitioned from regulatory preparation to full execution of its pivotal Phase 3 trial (PARA_OA_012) for iPPS in moderate-to-severe knee osteoarthritis. The FDA accepted the final protocol without further comment in October 2024, and by end of FY25, 27 clinical sites were activated across Australia and the US, with patient screening underway.

Strengthened funding base to support trial milestones

A A$16 million equity raise in December 2024 funded initial trial activities including CRO engagement, site contracting, and investigational product supply. Post year-end, a US$27 million (A$41.2 million) convertible note facility was secured to fund trial execution through interim analysis, ensuring financial runway for continued progress across key geographies.

OA portfolio expanded via strategic acquisition

Paradigm broadened its OA pipeline with the acquisition of Pentacoxib™, an oral PPS + COX-2 inhibitor combination targeting early-stage disease. This complements iPPS for moderate-to-severe OA and supports a full-spectrum treatment strategy.

In FY25, Paradigm Biopharmaceuticals made notable progress in advancing our pivotal Phase 3 clinical trial of injectable PPS (iPPS) for knee osteoarthritis (OA), while reinforcing operational stability through disciplined financial management, a strategic funding structure, and focused pipeline expansion. The Company listened to shareholder feedback and prioritised a robust capital strategy to ensure uninterrupted execution of our global clinical program, whilst minimising dilution and preserving long-term shareholder value.

$16m
AUD

Equity Placement Completed
Raised from institutional and sophisticated investors in Dec 2024.

$27m
USD

Convertible Note Facility Secured
Obsidian facility with initial USD $7m drawdown; announced July 2025.

Dear Shareholders,

As Founder and Managing Director, I am pleased to report on the operational highlights of FY25. The past 12 months have seen Paradigm sharpen its execution focus, strengthen financial foundations, and position itself for long-term success as we progress our lead asset, iPPS, through its final phase of clinical development.

Following comprehensive regulatory engagement and protocol refinement, Paradigm received the green light to proceed with the pivotal Phase 3 PARA_OA_012 trial. The U.S. FDA's 30-day protocol review concluded without further queries, enabling immediate progression into obtaining ethics approval to support rapid site activation and patient recruitment across Australia and the United States. This was achieved by completing the ethics and regulatory groundwork needed to ensure consistent trial conduct across both jurisdictions.

We have achieved operational momentum with a strong collaboration with our global Clinical Research Organisation, Advanced Clinical, and our clinical infrastructure now spans over 65 selected sites globally, with systems and personnel in place to manage recruitment, data collection, and safety oversight with speed and precision. Our high performing sites are fully engaged and the activation of study sites commenced in May 2025 with potential study participants now being screened for the study across multiple sites.

With our focus remaining on the Phase 3 clinical program of iPPS, we have continued to evaluate avenues for the Company to grow and expand our pipeline, and in June 2025, we acquired the exclusive global rights to develop and commercialise a novel oral combination of PPS and a COX-2 inhibitor to treat early stage osteoarthritis. The acquisition strategically expands Paradigm's osteoarthritis portfolio, enabling the Company to address a broader spectrum of disease severity, with the oral PPS + Coxib combination positioned for the large, under-served mild-to-moderate OA segment, and the iPPS program continuing to target patients with moderate to severe disease. Our initial focus for the oral combination will be on use in the veterinary field which will also support our transition to the human use.

Funding and Financial Stability

In direct response to shareholder feedback shared through the 2024 Annual General Meeting and broader investor engagement, the Board and Executive team undertook a competitive capital process to fund Paradigm through to the interim analysis of the Phase 3 study. The Company prioritised a structure that maintained strategic flexibility while ensuring sufficient runway to meet key clinical milestones.

In December 2024, we secured an AUD $16 million placement to institutional and sophisticated investors at $0.40 per share. The placement was oversubscribed and supported by both existing and new shareholders, providing funding to commence global site recruitment and manufacturing readiness.

In July 2025, Paradigm announced a USD $27 million (AUD ~$41.2 million) convertible note facility with Obsidian Global Partners. This facility was the culmination of a competitive global capital process conducted over several months. The Company received multiple proposals and selected Obsidian following significant due diligence by both parties. The structure was chosen for its alignment with Paradigm's long-term development objectives, providing staged access to capital with minimal upfront dilution.

An initial tranche of USD $7 million was drawn to support trial operations, with the balance available at the Company's discretion. The terms of the facility were designed to preserve operational control and minimise dilution, providing funding certainty through:

- Activation of all planned Australian and U.S. clinical sites,
- Completion of 100% patient recruitment,
- Delivery of interim analysis (expected mid-2026).

With our focus remaining on the Phase 3 clinical program of iPPS, we have continued to evaluate avenues for the Company to grow and expand our pipeline, and in June 2025, we acquired the exclusive global rights to develop and commercialise a novel oral combination of PPS and a COX-2 inhibitor as a potential therapy for early stage osteoarthritis management.

Importantly, the facility retains flexibility to accommodate other capital sources as Paradigm advances. The Company remains committed to pursuing non-dilutive options, including regional licensing agreements for iPPS in smaller or strategically aligned international markets. This staged approach ensures Paradigm is well-positioned to deliver on its core clinical milestones, while remaining agile to evaluate and execute on value-enhancing opportunities.

Further enhancing our funding strategy, Paradigm launched a Loyalty and Piggyback Options Program in early 2025 to reward long-term shareholders. Eligible investors received one Loyalty Option for every four shares held, exercisable at $0.65, with a 12-month expiry. Upon exercising two Loyalty Options, holders receive one Piggyback Option exercisable at $1.00, expiring in February 2028. If fully exercised, the combined program could generate up to $112 million in additional non-dilutive capital.

This capital strategy, layered across equity, convertible instruments, and shareholder-aligned incentives, provides Paradigm with the flexibility and strength to deliver clinical results without delay, while minimising dilution and preserving balance sheet strength.

Board and Leadership Update

Paradigm continued to strengthen its governance framework in FY25 to support operational growth. At the 2024 AGM, we officially welcomed Mr. Matthew Fry as a Non-Executive Director. Mr. Fry brings more than two decades of strategic and regulatory experience in global healthcare markets and has already played a valuable role in guiding our late-stage development efforts.

Following the AGM, Dr. Donna Skerrett stepped down from her role as Executive Director. Dr. Skerrett remains fully engaged as Paradigm's Chief Medical Officer, now dedicating her full attention to the successful execution of our Phase 3 program and future regulatory submissions. Her deep clinical leadership remains integral to Paradigm's progress.

The Board thanks both incoming and departing Directors for their contributions and remains committed to maintaining a balance of scientific, commercial, and governance expertise.

With our clear vision for Paradigm in place, we have recently added a Global Head of Operations, a CMC Regulatory Associate and a Medical Director to strengthen execution of our clinical program and our broader strategic vision. These additions bring critical expertise to help our next phase of activities.

Reflections from the AGM, EGM and the Year Ahead

At the 2024 Annual General Meeting and 2025 EGM, I had the opportunity to personally engage with many of our investors. Your feedback was clear: ensure Paradigm remains well-funded, strategically agile, and focused on execution. We took this guidance seriously and made it a priority to deliver a funding structure that supports trial continuity, minimises dilution, and allows for value-accretive flexibility.

FY25 was marked by intentional discipline, in trial design, cost containment, and capital deployment. We now have a clinical program in full execution mode, backed by regulatory clarity and adequate funding to reach a critical inflection point: the interim analysis.

With our global trial infrastructure in place and recruitment underway, we are entering the most important year in Paradigm's journey to date.

We also advanced operational capabilities to support downstream success. This included alignment of supply chain and manufacturing planning with our trial timelines, refinement of regulatory filings for future submissions, and active discussions with potential partners who recognise the potential of iPPS as a differentiated, non-opioid treatment for improvement of symptoms and disease progression of OA.

I would like to thank our shareholders for their unwavering support, our clinical and operational teams for their tireless efforts, and our Board for their strategic guidance. FY26 represents a transformative chapter for Paradigm, and I look forward to updating you on our progress as we work toward our goal of bringing iPPS to patients suffering from OA.

On behalf of the Board,

Paul Rennie
Chairman and Managing Director
Melbourne, Victoria

29 August 2025

$112m
AUD

Potential Non-Dilutive Capital
If all Loyalty and Piggyback Options are exercised by shareholders.

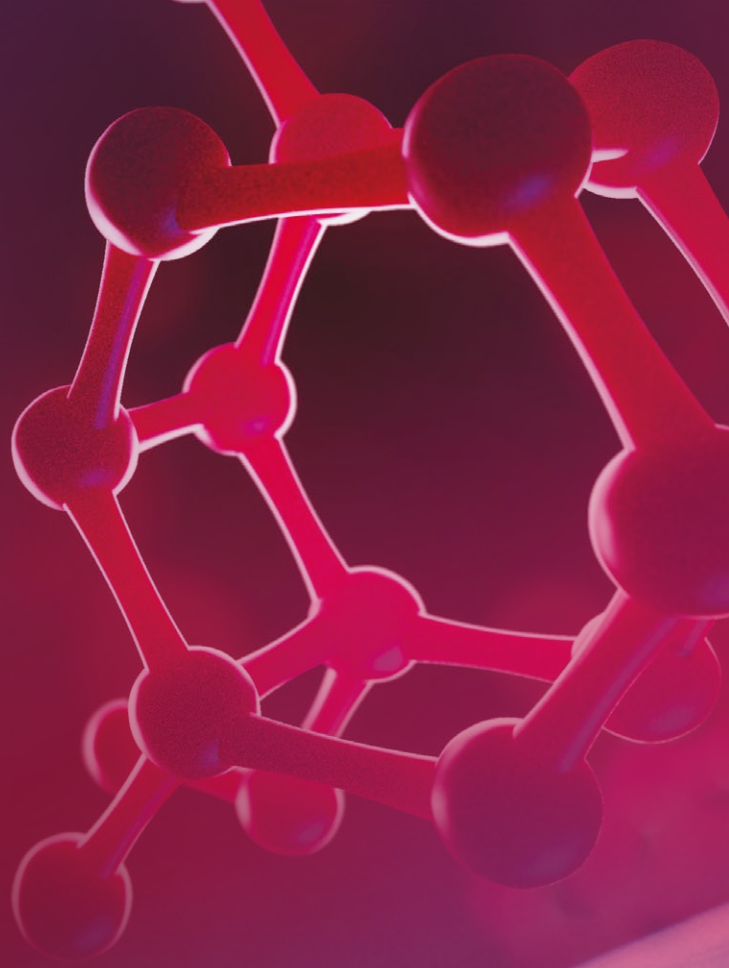
Strategic Acquisition

Paradigm broadened its OA pipeline with the acquisition of Pentacoxib™, an oral PPS + COX-2 inhibitor combination targeting early-stage disease.

Mid-2026

Interim Analysis Milestone for PARA_OA_012 study
Primary readout for efficacy and safety; a key value inflection point.

With our clear vision for Paradigm in place, we have recently added a Global Head of Operations, a CMC Regulatory Associate and a Medical Director to strengthen execution of our clinical program and our broader strategic vision. These additions bring critical expertise to help our next phase of activities.



FY25 has been a pivotal year for Paradigm Biopharmaceuticals, marked by the transition of iPPS from preparatory regulatory stages into full-scale phase 3 clinical execution. As Chief Medical Officer, I am pleased to report strong momentum across multiple clinical milestones, reflecting the rigour, resilience, and responsiveness of our regulatory and clinical teams.

466
patients

Target recruitment for the PARA_OA_012 Phase 3 study in moderate-to-severe knee OA.

65
sites

Across Australia and the U.S. actively progressing site initiation and recruitment.

First patients consented

Australia and the United States commenced screening and enrolment activities.

Dear Shareholders,

The year commenced with a major regulatory achievement: the successful submission and subsequent acceptance of the updated Phase 3 protocol (PARA_OA_012) by the U.S. Food and Drug Administration (FDA). The 30-day FDA review period concluded without further queries and allowed Paradigm to move confidently into trial start-up mode and, an outcome that reflects the quality and completeness of our submission informed by prior extensive regulatory agency interactions.

This clearance affirmed the selection of our dosing regimen (2mg/kg iPPS, administered twice weekly for 6 weeks), which was based on strong clinical data from earlier Phase 2 studies. Importantly, the FDA's feedback was fully integrated into our trial design and statistical methodology, elevating the significance of structural change endpoints to support future regulatory filings and potential label differentiation.

Complementing the FDA review, Paradigm received centralised ethics approvals in both Australia and the United States, via HREC and IRB processes respectively, streamlining site initiation by enabling harmonised approval across all local sites within each country.

Site Activation and Patient Progression

Following regulatory and ethics clearance, the clinical team shifted its focus to execution. Site initiation activities commenced in Q2 CY2025, initially in Australia, followed shortly thereafter by rollout across the U.S.

We are now focussed on activating more than 65 global trial sites, including approximately 15 in Australia and up to 50 across the United States. Paradigm has already consented and commenced screening of the first participants, beginning with Australian patients and then U.S. patients. Our first participants are preparing to be dosed shortly, with enrolment expected to increase rapidly each week as more sites are activated.

This progress marks a turning point for Paradigm. After years of rigorous development, we are now delivering on the promise of a global, registrational trial executed at scale and designed to generate robust data on the efficacy and safety of iPPS in moderate-to-severe knee osteoarthritis.

