ASX RELEASE 29 July 2025

# June 2025 Quarterly Activities Report & Appendix 4C

Key Highlights

- **Phase 3 Underway**: First patients screened and nearing dosing in Australia and the US, three clinical sites actively recruiting.
- **Site Ramp-up**: 27 sites initiated across Australia and US and preliminary screening occurring. First patients in Australia and the US have been screened, and first patient dosing during the quarter.
- **Strategic Funding Secured**: US$27m (A$41.2m) convertible note facility executed with Obsidian Global; initial US$7m tranche drawn.
- **Pipeline Expansion**: Acquisition of Proteobioactives and oral PPS-Coxib IP (Pentacoxib™) to broaden Paradigm's osteoarthritis (**OA**) franchise into earlier-stage and veterinary markets.
- **Cash Position**: Cash balance of A$16.82m at 30 June 2025; with an additional US$7m drawn post quarter end and an additional US$20m available. Paradigm remains fully funded through 100% recruitment and mid-2026 interim analysis.

**Paradigm Biopharmaceuticals Ltd. (ASX: PAR) ("Paradigm" or "the Company")** is pleased to provide its quarterly update for the three months ended 30 June 2025 and continuing activities to accompany its Appendix 4C cash flow report for the period.

## Operational Update

The June quarter marked the formal commencement of patient recruitment in Australia and in the United States (**US**) as part of the Company's global Phase 3 trial (PARA_OA_012) of injectable pentosan polysulfate sodium (**iPPS**) for the treatment of pain associated with knee osteoarthritis.

Following regulatory approvals in both jurisdictions, Paradigm successfully activated clinical sites and subject screening. These key milestones represent progression from trial set-up to active trial performance.

Australian Trial Progress

In June, Paradigm announced the activation of its first Australian site at Sportsmed Biologic in Melbourne, with Principal Investigator Dr Phillip Bloom leading the site. Three Australian sites are now actively screening, and early participants are nearing the end of screening with dosing expected to commence shortly. A total of 15 sites across Australia have been selected for participation in the study.

US Activation and Enrolment Timeline

Paradigm received US centralised ethics approval in May, enabling an efficient start-up process across all US trial centres. Currently, 24 US sites have been initiated, with further site qualification visits and staff training nearing completion. The first US participant

consenting to the trial was announced on 30 June and remains on track for the current quarter (Q3 CY2025), in line with program timelines.

## Pipeline Expansion: Acquisition of Proteobioactives Pty Ltd

In June, Paradigm completed the acquisition of Proteobioactives Pty Ltd, securing global intellectual property (IP) rights for Pentacoxib™, an oral combination of PPS and a COX-2 inhibitor. This acquisition expands Paradigm's OA portfolio to include treatment options for earlier-stage (minor to mild) OA in humans and veterinary indications, both of which represent large, underserved segments of the chronic pain market.

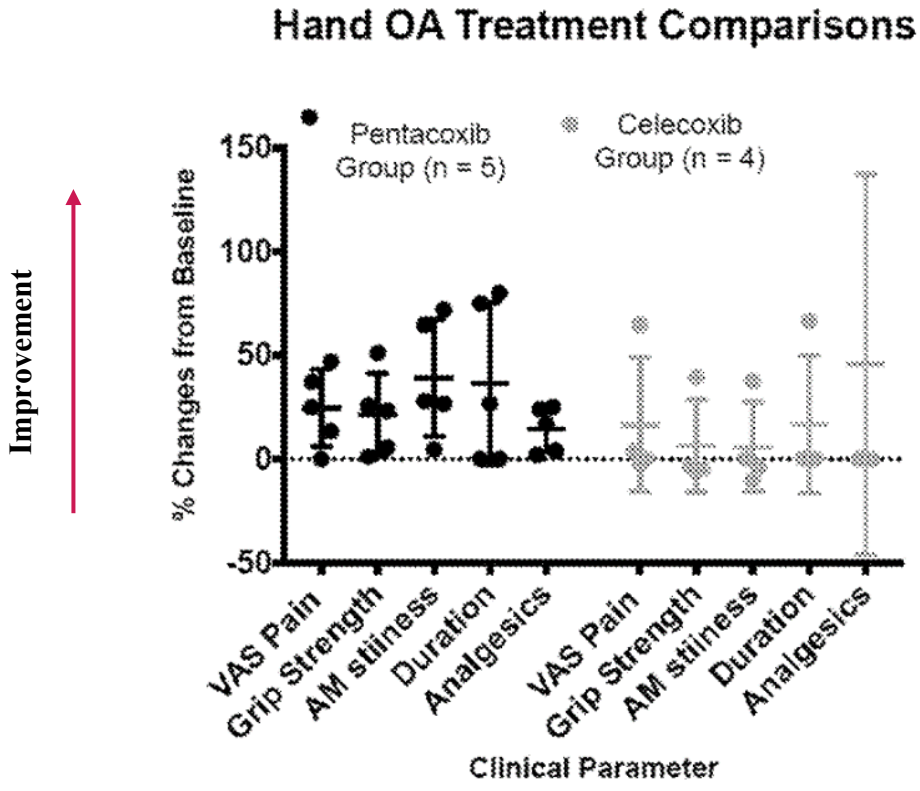
A significant advantage to the combination product allows for lower doses of COX-2 inhibitors, which is important for both the veterinary and human markets. Strategically, adding a new composition of matter patent to our current portfolio enables Paradigm to expand our product portfolio in the OA-related pain market, such as hand OA, mild knee OA, as well as OA in dogs and horses.

Initial development is expected to target the veterinary sector, where both PPS and COX-2 inhibitors have well-established safety profiles. The human program is expected to follow with a focus on hand and early-stage knee OA, leveraging pilot data demonstrating improved efficacy and tolerability over COX-2 inhibitors alone.