Partnering with Advanced Clinical

To support this landmark trial, Paradigm undertook a competitive evaluation of global Clinical Research Organisations (CROs). After a comprehensive due diligence process involving seven CROs and formal proposals from four,

Advanced Clinical was selected as our CRO partner for PARA_OA_012.

Advanced Clinical brings deep experience in osteoarthritis trials, strong operational systems, and a global site network spanning North America, Europe, and APAC. Their emphasis on patient engagement and site responsiveness has been integral to our activation strategy. Their team is fully embedded alongside Paradigm's, enabling real-time responsiveness and quality oversight across regions.

Trial Design and Scientific Rigor

The PARA_OA_012 study is a randomised, double-blind, placebo-controlled trial of 466 participants. The study's primary endpoint is change from baseline in average daily pain score at Day 112. Secondary endpoints include WOMAC scores (pain and function), Patient Global Impression of Change (PGIC), rescue medication use, and imaging-based structural outcomes (MRI and X-ray).

An interim analysis is planned once 50% of participants reach the Day 112 follow-up mark. This milestone is anticipated in mid-2026 and will serve as a critical decision point regarding potential acceleration strategies and commercial planning.

The scientific rigour underpinning this design, including endpoint harmonisation with regulatory guidance and statistical powering based on previous clinical data ensures that the trial is positioned to deliver high-quality, registrable evidence.

Future Outlook

The next 12 months will be critical. As sites continue to activate and recruitment accelerates, our focus will remain on execution, ensuring every component of trial conduct, from participant safety to data quality, is held to the highest standard.

In parallel, we are progressing other non-clinical studies that will be necessary for the new drug application (NDA) dossier submission, refining regulatory dossier components for eventual wider agency submissions, and beginning early engagement with global medical thought leaders to support awareness and future uptake of iPPS.

Paradigm remains committed to transparent clinical communication and to upholding the highest standards of research integrity. Our clinical governance framework is actively guiding all decisions, from protocol adherence to safety monitoring and we continue to maintain a strong working relationship with our CRO and independent Data and Safety Monitoring Board (DSMB).

A Personal Note

As I stepped down from the Paradigm Board following the 2024 AGM, I did so to dedicate my full attention to the successful delivery of this Phase 3 program. I remain deeply engaged with our clinical partners, investigators, and internal teams and have never been more confident in our direction.

The transition from Board responsibilities has allowed me to focus exclusively on the scientific and clinical work that matters most, bringing forward a therapy with the potential to address a major unmet need for millions of patients living with OA.

Closing Remarks

I wish to thank our dedicated clinical team, our global site investigators and coordinators, and our participants who have placed their trust in this program. I also thank the Board for its unwavering support and strategic clarity during a year of intense operational activity.

FY25 was a year of execution, and FY26 will be a year of delivery. I look forward to sharing our progress with the Paradigm community as we move closer to demonstrating the clinical and structural benefits of iPPS for knee OA.

Donna Skerrett

Dr Donna Skerrett
Chief Medical Officer
New York City, New York

29 August 2025

2
mg/kg iPPS dosing

Dosing regimen agreed to proceed in PARA_OA_012.

50%
enrolment milestone

233 subjects required to meet the Day 112 Primary Endpoint for the DSMB to conduct the Interim Analysis.

7
CROs assessed

Competetive process conducted to select key CRO partner for execution of Phase 3 program.

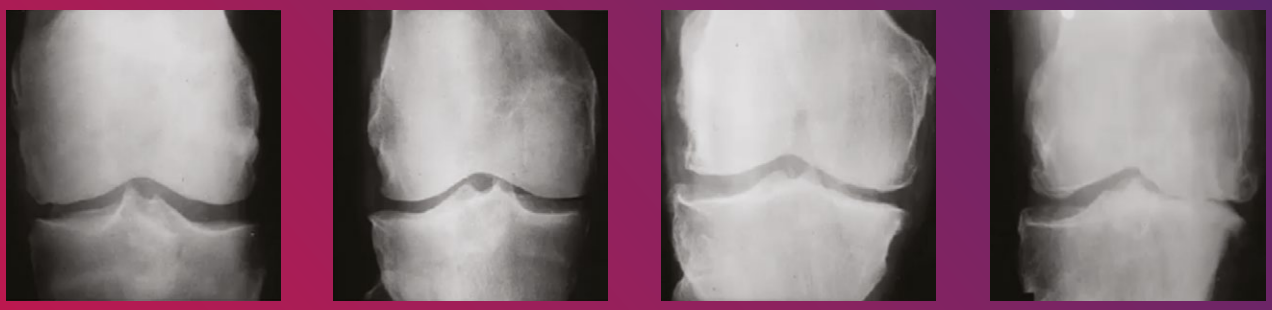
Osteoarthritis (OA) is the most common joint disorder worldwide, affecting more than 500 million people and placing a substantial burden on healthcare systems and quality of life. In the United States alone, over 32 million adults live with OA, with the knee joint being the most frequently affected site. The disease typically progresses from early, intermittent stiffness and discomfort to chronic pain, reduced mobility, and eventually joint failure. This often results in patients undergoing joint replacement surgeries after years of insufficient symptom control[1].

Despite the widespread global impact of OA, available treatments remain fragmented across stages of disease progression. Early-stage interventions, such as physiotherapy, exercise, and oral non-steroidal anti-inflammatory drugs (NSAIDs), offer some relief but are often poorly tolerated or ineffective in the long term. As the condition advances, patients typically progress to intra-articular corticosteroids, hyaluronic acid injections, or surgery options with higher risks, inconsistent efficacy, and short duration of effect. There remains a significant unmet need for therapies that are safe, effective, and aligned with the progressive nature of OA.

Understanding OA Progression Through Radiographic Grading

OA severity is radiographically classified using the Kellgren-Lawrence (KL) grading system, which ranges from Grade 0 (no OA) to Grade 4 (severe OA)[2]. KL Grade 1 reflects minor disease, typically with minimal osteophyte formation and no joint space narrowing. KL Grade 2 is considered mild OA, defined by definite osteophytes and possible joint space narrowing. Grades 3 and 4 represent moderate to severe disease, with progressive cartilage loss, bone sclerosis, and deformity changes that are strongly associated with chronic pain and functional limitation[3].

Paradigm's clinical and development strategy is directly informed by the KL classification system. Patients with KL Grades 1–2, reflecting early-stage or mild disease with minimal structural damage, are the target population for Pentacoxib™, an investigational oral therapy combining PPS with a COX-2 inhibitor. In contrast, Zilosul® (injectable PPS) is being developed for patients with KL Grades 2–4, who typically experience moderate to severe symptoms and require second-line or adjunctive treatment approaches. This stage-specific targeting enables Paradigm to address unmet needs across the full osteoarthritis spectrum with differentiated, mechanism-driven therapies.



Grade 1 Grade 2 Grade 3 Grade 4

Figure 1: Radiographic progression of knee OA across KL Grades 1 to 4. Source: Spire Science

Approach to Stage-Based Treatment

In FY25, Paradigm expanded its OA portfolio to address both ends of the treatment spectrum. Zilosul®, a subcutaneous formulation of pentosan polysulfate sodium (PPS), is currently being evaluated in the global PARA_OA_012 Phase 3 trial for patients with moderate to severe knee OA (KL 3–4). In parallel, the acquisition of Proteobioactives Pty Ltd and its granted patents will enable the Company to progress Pentacoxib™, an oral PPS + COX-2 inhibitor combination targeting early-stage OA (KL 1–2).

This dual-pathway strategy aligns with recommendations from international treatment guidelines such as OARSI and ESCEO, which advocate for stage based therapeutic progression and minimisation of opioid and non-selective NSAID use[4,5]. Paradigm's model also allows for efficient capital deployment, de-risked development of Pentacoxib through veterinary validation first, and flexibility to engage with commercial partners at different stages of development of our OA pipeline.

Zilosul®: Advancing the Standard for Moderate to Severe OA

Zilosul® is a subcutaneous formulation of pentosan polysulfate sodium (PPS) administered twice weekly over six weeks. It is currently under evaluation in the PARA_OA_012 global Phase 3 clinical trial, which is enrolling up to 466 patients with moderate to severe knee OA. The study was designed in close alignment with regulatory agencies and builds on extensive Phase 2 data showing clinically meaningful and durable improvements in joint pain, physical function, improvement in joint structure and quality of life.

Paradigm's Phase 2 trials have demonstrated that a single treatment course of Zilosul® can deliver symptom relief that lasts up to 12 months, with a favourable safety profile and no evidence of opioid-like adverse effects. Zilosul® is positioned to offer a meaningful alternative to intra-articular corticosteroids, tramadol, and repetitive NSAID use, all of which are associated with safety limitations, waning efficacy, or dependence risks.

The therapeutic profile of Zilosul® may enable it to play a central role in the second-line treatment space, addressing a significant unmet need for patients who no longer benefit from or cannot tolerate oral medications. If successful, Zilosul® could reshape the treatment landscape for moderate to severe OA by providing long-term symptom control through a short, well-tolerated injection course.

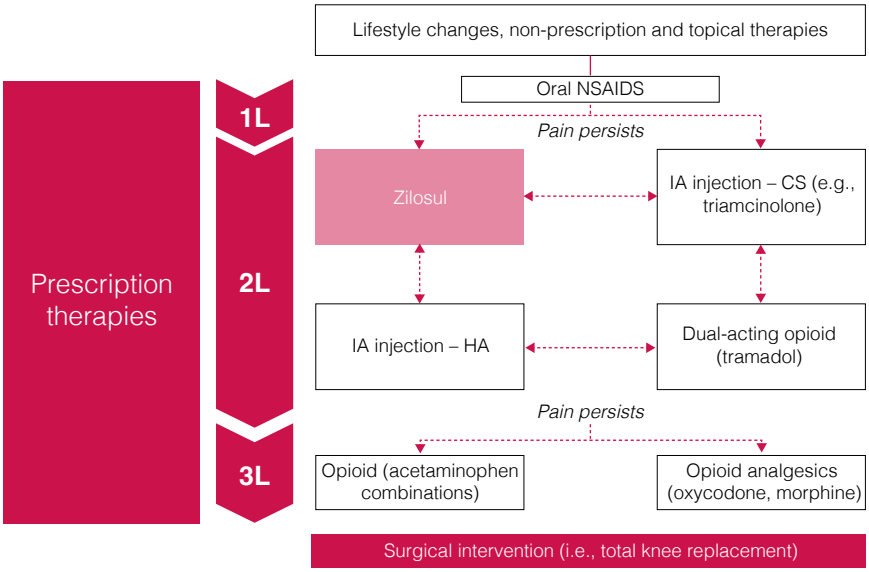


Figure 2: Potential line of treatment for Zilosul®.
NB: Zilosul®/iPPS is currently under clinical investigation

Pentacoxib™: A Potential New Option for Early OA

To complement Zilosul®, Paradigm broadened its portfolio through the acquisition of Proteobioactives Pty Ltd, including a granted patent (WO2019157560) for an oral formulation of PPS combined with a COX-2 inhibitor. This combination, referred to as Pentacoxib™, targets patients in the earliest phases of OA (KL Grades 1–2), a population estimated to comprise up to 60% of all knee OA diagnoses9.

Early OA patients often experience intermittent symptoms but face few long-term treatment options beyond lifestyle modification or NSAIDs. However, the use of traditional NSAIDs over extended periods is limited by their association with gastrointestinal, renal, and cardiovascular side effects, especially in older adults. Pentacoxib™ was developed to address this gap, offering a potentially safer, more tolerable oral alternative.

Pilot clinical data in hand OA demonstrated that the PPS + celecoxib combination resulted in greater reductions in pain and stiffness compared to celecoxib alone, along with improved grip strength. Observations in mild knee OA suggest similar functional and symptomatic benefits[10]. Importantly, the co-administration with a COX-2 inhibitor appears to enhance systemic absorption of PPS without the need for penetration enhancers, overcoming an historic challenge in the bioavailability of PPS delivered orally.

Pentacoxib™ may enable dual-pathway activity, combining symptomatic relief from the COX-2 inhibitor with the anti-inflammatory and cartilage matrix-modulating properties of PPS. It also has the potential to lower required COX-2 doses, reduce flare-up frequency, and simplify adherence with a convenient oral route of administration.

Pentacoxib™ may enable dual-pathway activity, combining symptomatic relief from the COX-2 inhibitor with the anti-inflammatory and cartilage matrix-modulating properties of PPS.

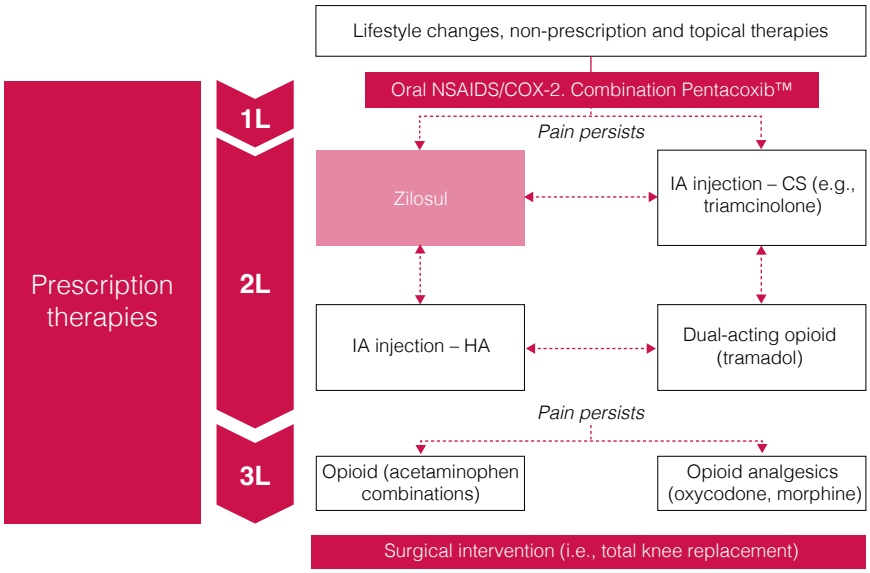


Figure 3. Potential line of treatment for Pentacoxib™.
NB: Pentacoxib™ is in early-stage development and not yet approved.

Veterinary Development: A De-Risked Pathway for Early Validation

Paradigm's development pathway for Pentacoxib™ will adopt a staged, risk-managed approach beginning with formulation optimisation and preclinical evaluation in veterinary health. The initial focus will be on canine osteoarthritis, a significant and growing segment affecting up to 40% of dogs[12]. Development activities will proceed under the oversight of the Australian Pesticides and Veterinary Medicines Authority (APVMA), with the veterinary program intended to support product refinement and generate translational data.

Veterinary OA management is currently dominated by NSAIDs and in some markets injectable PPS is prescribed for veterinary OA, more recently monoclonal antibodies, such as bedinvetmab, have raised concerns around nerve growth factor suppression, cost, and compliance. Pentacoxib™, as an oral treatment composed of two known and approved compounds, may offer a safer, more accessible alternative with widespread clinical familiarity among veterinarians.

Beyond commercial opportunity, the veterinary program is also designed to generate translational data including pharmacokinetics, formulation performance, and safety outcomes that are expected to support future human regulatory packages for early-stage OA indications.

Aligned with Guidelines and Market Demand

The potential therapeutic positioning of Zilosul® and Pentacoxib™ closely mirrors established international guidelines, including those from OARSI and ESCEO. These guidelines emphasise a staged approach to OA treatment, recommending lifestyle modifications and oral agents for early disease, and reserving injectable or surgical interventions for more advanced cases[4,5].

This alignment would allow Paradigm to address patients across the treatment journey from early-stage interventions with Pentacoxib™, to second-line treatment with Zilosul®, and beyond. By offering therapies matched to clinical need and tolerability, Paradigm is well positioned to support physicians in delivering evidence-based, patient-centred care.

The OA treatment market is large and growing. The global COX-2 inhibitor market alone is forecast to exceed US$11 billion by 2030[1-3], while demand for disease-modifying OA drugs (DMOADs) continues to rise as health systems seek alternatives to long-term NSAID or opioid use.

Outlook

As Paradigm advances into FY26, it remains focused on delivering key clinical milestones including completion of enrolment the PARA_OA_012 Phase 3 trial for Zilosul®, and preparation for the interim analysis, scheduled for readout in mid-2026. The Company also anticipates progressing the Pentacoxib™ program in the background as the Phase 3 program remains the key priority.

With programs spanning mild, moderate, and severe OA and a pipeline structured to support both human and veterinary indications, Paradigm is uniquely positioned to redefine the treatment paradigm for one of the world's most prevalent chronic diseases.

+500m

Suffer from OA Globally

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DIRECTORS' REPORT

The Directors present their report together with the Financial Report of Paradigm and the entities it controlled at the end of, or during, the year ended 30 June 2025 (referred to hereafter as the 'Consolidated Entity' or 'Paradigm').

Directors

Information on Directors

The Directors of Paradigm at any time during or since the end of the financial year are:

Paul Rennie, Managing and Executive Director (Appointed as Managing Director and ceased as Non-Executive Chairman on 22 November 2022)

Paul Rennie BSc, MBM, Grad Dip Commercial Law, MSTC, has sales, marketing, business development, operational and IP commercialisation experience in the biopharmaceutical sector. Paul's experience includes working for Boehringer Mannheim (now Roche Diagnostics), Merck KGGA as national sales and marketing manager and Soltec (FH Faulding Ltd) as their Director of business development. Paul also led the commercialisation of Recaldent® a novel biopharmaceutical arising from research at the dental school, University of Melbourne. Paul took an R&D project from the laboratory bench to a commercial product now marketed globally as an additive to oral care products. More recently Paul worked in a number of positions with Mesoblast Ltd. Paul was the inaugural COO and moved into Executive Vice President New Product Development for the adult stem cell company. Paul is the founder of Paradigm Biopharmaceuticals. Paul is also Executive Chairman and Interim Chief Executive Officer of NeuroScientific Biopharmaceuticals Ltd (ASX:NSB).

Amos Meltzer, Non-Executive Director (Appointed on 09 December 2020)

Amos Meltzer is a scientist and an intellectual property lawyer with over 30 years of experience in international trade and in commercialising technologies, principally in the life sciences sector. He has presided over life science research and product development projects clinical trials as well as the commercialisation of life sciences assets through both licensing and the sale and marketing of a pharmaceutical product. Previously Amos served as General Counsel and IP director at two Nasdaq-listed companies Compugen and Gilat, as a non-executive director of a biotechnology company Evogene and as VP of Business Development and then CEO of an ASX-listed biopharmaceutical company Immuron. Amos currently serves as Chief Legal Officer of neuro-medical device company Synchron, Inc., chairman of the Board of Maverick LifeSciences and as a legal advisor to a number of ASX listed and private life science companies.

Matthew Fry, Non-Executive Director (Appointed on 04 March 2024)

Matthew joins the Paradigm board with more than 25 years in business creation, strategy, and expansion in healthcare and medical diagnostics globally. He is currently the CEO, Managing Director and Founder of AM Diagnostics Pty Ltd, a manufacturer and distributor of world class medical diagnostic products.

Matthew has significant experience with global regulatory agencies, in particular the Australian TGA and US FDA. Through his role as Founder and CEO of AM Diagnostics, Matthew drove the company's expansion into the United States in 2009 and is a leading biotechnology device supplier with a deep understanding of sales channels in both the US medical wholesale market and retail market, and how to negotiate with private health providers.

Dr. Donna Skerrett, Executive Director and Chief Medical Officer (Ceased as Executive Director on 20 November 2024)

Dr. Donna Skerrett, has more than 30 years' experience in transfusion medicine, cellular therapy, and transplantation. She brings a wealth of experience in medical, clinical, and regulatory affairs. Donna served previously as Chief Medical Officer at Mesoblast. She was Director of Transfusion Medicine and Cellular Therapy at Weill Cornell Medical Center in New York (2004 – 2011), and prior to that was Associate Director of Transfusion Medicine and Director of Stem Cell Facilities at Columbia University's New York-Presbyterian Hospital. She has previously chaired the New York State Council on Blood and Transfusion Services, and served on the Board of Directors of the Fox Chase Cancer Center in Philadelphia, PA and is currently a member of the Board of Visitors of Lewis Katz School of Medicine at Temple University.

Company Secretary

Abby Macnish Niven, Company Secretary (Appointed on 30 August 2022)

Abby Macnish Niven (BComm, Bsc, CFA, GAICD) has over 20 years' experience in wealth management in Australia. She holds a Bachelor of Commerce degree with a double major in Commerce and Science, is a CFA Charterholder and is a member of the Australian Institute of Company Directors. She has also completed the Certificate in Governance Practice.

Directorships in Other Listed Entities

Directorships of other listed entities held by Directors of Paradigm during the last three years immediately before the end of the financial year are as follows:

		Period of Directorship	
Director	**Company**	**From**	**To**
Paul Rennie	NeuroScientific Biopharmaceuticals Ltd	22-Jun-21	05-Dec-23

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of Paradigm during the financial year are:

	Board	
Director	**Held**	**Attended**
Paul Rennie	10	10
Donna Skerrett	5	4
Amos Meltzer	10	10
Matthew Fry	10	10

In addition to the formal meetings identified in the table above, the committee members and the Board members each convened on many occasions including for the purpose of, in the case of the committees, preparing recommendations to present to the Board and, in the case of the Board, to attend to matters discussed at formal Board meetings and ensure that the Board decisions are implemented, and action items acted upon.

Principal Activities

The principal activities of Paradigm are researching and developing therapeutic products for human use.

Operating Review

This report summarises the key operational activities of Paradigm Biopharmaceuticals Ltd. (ASX:PAR) for the financial year 2025, highlighting major achievements, clinical trial progress, financial performance, and strategic engagements.

Paradigm made a loss of $18,770,745 (2024 Restated: $58,730,850) for the financial year ended 30 June 2025, a decrease of $39,960,105 on the prior year. Given Paradigm is a late-stage clinical development company, it is expected that NPAT losses will continue as the company advances Zilosul® through its global Phase 3 program toward potential marketing approval. Throughout FY25, Paradigm made significant investments to transition from regulatory preparation to full clinical execution, including final protocol submission, site activation, CRO onboarding, and trial drug manufacture. Following FDA alignment on the trial design, Paradigm submitted the final Phase 3 protocol in October 2024, which was accepted without further comment. The company progressed start-up and operational readiness activities across Australia and the US, culminating in the initiation of 27 clinical sites and first patient screening underway in both regions. In December 2024, Paradigm completed a A$16 million equity placement to institutional and sophisticated investors. The funds were deployed to support Phase 3 trial initiation activities including regulatory submissions, CRO engagement, site contracting, procurement of clinical supplies, and start-up operations in Australia. This capital raise ensured the company could enter CY2025 with a strong operational base and launch trial activities across key markets.

Revenue from continuing operations of $52,120 (2024: $65,800) decreased compared to the prior corresponding period by $13,680. This revenue relates to the TGA-approved Special Access Scheme (SAS), under which iPPS has been made available to select physicians for patients with chronic arthralgia due to Ross River Virus (RRV) infection, previous SAS participants seeking re-treatment, or others ineligible for Paradigm's open clinical trials. The pay-for-use SAS program, launched in FY21, enables experienced prescribers to access iPPS with the appropriate safety oversight. Subject monitoring is held to standards consistent with Paradigm's formal trials, resulting in additional cost to the program. While the global Phase 3 trial is underway, Paradigm continues to allow limited SAS access for eligible patients under strict criteria. Access is restricted to prescribers with significant experience using iPPS.

Other income of $6,890,534 (2024 Restated: $6,376,469) was higher than the prior corresponding period by $514,065. The main contributors to this increase were a $563,639 increase in the R&D tax incentive recognised during FY25 and $49,574 lower interest income due to reduced average cash at bank compared to FY24.

Expenditure on research and development decreased by $40,592,404 to $17,741,222. Although total R&D expenditure was lower than in FY24, the majority of FY25 spend was allocated to the clinical development program for Zilosul®, reflecting the company's operational shift into Phase 3 trial execution. Paradigm's operational focus throughout FY25 was the delivery of its global Phase 3 program for Zilosul®, targeting moderate-to-severe knee osteoarthritis. Following an interim analysis of the PARA_OA_002 trial, which identified suboptimal outcomes at lower doses, a 2mg/kg twice-weekly regimen was adopted for the next stage of development. During the year, the company completed critical startup activities including the manufacture and release of investigational product (iPPS and saline placebo), CRO onboarding, and finalisation of site contracts across Australia and the United States. Site initiation, training, and activation were completed at 27 clinical centres globally, with both countries commencing screening within the financial year.

During the financial year, Dr Donna Skerrett stepped down from her position as Executive Director to focus exclusively on her role as Chief Medical Officer. Dr Skerrett's transition reflects the company's sharpened focus on the successful execution of its global Phase 3 clinical trial. Her continued leadership of Paradigm's clinical and medical strategy ensures continuity and deep therapeutic expertise as the company progresses through key data milestones.

General and administrative costs of $5,276,512 (2024: $6,215,954) were lower than the prior corresponding period by $939,442. The reduction in FY25 reflects the company's targeted cost containment initiatives.

Commercial expenses of $303,298 (2024: $553,614) were lower than the prior corresponding period by $250,316. The decrease in spend relates primarily to our cost reduction program, whilst still ensuring the delivery of targeted stakeholder engagement and communication programs to continue to raise the external profile of Paradigm's clinical programs globally.

During the year, Paradigm recognised a total impairment loss of $2,532,853 (2024: Nil), relating entirely to the write-down of the company's respiratory program intangible asset. This non-cash adjustment reflects Paradigm's near-term operational focus on the global Phase 3 program for Zilosul® in knee osteoarthritis, which will remain the company's primary priority for the foreseeable future. The impairment does not reflect a loss of future potential value. The respiratory asset remains a strategic part of Paradigm's broader pipeline and may be progressed once the OA program reaches key clinical and regulatory milestones.

Basic and diluted net loss per share decreased to 5.97 cents (2024: 20.03 cents as restated), primarily due to the lower overall loss and higher number of shares on issue.

Looking ahead, Paradigm enters FY26 with growing momentum across its clinical, regulatory, and strategic programs. To further strengthen the balance sheet and ensure the continuation of its Phase 3 trial through interim analysis, Paradigm executed a US$27 million (A$41.2 million) convertible note facility with Obsidian Global Partners on 1 July 2025. An initial US$7 million tranche was drawn post year-end, with the remaining US$20 million available at Paradigm's discretion in subsequent tranches. The facility provides the necessary funding to support full patient recruitment, trial execution across all geographies, and the mid-2026 interim analysis milestone. With participant screening now underway in both Australia and the United States, the company remains on track to achieve its target of 50% recruitment by the end of CY2025. This will enable the planned interim analysis in mid-CY2026, a major inflection point for the iPPS program. The company also plans to advance the early development of Pentacoxib™, with a staged approach prioritising veterinary indications and formulation workstreams.

Environmental Regulation

Paradigm's operations are not regulated by any significant environmental law of the Commonwealth or of a state or territory of Australia.

Risk Statement

Clinical development

Clinical trials are inherently very risky and may prove unsuccessful or non-efficacious, impracticable or costly – which may impact on the prospect of completion. 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.

Research and development activities

Paradigm's future success is dependent on the performance of Paradigm in clinical trials and whether its therapeutic product candidate proves to be a safe and effective treatment. Paradigm's lead product is an experimental product in clinical development and product commercialisation resulting in potential product sales and revenues is likely to still be a few years away, and there is no guarantee that, even when commercialised, 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 is associated with a high failure rate and, until Paradigm is able to provide further clinical evidence of the ability of Paradigm's product to improve outcomes in patients, the future success of the product in developed 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.

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 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.

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, 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.

Manufacturing

There is a risk that scale-up of manufacturing of Pentosan Polysulfate Sodium (PPS) for commercial supply may present certain 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.

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.

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.

Litigation

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.

Share price fluctuations

The market price of Paradigm shares will fluctuate due to various factors, many of which are non-specific to Paradigm, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, and investor perceptions. Fluctuations such as these may adversely affect the market price of Paradigm shares. Neither Paradigm nor the directors warrant the future performance of Paradigm or any return on investment in Paradigm.

Dilution risk

Eligible shareholders that do not take up all or part of their entitlements will be diluted by not participating to the full extent in the Entitlement Offer and by the Institutional Placement, but and will not be exposed to future increases or decreases in Paradigm's share price in respect of those shares which would have been issued to them had they taken up all of their entitlement.

Economic risks

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Paradigm is exposed to economic factors in the ordinary course of business. A number of economic factors/conditions, both domestic and global, affect the performance of financial markets generally, which could affect the price at which Paradigm Shares trade on ASX. Among other things, adverse changes in macroeconomic conditions, including movements on international and domestic stock markets, interest rates, exchange rates, cost and availability of credit, general consumption and consumer spending, input costs, employment rates and industrial disruptions, inflation and inflationary expectations and overall economic conditions, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally, as well as government taxation, fiscal, monetary, regulatory and other policy changes may affect the demand for, and price of, Paradigm Shares and adversely impact Paradigm's business, financial position and operating results. Trading prices can be volatile and volatility can be caused by general market risks such as those that have been mentioned. Shares in Paradigm may trade at or below the price at which they are currently commence trading on ASX including as a result of any of the factors that have been mentioned, and factors such as those mentioned may also affect the income, expenses and liquidity of Paradigm. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Paradigm.

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.

Forward-looking statements

There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and estimates contained in materials published by Paradigm are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of Paradigm. Actual performance of Paradigm may materially differ from forecast performance.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory.

If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Significant Changes in the State of Affairs

Other than the movement in issued capital which has been disclosed in note 16, there has been no matter or significant changes in the state of affairs of the entities in Paradigm during the year. Please refer to information on the share capital raise in the Operating Review section above.

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Matters Subsequent to the End of the Financial Year

On 26 June 2025, Paradigm Biopharmaceuticals Ltd entered into a binding agreement to acquire 100% of the issued share capital of Proteobioactives Pty Ltd, with completion of the acquisition occurring at the later of 1 July 2025 or when all conditions are met. Under the terms of the agreement, Paradigm will pay AUD $500,000 in cash on completion and agrees to contingent milestone payments of up to AUD $16 million, payable in cash upon the achievement of the following milestones: (i) AUD $1 million upon successful completion of a human Phase 2 clinical trial that meets its primary endpoints; (ii) AUD $5 million upon successful completion of a human Phase 3 clinical trial that meets its primary endpoints; (iii) AUD $5 million upon FDA registration of the product; and (iv) AUD $5 million upon first commercial sale of the FDA-registered product. These payments are subject to the satisfaction of the respective milestones and evidenced through standard regulatory and commercial documentation. The agreement contains terms considered customary for a transaction of this nature. There are no assumed liabilities or ongoing obligations arising from the acquisition, other than the agreed milestone payments. As Paradigm's near-term development focus for the acquired product is on the veterinary application pathway, the FDA-based milestone payments are not expected to become payable in the near or medium term.

On 1 July 2025, the Company entered into a US$27 million convertible note facility with Obsidian Global Partners to fund its global Phase 3 clinical program. In connection with the facility, the Company issued 8,000,000 fully paid ordinary shares (placement shares) on 1 July 2025. On 7 July 2025, the Company issued 7,000,000 unquoted convertible notes (Tranche 1) under this facility. On 22 August 2025, the Company dispatched a notice of meeting seeking shareholder approval to ratify the placement shares and Tranche 1 notes and to approve the issue of a further 5,000,000 convertible notes (Tranche 2) and up to 3,000,000 options to a corporate adviser. On 25 August 2025, Obsidian converted 1,000,000 convertible notes for 6,066,476 Ordinary Shares in the Company. No adjustments have been made to the amounts recognised in these financial statements as these matters arose after the reporting date.

In July 2025, the Company signed a new lease for its office under agreement of 4 years with option to extend (an additional of 3 years).

Likely Developments and Expected Results of Operations

Paradigm expects to continue ramping up patient enrolment into its global Phase 3 clinical trial (PARA_OA_012) for iPPS in moderate-to-severe knee osteoarthritis during FY26, with recruitment now underway in both Australia and the United States. The company is targeting 50% enrolment by the end of CY2025, which will enable the planned interim analysis in mid-CY2026.

Paradigm will also continue advancing NDA-enabling activities and preparing for commercial readiness, while progressing early development work for its oral PPS combination asset, Pentacoxib™, with initial focus on veterinary applications.

Corporate Governance

The Corporate Governance Statement appears on Paradigm's website at:

https://paradigmbiopharma.com/about-paradigm/#corporate-governance

Directors' Interests

The relevant interest of each Director in the shares and options issued by Paradigm at the date of this report is as follows:

Director	Ordinary shares
Paul Rennie	20,726,750
Amos Meltzer	–
Matthew Fry	1,419,830

Indemnification and Insurance of Officers

Indemnification

Paradigm has agreed to indemnify the current Directors of Paradigm against all liabilities to another person (other than Paradigm or a related body corporate) that may arise from their position as Directors of Paradigm, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that Paradigm will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

Paradigm paid a premium during the year in respect of a Director and Officer liability insurance policy, insuring the Directors of Paradigm, the Company Secretary, and all Executive Officers of Paradigm against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of Paradigm

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of Paradigm, or to intervene in any proceedings to which Paradigm is a party for the purpose of taking responsibility on behalf of Paradigm for all or part of those proceedings.

Officers of Paradigm Who are Former Partners of RSM Australia

There are no Officers of Paradigm who are former partners of RSM Australia.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 27 of the annual report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

REMUNERATION REPORT

Audited Remuneration Report

This Remuneration Report outlines the Director and Executive Remuneration arrangements of Paradigm in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations 2001*.

For the purposes of this report, Key Management Personnel (**KMP**) of Paradigm are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of Paradigm, directly or indirectly, including any Director (whether executive or otherwise) of Paradigm.

Remuneration Report

The following were KMP of Paradigm at any time during the year and unless otherwise indicated, were KMP for the entire year:

Name	Position held	Date Appointed	Date Ceased
Paul Rennie	Managing and Executive Director	22 November 2022	
Amos Meltzer	Non-Executive Director	9 December 2020	
Matthew Fry	Non-Executive Director	4 March 2024	
Donna Skerrett	Executive Director	3 July 2020	20 November 2024

Remuneration and Nomination Committee

The Paradigm Board has dissolved the Remuneration and Nomination Committee, with the current Board of Directors collectively assuming the responsibilities and duties previously held by the committee. This change reflects the Board's commitment to streamlining governance processes and ensuring comprehensive oversight of audit and risk management functions within the Company. The board collectively will propose candidates for Director and senior Company executive appointment, review the fees payable to senior Company executives and to Non-Executive Directors and consider and review succession planning. The Board has the authority to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Board is responsible to shareholders for ensuring that Paradigm:

- has coherent remuneration policies and practices, which are observed, and which enable it to attract and retain Executives and Directors who will create value for shareholders;
- fairly and responsibly rewards Executives having regard to the performance of Paradigm, the performance of the Executive and the general pay environment;
- provides disclosure in relation to Paradigm's remuneration policies to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to Directors and key Executives and corporate performance; and
- complies with the provisions of the ASX Listing Rules and the *Corporations Act 2001*.

Principles of Remuneration

The objectives of the Company's remuneration policies are to align directors and KMP to the Company's and shareholders' long-term interests and to ensure that remuneration structure is fair and competitive.

Paradigm has developed a remuneration philosophy that seeks to combine elements of Fixed Remuneration, Short-Term Incentive (**STI**) and Long-Term Incentive (**LTI**) that aims to ensure its remuneration strategy successfully aligns the interests of its executives and employees with those of its shareholders. Paradigm is a late-stage development, pre-commercial revenue pharma company, with less than 50 employees across the US and Australia. The Board maintains a simple remuneration structure and performance review process that comprises:

- fixed remuneration, that allows the organisation to attract and retain individuals with the necessary skills and experience to execute on the Company's strategy;
- STI that is linked to individual and Company performance, payable upon achieving individual KPIs and on execution of the Company's strategy that will grow shareholder value and;
- LTI that is aimed at long term retention of staff and rewards staff in a manner that is aligned with the growth in shareholder value.

The Paradigm Employee Performance Rights Plan (the Plan) is a long-term incentive (**LTI**) designed to motivate key employees towards the company's success while aligning their interests with those of the shareholders. This Plan was developed with input from an external remuneration consultant and an employee share scheme specialist to ensure it meets best practices and shareholder expectations. The Plan involves granting performance rights to key employees, which convert to shares if certain conditions are met after a vesting period of three years. These conditions include achieving specific business targets, ensuring a minimum return for shareholders, and satisfactory employee performance.

The Plan aims to retain key employees over the long term, preserving corporate knowledge and enhancing shareholder value. Central to the Plan is the win-win-win principle, ensuring benefits for shareholders, the company, and employees. Each offer under the Plan includes performance targets tied to company goals and market benchmarks, ensuring employees are rewarded based on objectively measurable business outcomes and their individual performance. The Plan also aims for consistency, treating Australian and U.S. employees similarly as much as legal constraints allow.

To maintain the company's ability to raise capital without prior shareholder approval, the Plan received shareholder approval at the 2023 Annual General Meeting under Listing Rule 7.2 (Exception 13(b)). This approval enables the company to issue securities under the Plan over three years without affecting the 15% limit on equity issuance under Listing Rule 7.1. The securities issued under the Plan are excluded from this limit, providing flexibility in capital management.

Remuneration Framework Review

The Board adopted the prior Remuneration Committee's recommendations that the process of awarding STIs needs to be based on pre-determined KPIs that are objectively measurable and that the award of LTIs needs to be aligned with value created by the Company for the Company's shareholders.

The award of STIs to the KMP is reviewed by the Board Remuneration Committee that then provides its recommendation to the Board. In preparing its recommendation to the Board, the Board considers the KMPs' respective KPIs and a formal performance evaluation takes place annually, where each KMP's actual performance is measured against that KMP's KPIs. STIs are measured principally based on objectively measurable KPIs and there is generally a small element of discretion that the Remuneration Committee is required to exercise. The Managing Director performs the evaluations of the Company's other senior executives. This too occurs annually.

To ensure that the value of the LTIs is aligned with value created for the Company's shareholders, the proposed vesting conditions for the new LTI plan, which is subject to shareholder approval, include the Company attaining value inflection milestones. If the vesting conditions are not met, LTIs do not vest and Company employees to whom LTIs are awarded are not able to realise any of the potential value of the LTIs. Based on the principles that the Remuneration Committee has formulated, the Board continues to devise remuneration policies that benchmark Paradigm's framework with its peers and is able to effectively attract and retain the best KMP to manage the Company and continue to create value for the Company's shareholders.

Non-Executive Director Remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. Remuneration of Non-Executive Directors is determined in maximum aggregate amount of $500,000 by the shareholders and is allocated by the Board. The Board will take independent advice in respect to Directors' fees on an as needed basis.

There is no payment made for attendance at Board committee meetings or participation in other Board activities beyond the global remuneration payable to the directors that is described above.

Directors are not required to hold shares in Paradigm as part of their appointment.

There is to be no plan to provide remuneration, reward or other benefits to Non-Executive Directors upon the cessation of them holding office as a Director.

Executive Remuneration

Executive Directors receive no extra remuneration for their service on the Board beyond their executive salary package.

KMP remuneration is compared against similar positions across the industry peers to ensure that remuneration levels and structures remain consistent with roles of comparable skill, experience and responsibility levels.

Movement in shares

The movement during the reporting period in the number of ordinary shares in Paradigm held directly, indirectly or beneficially by each Director and KMP, including their related entities is as follows:

Directors & Key Management Persons	Held at year opening	Purchases	Disposals/ ESP lapsed	Issued via ESP	Held at year end
Paul Rennie	20,678,805	245,300	(197,355)	–	20,726,750
Donna Skerrett	1,094,284	–	–	–	1,094,284
Amos Meltzer	–	–	–	–	–
Matthew Fry	1,069,830	350,000	–	–	1,419,830

Issue of Performance Rights

Name	Date	Performance rights	Fair value of Performance rights	$
Paul Rennie	20 December 2024	1,700,000	$0.252	428,400

Movements in performance rights

Directors & Key Management Persons	Held at year opening	Purchases	Disposals/ ESP lapsed	Issued via LTI	Held at year end
Paul Rennie	1,200,000	–	(1,200,000)	1,700,000	1,700,000
Donna Skerrett	1,000,000	–	(1,000,000)	–	–

Shares under option

Unissued ordinary shares of Paradigm under option at the date of this report are as follows:

Directors & Key Management Persons	Grant date	Expiry date	Options	Exercise price
Paul Rennie	11 February 2025	11 February 2026	3,045,226	$0.65
Matthew Fry	11 February 2025	11 February 2026	354,958	$0.65

Movements in options

Directors & Key Management Persons	Held at year opening	Purchases	Disposals/ ESP lapsed	Issued Loyalty Options	Held at year end
Paul Rennie	349,500	–	(349,500)	3,045,226	3,045,226
Matthew Fry	1,302,372	–	(1,302,372)	354,958	354,958

Employment Agreements

The Remuneration and other terms of employment for the Managing Director is formalised in a service agreement. Details of this agreement are as follows:

Name:	Paul Rennie
Title:	Managing and Executive Director
Agreement commenced:	22 November 2022
Term of agreement:	Commence on the Commencement Date and will continue until terminated in accordance with this Agreement.
Details:	Base annual package *, STI ** and LTI ***, subject to annual performance review, 6-month termination notice by either party, 3-12-month non-solicitation clause after termination depending on the area. Paradigm may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package for financial year 2024/25 has been gross per annum inclusive of superannuation effective, to be reviewed annually by the Board.

** STI to be paid in cash up to a maximum of 30% of the Base Salary (excluding superannuation), provided KPIs agreed with the Board have been met. For financial year 2025, the Board is currently assessing whether an STI may be payable to staff.

*** LTI via invitation to participate in Paradigm's LTI plan, which is subject to shareholder approval.

The Remuneration and other terms of employment for the Chief Medical Officer is formalised in a service agreement. Details of this agreement are as follows:

Name:	Donna Skerrett
Title:	Chief Medical Officer
Agreement commenced:	1 September 2019
Term of agreement:	Role is ongoing
Details:	Base annual package *, STI ** and LTI ***, subject to annual performance review, 3-month termination notice by either party, 3-12-month non-solicitation clause after termination depending on the area. Paradigm may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package for financial year 2025 – US$694,395 per annum plus 401K contribution of 6%, to be reviewed annually by the Board

** STI to be paid in cash up to a maximum of 30% of the Base Salary, provided KPIs agreed with the Board have been met. For financial year 2025, the Board is currently assessing whether an STI may be payable to staff.

*** LTI via invitation to participate in Paradigm's LTI plan, which is subject to shareholder approval.

Remuneration of Key Management Personnel

Details of the nature and amount of each major element of the remuneration of each Key Management Personnel of Paradigm for the year ended 30 June 2025 are:

		Short-term			Post-employment	Long-term	Share-based payments			
Directors & Key Management Personnel		Salary & fees $	Annual leave (taken) $	Cash bonus $	Superannuation and benefits $	Long service leave $	Options $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Non-executive										
Amos Meltzer		80,000	–	–	9,200	–	–	89,200	0.0%	0.00%
Matthew Fry		80,000	–	–	–	–	–	80,000	0.0%	0.00%
Executive										
Paul Renni[1]		988,295	33,087	–	29,932	–	7,233	1,058,547	0.00%	0.68%
Donna Skerrett[2 & 3]		314,038	98,294	–	24,740	–	(32,008)	405,064	0.00%	(7.90)%
Total	**2025**	**1,462,333**	**131,381**	**–**	**63,872**	**–**	**(24,775)**	**1,632,811**	**0.00%**	**(1.52)%**

1. Share Based Payments represents valuation of performance rights awarded on 20 December 2024 in line with the Company's accounting policy for accounting for share based payments.
2. Share Based Payments represents valuation of shares awarded on 25 January 2022 and performance rights awarded on 20 December 2024 in line with the Company's accounting policy for accounting for share based payments. However, performance rights previously granted to Donna were forfeited due to non-achievement of performance conditions during FY2025. As a result, $44,050 of share-based payment expense recognised in FY2024 was reversed in FY2025. Negative percentages in the 'Value of options as proportion of remuneration' column reflect the reversal of previously recognised share-based payment expense, where performance rights did not vest in the current year. This adjustment does not represent negative cash remuneration.
3. Dr. Donna Skerrett is paid in USD, remuneration figures have been translated to AUD at a conversion rate of 0.6482. The remuneration figures above represent the amount paid to 20 November 2024, the date of resignation from the Board.

Remuneration and awards for financial year ended 30 June 2025

Board of Directors Remuneration

The Board is responsible for establishing remuneration of Directors. Non-Executive Director fees were unchanged in FY2025. The Non-Executive Director fees were increased 3.5% on 1 July 2025 to adjust for inflation.

KMP Remuneration

The Board is responsible for establishing remuneration of Directors. During FY2025, the gross salaries were adjusted by 3.5% on 1 January 2025 to adjust for inflation, including the salaries for the Managing Director.

Details of the nature and amount of each major element of the remuneration of each Key Management Personnel of Paradigm for the year ended 30 June 2024 are:

		Short-term			Post-employment	Long-term	Share-based payments			
Directors & Key Management Personnel		Salary & fees $	Annual leave (taken) $	Cash bonus $	Superannuation and benefits $	Long service leave $	Options $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Non-executive										
Amos Meltzer		80,000	–	–	8,800	–	–	88,800	0.0%	0.00%
Matthew Fry		24,242	–	–	–	–	–	24,242	0.0%	0.00%
Helen Fisher		53,333	–	–	5,867	–	–	59,200	0.0%	0.00%
John Gaffney		26,667	–	–	2,933	–	–	29,600	0.0%	0.00%
Executive										
Paul Rennie[1]		947,820	20,421	–	27,399	–	100,647	1,096,287	0.00%	9.18%
Donna Skerrett[2 & 3]		928,305	130,838	–	28,504	–	140,297	1,227,944	0.00%	11.43%
Total	**2024**	**2,060,367**	**151,259**	**–**	**73,503**	**–**	**240,944**	**2,526,073**	**0.00%**	**9.54%**

1. Share Based Payments represents valuation of shares awarded on 19November 2020 and performance rights awarded on 29 February 2024 in line with the Company's accounting policy for accounting for share based payments.
2. Share Based Payments represents valuation of shares awarded on 19 November 2020 and 25 January 2022 and performance rights awarded on 29 February 2024 in line with the Company's accounting policy for accounting for share based payments.
3. Dr. Donna Skerrett is paid in USD, remuneration figures have been translated to AUD at a conversion rate of 0.6556.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2025	2024	2025	2024	2025	2024
Non-executive						
Amos Meltzer	100.00%	100.00%	–	–	–	–
Matthew Fry	100.00%	100.00%				
Helen Fisher	100.00%	100.00%	–	–	–	–
John Gaffney	100.00%	100.00%	–	–	–	–
Executive						
Paul Rennie	99.32%	90.82%	–	–	5.41%	9.18%
Donna Skerrett[1]	107.9%	88.57%	–	–	(7.90%)	11.43%

1. Fixed remuneration percentages may exceed 100% in cases where the total remuneration is reduced by the reversal of prior year share-based payment expense (non-cash). This presentation reflects accounting adjustments under AASB 2 and does not impact actual cash paid to executives.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	STI paid/payable		STI forfeited	
Name	**2025**	**2024**	**2025**	**2024**
Non-executive				
Amos Meltzer	–	–	–	–
Matthew Fry	–	–	–	–
Helen Fisher	–	–	–	–
John Gaffney	–	–	–	–
Executive				
Paul Rennie	–	–	100.00%	100.00%
Donna Skerrett	–	–	100.00%	100.00%

Additional information

The earnings of Paradigm for the five years to 30 June 2025 are summarised below:

	2025 $	2024 (Restated) $	2023 $	2022 $	2021 $	2020 $
Income	7,105,400	6,442,269	8,580,939	8,787,830	8,941,647	4,695,494
Loss after income tax	(18,770,745)	(58,730,850)	(51,910,013)	(39,249,584)	(34,297,184)	(12,298,887)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2025	2024 (Restated)	2023	2022	2021	2020
Share price at financial year end ($)	0.30	0.26	0.99	0.97	2.10	3.15
Total dividends declared (cents per share)	–	–	–	–	–	–
Basic loss per share (cents per share)	(5.97)	(20.03)	(20.78)	(16.87)	(14.92)	(6.12)

Paradigm monitors total shareholder return (TSR) as a key indicator of value creation. TSR is calculated as the percentage change in the Company's share price over the period plus dividends reinvested. No dividends were declared during FY2025; accordingly, TSR for the period approximates the share price movement. The closing share price increased from $0.26 at 30 June 2024 to $0.30 at 30 June 2025 (≈ +15% year-on-year). Over a longer horizon, TSR remains negative, reflecting sector conditions and the timing of clinical and partnering milestones. The Board considered TSR outcomes alongside progress against strategic and clinical milestones when determining executive remuneration for FY2025. No LTI rights vested in FY2025 as performance conditions, including TSR hurdles and service conditions, were not met. Outstanding LTI awards remain subject to their original hurdles and vesting schedules.

This is the end of the audited Remuneration Report.

Dated at Melbourne, Victoria this 29th day of August 2025.

Signed in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2001:

Paul Rennie
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Paradigm Biopharmaceuticals Limited and its controlled entities for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 29 August 2025
Melbourne, Victoria

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Notes	Year Ended 30-Jun-25 $	Year Ended 30-Jun-24 (Restated) $
Cost of sales		(20,591)	(8,988)
Other income	2	7,105,400	6,442,269
Other gains and (losses)	3	5,413	(46,567)
Research and development expenses		(17,741,222)	(58,333,626)
General and administration expenses		(5,276,512)	(6,215,954)
Commercial expenses		(303,298)	(553,614)
Finance costs		(7,082)	(14,370)
Impairment expenses	8	(2,532,853)	–
Loss before income tax		**(18,770,745)**	**(58,730,850)**
Income tax expense/(benefit)		–	–
Loss for the year		**(18,770,745)**	**(58,730,850)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(54,564)	(697,973)
Other comprehensive loss for the year, net of tax		**(54,564)**	**(697,973)**
Total comprehensive loss attributable to members of the Consolidated Entity		**(18,825,309)**	**(59,428,823)**
Earnings per share – loss (cents)			
Basic and diluted loss per share	21	(5.97) cents	(20.03) cents

Refer to note 2A for detailed information on Restatement of comparatives.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Notes	2025 $	2024 (Restated) $	2023 (Restated) $
ASSETS				
Current assets				
Cash and cash equivalents	5	16,818,129	17,820,827	56,333,085
Trade and other receivables	6	6,373,827	6,065,980	7,868,438
Prepaid expenses	7	935,013	1,303,662	599,078
Financial assets held at amortised cost		–	46,200	46,200
Total current assets		**24,126,969**	**25,236,669**	**64,846,801**
Noncurrent assets				
Intangible assets	8	414,735	2,947,588	2,947,588
Plant and equipment	9	24,179	31,462	42,601
Right-of-use assets	10	5,649	158,194	293,791
Total noncurrent assets		**444,563**	**3,137,244**	**3,283,980**
Total assets		**24,571,532**	**28,373,913**	**68,130,781**
LIABILITIES				
Current liabilities				
Trade and other payables	11	2,734,861	2,821,157	12,161,182
Employee benefits	12	493,049	416,812	776,196
Lease liabilities	13	5,484	121,842	104,971
Total current liabilities		**3,233,394**	**3,359,811**	**13,042,349**
Noncurrent liabilities				
Employee benefits	14	154,101	107,042	112,830
Lease liabilities	15	–	117,488	236,694
Total noncurrent liabilities		**154,101**	**224,530**	**349,524**
Total liabilities		**3,387,495**	**3,584,341**	**13,391,873**
Net assets		**21,184,037**	**24,789,572**	**54,738,908**
EQUITY				
Issued capital	16	253,232,077	238,113,171	209,833,883
Share based payment reserve	17	5,082,258	7,549,821	7,786,686
Currency translation reserve		(1,181,321)	(1,126,757)	(428,784)
Accumulated losses	18	(235,948,977)	(219,746,663)	(162,452,877)
Total equity		**21,184,037**	**24,789,572**	**54,738,908**

Refer to note 2A for detailed information on Restatement of comparatives.

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2025

		Year Ended 30-Jun-25 $	Year Ended 30-Jun-24 $
Cash flows from operating activities			
Research and development and other tax incentive received		6,300,439	7,327,441
Receipts from customers		40,550	82,900
Payments to suppliers and employees (Inclusive of GST)		(22,668,990)	(74,186,537)
Interest received		341,868	845,895
Interest repayment of lease liabilities		(7,082)	(14,370)
Net cash outflow from operating activities	26	**(15,993,215)**	**(65,944,671)**
Cash flows from investing activities			
Proceeds for maturity of term deposit		46,200	–
Net cash inflow from investing activities		**46,200**	**–**
Cash flows from financing activities			
Proceeds from issue of shares		16,001,169	30,116,902
Payment of share issue costs		(882,263)	(1,837,614)
Principal repayment of lease liabilities		(125,438)	(102,335)
Net cash inflow from financing activities		**14,993,468**	**28,176,953**
Net increase/(decrease) in cash and cash equivalents		**(953,547)**	**(37,767,718)**
Cash at the beginning of the financial year		**17,820,827**	**56,333,085**
Net effect of cash flows on foreign exchange		**(49,151)**	**(744,540)**
Cash at the end of the financial year		**16,818,129**	**17,820,827**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2025

	Issued Capital $	Share Option Reserve $	Accumulated Losses $	Currency Translation Reserve $	Total $
Balance at 30 June 2023 Originally reported	**209,833,883**	**7,786,686**	**(163,514,014)**	**(428,784)**	**53,677,771**
Correction of Error	-	-	1,061,137	-	1,061,137
Balance at 1 July 2023-restated	209,833,883	7,786,686	(162,452,877)	(428,784)	54,738,908
Loss for the period - restated	-	-	(58,730,850)	-	(58,730,850)
Other comprehensive (loss)	-	-	-	(697,973)	(697,973)
Total Comprehensive (loss) for the year ended 30 June 2024	–	–	(58,730,850)	(697,973)	(59,428,823)
Transactions with owners in their capacity as owners:					
Shares issued	30,116,854	–	–	–	30,116,854
Costs in relation to shares issued	(1,837,614)	–	–	–	(1,837,614)
Options exercised in the period	48	–	–	–	48
Share based payment expenses for the year (Note 17)	–	380,752		–	380,752
Options issued in the period	–	819,447	–	–	819,447
ESP lapsed in the period	–	(1,437,064)	1,437,064	–	–
Balance at 30 June 2024 - restated	**238,113,171**	**7,549,821**	**(219,746,663)**	**(1,126,757)**	**24,789,572**
Balance at 1 July 2024 – restated	**238,113,171**	**7,549,821**	**(219,746,663)**	**(1,126,757)**	**24,789,572**
Loss for the period	–	–	(18,770,745)	–	(18,770,745)
Other comprehensive (loss)	–	–	–	(54,564)	(54,564)
Total Comprehensive (loss) for the year ended 30 June 2025	–	–	(18,770,745)	(54,564)	(18,825,309)
Transactions with owners in their capacity as owners:					
Shares issued	16,000,000	–	–	–	16,000,000
Costs in relation to shares issued	(882,263)	–	–	–	(882,263)
Options exercised in the period	1,169	–	–	–	1,169
Share based payment expenses	–	100,868	–	–	100,868
ESP lapsed in the period		(1,930,590)	1,930,590		–
Options lapsed in the period	–	(637,841)	637,841	–	–
Balance at 30 June 2025	**253,232,077**	**5,082,258**	**(235,948,977)**	**(1,181,321)**	**21,184,037**

Refer to note 2A for detailed information on Restatement of comparatives.

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

1. Material Accounting Policy Information

The accounting policies that are material to the Consolidated Entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting entity

Paradigm Biopharmaceuticals Limited (the 'Consolidated Entity') is a company incorporated and domiciled in Australia. Paradigm Biopharmaceuticals Limited is a company limited by shares which are publicly traded on the Australian Securities Exchange from 19 August 2015. The consolidated financial report of the Consolidated Entity for the year ended 30 June 2025 comprises the Company and controlled entities (together referred to as the 'Consolidated Entity').

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

For the purposes of preparing the Financial Statements the Consolidated Entity is a for-profit entity.

(b) Basis of preparation

Statement of Compliance

This financial report is a general-purpose financial report prepared in accordance with the Australian Accounting Standards ('**AAS**s') (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Consolidated Financial Report complies with the International Financial Reporting Standards ('**IFRS**s') and interpretations adopted by the International Accounting Standards Board (**IASB**).

Basis of measurement

Historical cost convention

The Financial Statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 1 (c).

Significant accounting policies

The accounting policies set out below have been applied consistently by the Consolidated Entity to all periods presented in these Financial Statements.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('**AASB**') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Paradigm Biopharmaceutical Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

(c) Significant accounting estimates, assumptions and judgements

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred losses of $18,770,745 and had net cash outflows from operating activities of $15,993,215 for the year ended 30 June 2025. As at that date the Consolidated Entity had net current assets of $20,893,575 and net assets of $21,184,037.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

R&D Expenditure

The Company's research and development activities are eligible under the Australian R&D Tax Incentive. The Company has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. The Company has assessed that all research and development expenditure to date does not meet the requirements for capitalisation as an intangible asset because it is not yet probable that the expected future economic benefits that are attributable to the asset will flow.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Other indefinite life intangible assets

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 8 for further information.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

1. Material Accounting Policy Information continued

(c) Significant accounting estimates, assumptions and judgements (cont'd)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

(d) Summary of Significant Accounting Policies

(i) Basis of consolidation

Parent entity

In accordance with the Corporations Act 2001, these Financial Statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 25.

Subsidiaries

The consolidated Financial Statements comprise those of the Consolidated Entity, and the entities it controlled at the end of, or during, the financial year. The balances and effects of transactions between entities in the Consolidated Entity included in the Financial Statements have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

Subsidiaries are entities controlled by the Consolidated Entity. Control exists when the Consolidated Entity is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date control is transferred to the Consolidated Entity until the date that control ceases.

Transactions eliminated on consolidation

Intra-company balances and all gains and losses or income and expenses arising from intra-company transactions are eliminated in preparing the consolidated Financial Statements.

(ii) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above but also include as a component of cash and cash equivalents bank overdrafts (if any), which are included as borrowings on the statement of financial position.

(iii) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any provision for impairment.

(iv) Investments

Investments are initially measured at cost. Transaction costs are included as part of the initial measurement. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

(v) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(a) Patents and trademarks

Patents have a finite useful life and are carried at cost less accumulated amortisation and impairment losses once the patents are considered held ready for use. Intellectual property and licences are amortised on a systematic basis matched to the future economic benefits over the useful life of the project once the patents are considered held ready for use.

Significant costs associated with trademarks are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(b) Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

(vi) Impairment

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Consolidated Entity bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Consolidated Entity's projects to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

1. Material Accounting Policy Information continued

(vii) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives of 2-15 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(viii) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(ix) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within the requisite terms specified by the supplier.

(x) Share capital

Ordinary and preference shares are classified as equity.

Any incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

(xi) Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(xii) Revenue

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Grants that compensate the Consolidated Entity for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised. R&D tax offset receivables will be recognised in profit before tax (in EBIT) over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred.

(xiii) Employee benefits

Wages and salaries, cash bonus, annual leave and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably. Provisions made in respect of employee benefits are measured based on an assessment of the existing benefits to determine the appropriate classification under the definition of short-term and long-term benefits, placing emphasis on when the benefit is expected to be settled.

Short-term benefits provisions that are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Long term benefits provisions that are not expected to be settled within 12 months and are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date to estimate the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. Provisions for conditional long service are classified as a non-current liability.

Share-based payments

The Consolidated Entity operates an incentive scheme to provide these benefits, known as the Paradigm Biopharmaceuticals Limited Employee Share Plan ('**ESP**') approved on 22 October 2014. Issues of shares to employees with limited recourse loans under the ESP are share based payments in the form of options.

The fair value of options granted under the ESP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is determined using a binomial pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the limited recourse loan. In valuing share-based payment transactions, no account is taken of any non-market performance conditions.

The Consolidated Entity provides benefits to employees (including Directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares.

The cost of share-based payment transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

1. Material Accounting Policy Information continued

(xiv) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(xv) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Consolidated Entity and its wholly-owned Australian resident entities are part of a tax-consolidated entity. As a consequence, all members of the tax-consolidated entity are taxed as a single entity. The head entity within the tax-consolidated entity is Paradigm Biopharmaceuticals Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated entity are recognised in the separate Financial Statements of the members of the tax-consolidated entity using the 'separate taxpayer within Consolidated Entity' approach by reference to the carrying amount of assets and liabilities in the separate Financial Statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated entity. Any difference between these amounts is recognised by the Consolidated Entity as an equity contribution or distribution.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(xvi) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(xvii) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows at their nominal value inclusive of GST.

(xviii) Earnings (Loss) per share

The Consolidated Entity presents basic and, when applicable, diluted earnings per share ('**EPS**') data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Consolidated Entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic earnings for the impact of the after-tax effect of costs associated with dilutive ordinary shares and the weighted average number of additional ordinary shares that would be outstanding assuming the conversion of all dilutive potential ordinary shares. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(xix) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data. There are no assets held at fair value on a recurring or non-recurring basis.

The Consolidated Entity does not have any assets or liabilities held at fair value on a recurring or non-recurring basis.

1. Material Accounting Policy Information continued

(xx) Operating segment

Identification of reportable operating segments

The Consolidated Entity is organised into one operating segment based on the research and development of pharmaceutical drugs. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('**CODM**') in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

New standards and interpretations not yet effective or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2025. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Other Income

	2025 $	2024 (Restated) $
R&D tax incentive	6,533,094	5,969,455
Interest received	357,440	407,014
Reversal of make good provision	100,000	–
Revenue from continuing operations	52,120	65,800
Return of credits	62,746	–
	7,105,400	**6,442,269**

2A. Restatement of Comparatives

During the year, management noted that the provision calculated to estimate the R&D receivable as at 30 June 2024 underestimated the actual amount of the funds received, due to the conservative method of calculation. The conservative calculation resulted in a material understatement of the Other Income for the financial year ended 30 June 2024 amounting to $983,475 and a corresponding understatement of Receivables as at that date.

The understatement has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

For the Year ended 30 June 2024

Income Statement (extract)

	$ Reported	$ Adjustment	$ Restated
Other Income	6,519,931	(77,662)	6,442,269
Expenses	(65,173,119)	–	(65,173,119)
Loss before income tax	(58,653,188)	(77,662)	(58,730,850)
Other comprehensive income	(697,973)	–	(697,973)
Total comprehensive loss	**(59,351,161)**	**(77,662)**	**(59,428,823)**

Statement of Financial Position (extract)

	30-Jun-24 $ Reported	$ Adjustment	30-Jun-24 $ Restated
ASSETS			
Current Assets			
R&D tax incentive receivable	4,985,980	983,475	5,969,455
Other current assets	19,267,214	–	19,267,214
Total current assets	**24,253,194**	–	**25,236,669**
Total non-current assets	3,137,244	–	3,137,244
Total assets	27,390,438	983,475	28,373,913
LIABILITIES			
Total current liabilities	3,359,811	–	3,359,811
Total non-current liabilities	244,530	–	244,530
Total liabilities	3,584,341	–	3,584,341
Net assets	23,806,097	983,475	24,789,572
Equity			
Accumulated losses, before loss for the year	(162,076,950)	1,061,137	(161,015,813)
Net loss for the year	(58,653,188)	(77,662)	(58,730,850)
Accumulated losses as at 30 June 2024	(220,730,138)	983,475	(219,746,663)
Issued capital	238,113,171	–	238,113,171
Other reserves	6,423,064	–	6,423,064
Total equity	23,806,097	983,475	24,789,572
Income Statement (extract)			
Loss before income tax	(58,653,188)	(77,662)	(58,730,850)
Other comprehensive income	(697,973)	–	(697,973)
Total comprehensive loss	**(59,351,161)**	**(77,662)**	**(59,428,823)**

3. Other Gains and Losses

	2025 $	2024 $
Realised currency gains/(losses)	–	(67,542)
Unrealised currency gains/(losses)	5,413	20,975
	5,413	**(46,567)**

4. Expenses

Loss before income tax from continuing operations includes the following specific expenses:

	2025 $	2024 $
Short term leases	76,600	86,792
Superannuation	445,072	427,075
Share-based payment expenses	100,868	1,200,199
	622,540	**1,714,066**

The Company has elected to show a functional view of its profit and loss. Total wages and salaries for 2025 is $6,218,233 (2024: $7,634,626) including superannuation.

5. Cash and Cash Equivalents

	2025 $	2024 $
Cash at bank and in hand	16,818,129	17,820,827
	16,818,129	**17,820,827**

6. Trade and Other Receivables

	2025 $	2024 (Restated) $
GST receivable	40,247	54,944
Interest receivable	33,304	17,731
R&D tax incentive receivable	6,202,110	5,969,455
Other receivables	98,166	23,850
	6,373,827	**6,065,980**

7. Prepaid Expenses

	2025 $	2024 $
Prepaid insurance	333,940	218,477
Other prepaid expenses	601,073	1,085,185
	935,013	**1,303,662**

8. Intangible Assets

	2025 $	2024 $
Patents	9,926,366	9,926,366
Less: Accumulated amortisation	(6,978,778)	(6,978,778)
Less: Impairment loss	(2,532,853)	–
	414,735	**2,947,588**
Reconciliation		
Carrying amount at the beginning of the period	2,947,588	2,947,588
Additions during the period	–	–
Disposals	–	–
Amortisation expense	–	–
Impairment loss	(2,532,853)	–
Balance at the end of the financial year	**414,735**	**2,947,588**

Respiratory patent

The Consolidated Entity performed its annual impairment test in June 2025 and determined to impair the company's respiratory program intangible asset. This non-cash adjustment reflects Paradigm's near-term operational focus on the global Phase 3 program for Zilosul® in knee osteoarthritis, which will remain the company's primary priority for the foreseeable future. The impairment does not reflect a loss of future potential value. The respiratory asset remains a strategic part of Paradigm's broader pipeline and may be progressed once the OA program reaches key clinical and regulatory milestones.

Investigating the use of iPPS as a potential therapy for Hay Fever, Asthma or Chronic Obstructive Pulmonary Disease (COPD) remains part of the Company's development pipeline. Further consideration is being given around delivery mechanism and developing the formulation to effectively deliver the therapy to treat patients suffering from these illnesses before further development costs are committed. The respiratory patent covers the use of PPS for treating Allergic Rhinitis, Allergic Asthma and COPD. The Respiratory patent is now granted in Australia, New Zealand, China, Canada and Europe.

9. Plant and Equipment

	2025 $	2024 $
Computer equipment	104,522	104,522
Less: Accumulated depreciation	(102,601)	(100,646)
	1,921	**3,876**
Reconciliation		
Carrying amount at the beginning of the period	3,876	7,858
Additions during the period	–	–
Disposals	–	–
Depreciation expense	(1,955)	(3,982)
Balance at the end of the financial year	**1,921**	**3,876**
Clinical trial equipment	9,419	9,419
Less: Accumulated depreciation	(9,221)	(9,119)
	198	**300**
Reconciliation		
Carrying amount at the beginning of the period	300	457
Additions during the period	–	–
Disposals	–	–
Depreciation expense	(102)	(157)
Balance at the end of the financial year	**198**	**300**
Office equipment	78,038	78,038
Less: Accumulated depreciation	(57,821)	(53,516)
	20,217	**24,522**
Reconciliation		
Carrying amount at the beginning of the period	24,522	30,141
Additions during the period	–	–
Disposals	–	–
Depreciation expense	(4,305)	(5,619)
Balance at the end of the financial year	**20,217**	**24,522**
Leasehold improvements	20,431	20,431
Less: Accumulated amortisation	(18,588)	(17,667)
	1,843	**2,764**
Reconciliation		
Carrying amount at the beginning of the period	2,764	4,146
Additions during the period	–	–
Disposals	–	–
Amortisation expense	(921)	(1,382)
Balance at the end of the financial year	**1,843**	**2,764**
	24,179	**31,462**

10. Right-of-use Assets

	2025 $	2024 $
Land and buildings – right-of-use	813,579	813,579
Less: Accumulated depreciation	(807,930)	(655,385)
	5,649	**158,194**

There have been no additions to right of use assets in the current financial year.

11. Trade and Other Payables

	2025 $	2024 $
Trade and other creditors	2,734,861	2,821,157
	2,734,861	**2,821,157**

12. Employee Benefits

	2025 $	2024 $
Annual leave and on-costs	493,049	416,812
	493,049	**416,812**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rate payments in certain circumstances. The entire amount is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement.

13. Current Liabilities – Lease Liabilities

	2025 $	2024 $
Lease liabilities	5,484	121,842
	5,484	**121,842**

14. Non-current Liability – Employee Benefits

	2025 $	2024 $
Long service leave provision	154,101	107,042
	154,101	**107,042**

15. Non-current Liability – Lease Liabilities

	2025 $	2024 $
Lease liabilities	–	20,570
Make good provision	–	96,918
	–	**117,488**

Make good provision

The provision represents the present value of the estimated costs to make good the premises leased by the Consolidated Entity at the end of the respective lease terms.

15. Non-current Liability – Lease Liabilities continued

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated	Lease make good 2025 $	Lease make good 2024 $
Carrying amount at the start of the year	96,918	96,918
Reversal of make good provision	(96,918)	–
Carrying amount at the end of the year	**–**	**96,918**

Make good obligation of the current lease is not required, hence the full amount of make good provision is reversed in the current year profit or loss.

16. Issued Capital

	2025 Number of Shares	2024 Number of Shares	2025 $	2024 $
Ordinary shares Fully paid	389,428,823	350,364,346	253,232,077	238,113,171

The following movements in issued capital occurred during the year:

Ordinary Shares	Number of Shares	Number of Shares	$	$
Balance as at the beginning of the period	350,364,346	281,756,625	238,113,171	209,833,883
Ordinary shares issued	40,000,000	70,039,216	16,000,000	30,116,854
Ordinary shares issue costs (Net of GST)	–	–	(882,263)	(1,837,614)
ESP shares lapsed/buy-back in the period	(937,323)	(1,431,570)	–	–
Options exercised in the period	1,800	75	1,169	48
Balance as at the end of the period	**389,428,823**	**350,364,346**	**253,232,077**	**238,113,171**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Consolidated Entity in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Consolidated Entity does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Consolidated Entity's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short-term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Once approved by the Board, monies are loaned by the Consolidated Entity interest free and on a non-recourse basis to participants to finance the purchase of shares in the company. The ESP shares are registered in the name of participants but are subject to a restriction on disposal for a period of five years (from date of issue) and for further periods whilst they remain financed. On cessation of employment, the entitlement to any shares held for less than three years is pro-rated.

Fair values at loan date are determined using a Binomial Hedley pricing model that takes into account the issue price, the term of the loan, the share price at loan date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the loan.

The weighted average share price during the financial year was $0.3318 (30 June 2024: $0.4739).

17. Share Based Payment Reserve

	2025 $	2024 $
Balance as at the beginning of the period	7,549,821	7,786,686
Share based payment expenses in the period	100,868	380,752
Options issued in the period	–	819,447
ESP options lapsed in the period	(1,930,590)	(1,437,064)
Options lapsed in the period	(637,841)	–
	5,082,258	**7,549,821**

Set out below are summaries of options granted under the Employee Share plan:

30-Jun-25

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ cancelled	Balance at the end of the year
7/11/2019	7/11/2024	$2.93	697,323	–	–	(697,323)	–
10/07/2020	10/07/2025	$3.24	915,000	–	–	(120,000)	795,000
19/11/2020	19/11/2025	$3.05	1,100,000	–	–	–	1,100,000
10/09/2021	10/09/2026	$2.41	1,330,000	–	–	(120,000)	1,210,000
25/01/2022	25/01/2027	$1.89	375,000	–	–	–	375,000
			4,417,323	**–**	**–**	**(937,323)**	**3,480,000**

30-Jun-24

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
7/11/2019	7/11/2024	$2.93	1,128,893	–	–	(431,570)	697,323
10/07/2020	10/07/2025	$3.24	1,365,000	–	–	(450,000)	915,000
19/11/2020	19/11/2025	$3.05	1,100,000	–	–	–	1,100,000
10/09/2021	10/09/2026	$2.41	1,970,000	–	–	(640,000)	1,330,000
25/01/2022	25/01/2027	$1.89	375,000	–	–	–	375,000
			5,938,893	**–**	**–**	**(1,521,570)**	**4,417,323**

In addition, the Consolidated Entity has the following unlisted options as at 30 June 2025:

(i) 2,500,000 unlisted options exercisable at $0.65 each on or before 9 February 2026 in accordance with existing corporate services mandate the weighted average remaining contractual life of options outstanding at the end of the financial year was 0.61 years.

17. Share Based Payment Reserve continued

Listed Options

30-Jun-25

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
11/02/2025	11/02/2026	$0.65	–	97,360,143	(220)	–	97,359,923
30/11/2023	30/11/2024	$0.65	51,800,629	–	–	(51,800,629)	–
27/11/2023	30/11/2024	$0.65	10,100,560	–	(1,580)	(10,098,980)	–
			61,901,189	**97,360,143**	**(1,800)**	**(61,899,609)**	**97,359,923**

30-Jun-24

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
30/11/2023	30/11/2024	$0.65	–	51,800,629	–	–	51,800,629
27/11/2023	30/11/2024	$0.65	–	10,100,635	(75)	–	10,100,560
			–	**61,901,264**	**(75)**	**–**	**61,901,189**

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follow:

Grant date	Expiry date	Share price at grant date	Expected volatility	Risk free rate	Fair value at grant date
20/12/2024	20/12/2027	$0.38	80%	3.91%	$0.252

Unlisted performance rights

30-Jun-25

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised/ Lapsed	Balance at the end of the year
20/12/2024	20/12/2027	–	6,558,600	–	6,558,600
29/02/2024	29/02/2027	3,968,639	–	(3,968,639)	–
		3,968,639	**–**	**(3,968,639)**	**6,558,600**

30-Jun-24

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised/ Lapsed	Balance at the end of the year
29/02/2024	29/02/2027	–	3,968,639	–	3,968,639
		–	**3,968,639**	**–**	**3,968,639**

18. Accumulated Losses

	2025 $	2024 (Restated) $
Balance as at the beginning of the period	(219,746,663)	(162,452,877)
Loss for the accounting period	(18,770,745)	(58,730,850)
ESP options lapsed in the period	1,930,590	1,437,064
Options lapsed in the period	637,841	–
	(235,948,977)	**(219,746,663)**

19. Commitments

The Consolidated Entity had no material capital or operational commitments as at 30 June 2025 and 30 June 2024.

20. Contingencies

The Consolidated Entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

21. Loss Per Share

	2025 $	2024 (Restated) $
Net loss for the year attributable to ordinary shareholders	**(18,770,745)**	**(58,730,850)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	314,501,124	293,283,517
Weighted average number of ordinary shares used in calculating diluted loss per share	314,501,124	293,283,517

	Cents	Cents
Basic loss per share	(5.97)	(20.03)
Diluted loss per share	(5.97)	(20.03)

For the years ended 30 June 2025 and 30 June 2024, potential ordinary shares in the form of options, performance rights, and convertible notes have been excluded from the diluted earnings per share calculation as they are anti-dilutive. Accordingly, diluted loss per share equals basic loss per share.

22. Financial Instruments Disclosure

The Consolidated Entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies of these Financial Statements, are as follows:

	2025 $	2024 $
Financial assets		
Current		
Cash and cash equivalents	16,818,129	17,820,827
Other receivables	171,717	96,526
Term deposits	–	46,200
	16,989,846	**17,963,553**
Financial liabilities		
Current		
Trade and other payables at amortised cost	2,734,861	2,821,157
Lease liabilities	5,484	121,842
	2,740,345	**2,942,999**
Non-current		
Lease liabilities	–	20,570
	–	**20,570**

22. Financial Instruments Disclosure continued

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance team') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. The finance team identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units and reports to the Board on a monthly basis.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency fluctuations, interest rates and equity prices will affect the Consolidated Entity's income and expenses or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

The Consolidated Entity is currently not subject to equity price risk movement.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Consolidated Entity uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy.

During the year, the Consolidated Entity had no variable rate interest bearing liability.

It is the Consolidated Entity's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

Foreign currency risk

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2025 $**	**2024 $**	**2025 $**	**2024 $**
US dollars	37,411	39,096	29,575	98,317
	37,411	39,096	29,575	98,317

The Consolidated Entity's main currency exposure is the AUD:USD pair, with much of the Company's clinical development costs being denominated in USD. The Company review's its currency needs and uses a combination of sourcing currency at spot or via forward contracts to manage USD flows.

The consolidated entity had net assets denominated in foreign currencies of US$7.8K as at 30 June 2025 (2024: US$59K net liabilities). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Consolidated Entity's profit before tax for the year would have been $0.8K higher (2024: $6.6K lower/higher). The percentage change is illustrative of overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual unrealised foreign exchange gaines for the year ended 30 June 2025 was $5.4K (2024: loss of $46.6K).

Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consolidated Entity's receivables from customers and investment securities.

The Consolidated Entity does not presently have customers and consequently does not have credit exposure to outstanding receivables. Trade and other receivables represent GST refundable from the Australian Taxation Office and R&D Tax incentive claims. Trade and other receivables are neither past due nor impaired.

Credit risk of the Consolidated Entity is low because the majority financial instruments are cash in bank.

Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility. The Consolidated Entity's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	–	2,734,861	–	–	–	2,734,861
Other payables	–	–	–	–	–	–
Interest-bearing – fixed rate						
Lease liability	4.70%	5,505	–			5,505
Total non-derivatives		**2,740,366**	**–**	**–**	**–**	**2,740,366**

Consolidated – 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	–	2,821,157	–	–	–	2,821,157
Other payables	–	–	–	–	–	–
Interest-bearing – fixed rate						
Lease liability	4.70%	123,172	20,709	–	–	143,881
Total non-derivatives		**2,944,329**	**20,709**	**–**	**–**	**2,965,038**

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest-bearing financial assets and financial liabilities of the Consolidated Entity is equal to their carrying value.

23. Related Parties

Receivable from and payable to related parties

The following transactions occurred with related parties:

	Consolidated	
	2025 $	2024 $
Payments for legal services provided by Biomeltzer, which Amos Meltzer is also a director of	14,100	8,730

Terms and conditions:

All transactions were made on normal commercial terms and conditions and at market rates.

Loans to or from related parties:

There were no loans to or from related parties at the time of current and previous reporting dates.

Parent entity

The Parent Entity is Paradigm Biopharmaceuticals Limited.

Controlled entities

Interests in controlled entities are outlined in note 24.

In the Financial Statements of the Parent Entity, investments in subsidiaries are measured at cost. All entity interests held are fully paid ordinary shares or units.

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

24. Controlled Entities

		Ownership interest	
Name	Principal place of business	2025 %	2024 %
Paradigm Health Sciences Pty Ltd	Australia	100.00%	100.00%
Xosoma Pty Ltd	Australia	100.00%	100.00%
C4M Pharmaceuticals Pty Ltd	Australia	100.00%	100.00%
Paradigm Biopharmaceuticals (Ireland) Limited	Ireland	100.00%	100.00%
Paradigm Biopharmaceuticals (USA) Inc.	USA	100.00%	100.00%

Subsidiaries

An inter-company loan exists between Paradigm Biopharmaceuticals Limited (Parent) and Paradigm Health Sciences (Subsidiary) of amounts owing to Paradigm Biopharmaceuticals Limited $334,061 (2024: $334,061) which is fully eliminated on consolidation.

25. Parent Entity Disclosures

Set out below is the supplementary information about the parent entity:

	2025 $	2024 (Restated) $
Statement of profit or loss and other comprehensive income		
Loss after income tax	**(15,864,078)**	**(13,752,888)**
Statement of financial position		
Total current assets	24,218,140	24,995,175
Total Assets	**139,650,621**	**139,739,112**
Total current liabilities	3,238,169	2,611,928
Total Liabilities	**3,392,270**	**2,836,458**
Total Equity	**136,258,351**	**136,902,654**

There are no guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Commitments

The parent entity had no material capital or operational commitments as at 30 June 2025 and 30 June 2024.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity.

26. Reconciliation of Cash Flows Provided by Operating Activities

	2025 $	2024 (Restated) $
Loss for the year	**(18,770,745)**	**(58,730,850)**
Reversal of make good provision	(100,000)	–
Depreciation and amortisation	151,421	146,736
Foreign exchange unrealised gains/(losses)	(5,413)	46,567
Impairment expenses	2,532,853	
Share based payment expense	100,868	1,200,199
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(292,274)	1,363,577
(Increase)/decrease in other receivables	(15,572)	438,881
(Increase)/decrease in other assets	368,649	(704,584)
Increase/(decrease) in payables	(86,296)	(9,340,024)
Increase/(decrease) in provisions	123,294	(365,173)
Net cash used in operating activities	**(15,993,215)**	**(65,944,671)**

27. Events Subsequent to Reporting Date

On 26 June 2025, Paradigm Biopharmaceuticals Ltd entered into a binding agreement to acquire 100% of the issued share capital of Proteobioactives Pty Ltd, with completion of the acquisition occurring at the later of 1 July 2025 or when all conditions are met. Under the terms of the agreement, Paradigm will pay A$500,000 in cash on completion and agreed to contingent milestone payments of up to AUD $16 million, payable in cash upon the achievement of the following milestones: (i) A$1 million upon successful completion of a human Phase 2 clinical trial that meets its primary endpoints; (ii) A$5 million upon successful completion of a human Phase 3 clinical trial that meets its primary endpoints; (iii) A$5 million upon FDA registration of the product; and (iv) A$5 million upon first commercial sale of the FDA-registered product. These payments are subject to the satisfaction of the respective milestones and evidenced through standard regulatory and commercial documentation. The agreement contains terms considered customary for a transaction of this nature. There are no assumed liabilities or ongoing obligations arising from the acquisition, other than the agreed milestone payments. As Paradigm's near-term development focus for the acquired product is on the veterinary application pathway, the FDA-based milestone payments are not expected to become payable in the near or medium term.

On 1 July 2025, the Company entered into a US$27 million convertible note facility with Obsidian Global Partners to fund its global Phase 3 clinical program. In connection with the facility, the Company issued 8,000,000 fully paid ordinary shares (placement shares) on 1 July 2025. On 7 July 2025, the Company issued 7,000,000 unquoted convertible notes (Tranche 1) under this facility. On 22 August 2025, the Company dispatched a notice of meeting seeking shareholder approval to ratify the placement shares and Tranche 1 notes and to approve the issue of a further 5,000,000 convertible notes (Tranche 2) and up to 3,000,000 options to a corporate adviser. On 25 August 2025, Obsidian converted 1,000,000 convertible notes for 6,066,476 Ordinary Shares in the Company. No adjustments have been made to the amounts recognised in these financial statements as these matters arose after the reporting date.

In July 2025, the Company signed a new lease for its office under agreement of 4 years with option to extend (an additional of 3 years).

28. Key Management Personnel Remuneration Disclosures

The aggregate remuneration made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	2025 $	2024 $
Short-term employee benefits	1,593,714	2,211,626
Post-employment benefits	63,872	73,503
Share-based payments	(24,775)	240,944
	1,632,811	**2,526,073**

29. Auditor's Remuneration Note

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	2025 $	2024 $
Audit services		
Audit or review of the financial statements	89,800	83,300
	89,800	**83,300**
Other services network firms		
Provision of Ireland Registered Office and corporation services	–	5,913
Preparation of the Ireland tax return and other tax matters	11,936	7,249
	11,936	**13,162**
	101,736	**96,462**

In addition, RSM Ireland provided services tax and secretarial services for Paradigm Biopharmaceuticals (Ireland) Limited.

30. Income Tax Expenses

	2025 $	2024 (Restated) $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(18,770,745)	(58,730,850)
Tax at the statutory tax rate of 25%	(4,692,686)	(14,682,712)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation	37,855	36,684
Entertainment expenses	196	1,324
Share-based payment	25,217	300,050
Employee benefits	30,824	(91,293)
Foreign exchange losses	(1,353)	11,642
Differences in tax rate from different jurisdictions	(116,223)	(1,799,069)
Current year tax losses not recognised	(4,716,170)	(16,223,374)
Income tax expense	–	–
Tax losses not recognised		
Unrecognised deferred tax assets in relation to tax losses	50,861,082	46,144,912

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
for the year ended 30 June 2025

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
Paradigm Biopharmaceuticals Limited	Body corporate	Australia	100.00%	Australia*
Paradigm Health Sciences Pty Ltd	Body corporate	Australia	100.00%	Australia*
Xosoma Pty Ltd	Body corporate	Australia	100.00%	Australia*
C4M Pharmaceuticals Pty Ltd	Body corporate	Australia	100.00%	Australia*
Paradigm Biopharmaceuticals (Ireland) Limited	Body corporate	Ireland	100.00%	Ireland
Paradigm Biopharmaceuticals (USA) Inc.	Body corporate	USA	100.00%	USA

* Paradigm Biopharmaceuticals Limited (the 'Consolidated Entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

DIRECTORS' DECLARATION

In the Directors opinion:

(a) the Financial Statements and notes thereto and the Remuneration Report contained in the Directors' Report are in accordance with the *Corporations Act 2001 and other mandatory professional reporting requirements*;

(b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1(b) to the financial statements;

(c) the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

(d) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;

(e) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* for the financial year ended on 30 June 2025.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Paul Rennie
Managing Director

Dated at Melbourne, Victoria this 29th day of August 2025.

RSM

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INDEPENDENT AUDITOR'S REPORT
To the Members of Paradigm Biopharmaceuticals Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Paradigm Biopharmaceuticals Limited ('the Company') and its subsidiaries (together referred to as 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Research and development expenses Refer to Note 1 (c) in the financial statements	
The Group incurred $17.7m in relation to Research and development expenses of ongoing projects, primarily for the phase 3 clinical trials programs of the osteoarthritis project. These activities are the primary business of Paradigm and deemed to be still in 'research phase'. Accordingly, these expenses have been recognised in the profit or loss as incurred in line with AASB 138 *Intangible Assets* ('AASB 138'). We considered the accounting of Research and development expenses to be a key audit matter because it is the Group's main business activity and represents its most significant expense. In addition, management is required to exercise significant judgment to determine whether a particular project is categorised to be in 'research' or 'development' phase, which then determines the appropriate accounting treatment in the financial statements.	Our audit procedures in relation to this matter included: • Holding discussions with management regarding the current status of each project to gather an understanding of management's conclusion that the projects are still being in the 'research phase' as defined by AASB 138; • Gathering an understanding the entity level of controls (in particular regarding control activities relevant to procurement, payables and payments). This procedure included an evaluation of the effectiveness of the design of the controls in place; and • Performing substantive tests of detail by agreeing a sample of expenses to supporting documentation to understand the nature of the expenditure incurred and to verify the accuracy and existence of the recorded expenses.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSM

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Paradigm Biopharmaceuticals Limited, for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 29 August 2025
Melbourne, Victoria

SHAREHOLDER INFORMATION

Details of shares and options as at 15 August 2025:

Top holders

The 20 largest holders of each class of equity security as at 15 August 2025 were:

Fully paid ordinary shares

Name	No. of Shares	%
CITICORP NOMINEES PTY LIMITED	20,216,245	5.09%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,090,211	3.55%
KZEE PTY LTD <KZEE SUPERANNUATION FUND A/C>	11,380,902	2.86%
MR EVAN PHILIP CLUCAS & MS LEANNE JANE WESTON <KURANGA NURSERY SUPER A/C>	9,768,128	2.46%
MR PAUL JOHN RENNIE	8,745,848	2.20%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,535,566	2.15%
MR ANTHONY MARK VAN DER STEEG	4,649,524	1.17%
MR ADAM WILLIAM HUTS	3,680,000	0.93%
NANCY EDITH WILSON-GHOSH <GHOSH FAMILY A/C>	3,475,835	0.87%
BNP PARIBAS NOMS PTY LTD	2,874,158	0.72%
FLINDERS MEDICAL CENTRE FOUNDATION	2,620,000	0.66%
39KP PTY LTD <ROSS FAMILY A/C>	2,527,367	0.64%
MRS SHAY ELIZABETH LEWIS-THORP	2,500,000	0.63%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,201,776	0.55%
OBSIDIAN GLOBAL GP LLC	2,031,235	0.51%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,005,079	0.50%
MS YANICKE FORFANG	1,950,000	0.49%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,838,801	0.46%
HOT SPRINGS SUPERANNUATION PTY LIMITED <HOT SPRINGS LIMITED S/F A/C>	1,752,090	0.44%
MR IGNATIUS JOHN MISQUITTA & MRS MARGARET MISQUITTA	1,650,000	0.42%
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES	**108,492,765**	**27.30%**
Total Remaining Holders Balance	**288,937,766**	**72.70%**

Distribution schedules

A distribution of each class of equity security as at 15 August 2025:

Fully paid ordinary shares

Range	Total holders	Units	% of Issued Capital
1 – 1,000	3,680	1,915,907	0.48%
1,001 – 5,000	4,496	11,869,975	2.99%
5,001 – 10,000	1,727	13,326,653	3.35%
10,001 – 100,000	3,018	96,892,083	24.38%
100,001 Over	571	273,425,913	68.80%
Total	**13,492**	**397,430,531**	**100.00**

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Consolidated Entity, are set out below:

Substantial shareholder	Number of Shares
PAUL RENNIE AND RELATED COMPANIES	20,726,750
CITICORP NOMINEES PTY LIMITED	20,216,245
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,090,211

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 1,470 shares at 15 August 2025):

Holders	Units
4,470	2,877,391

Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

The Board and management of Paradigm Biopharmaceuticals Limited (Consolidated Entity) are committed to conducting the business of the Consolidated Entity in an ethical manner and in accordance with the highest standards of corporate governance. The Consolidated Entity has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) to the extent appropriate to the size and nature of the Consolidated Entity's operations.

This Corporate Governance Statement is accurate and up to date as at 29 August 2025 and has been approved by the Board.

The Corporate Governance Statement is available on the Consolidated Entity's website at:

https://investors.paradigmbiopharma.com/corporate-governance

GENERAL INFORMATION

The Financial Statements cover Paradigm Biopharmaceuticals Limited as a Consolidated Entity consisting of Paradigm Biopharmaceuticals Limited and the entities it controlled at the end of, or during the year. The Financial Statements are presented in Australian dollars, which is Paradigm Biopharmaceuticals Limited's functional and presentation currency.

Paradigm Biopharmaceuticals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. A description of the nature of the Consolidated Entity's operations and its principal activities are included as part of the Financial Statements.

The Financial Statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2025. The Directors have the power to amend and reissue the Financial Statements.

CORPORATE DIRECTORY

Directors

Mr Paul Rennie
Managing & Executive Director

Mr Amos Meltzer
Non-Executive Director

Mr Matthew Fry
Non-Executive Director

Dr. Donna Skerrett
Executive Director
(Ceased on 20 November 2024)

Company Secretary

Ms Abby Macnish Niven

Principal Place of Business

Level 15, 500 Collins Street
Melbourne, VIC 3000

Registered Office

Level 15, 500 Collins Street
Melbourne, VIC 3000

Auditor

RSM Australia Partners
Level 27
120 Collins Street
Melbourne, VIC 3000

Solicitors

Steinepreis Paganin
Level 4
The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry

Automic Group
Level 5
191 St Georges Terrace
Perth WA 6000

Bankers

Commonwealth Bank
Level 20, Tower One, Collins Square
727 Collins Street
Melbourne, VIC 3008

Stock Exchange

ASX Limited
Level 4, North Tower, 525 Collins Street
Melbourne, VIC 3000

ASX Code: PAR

Website

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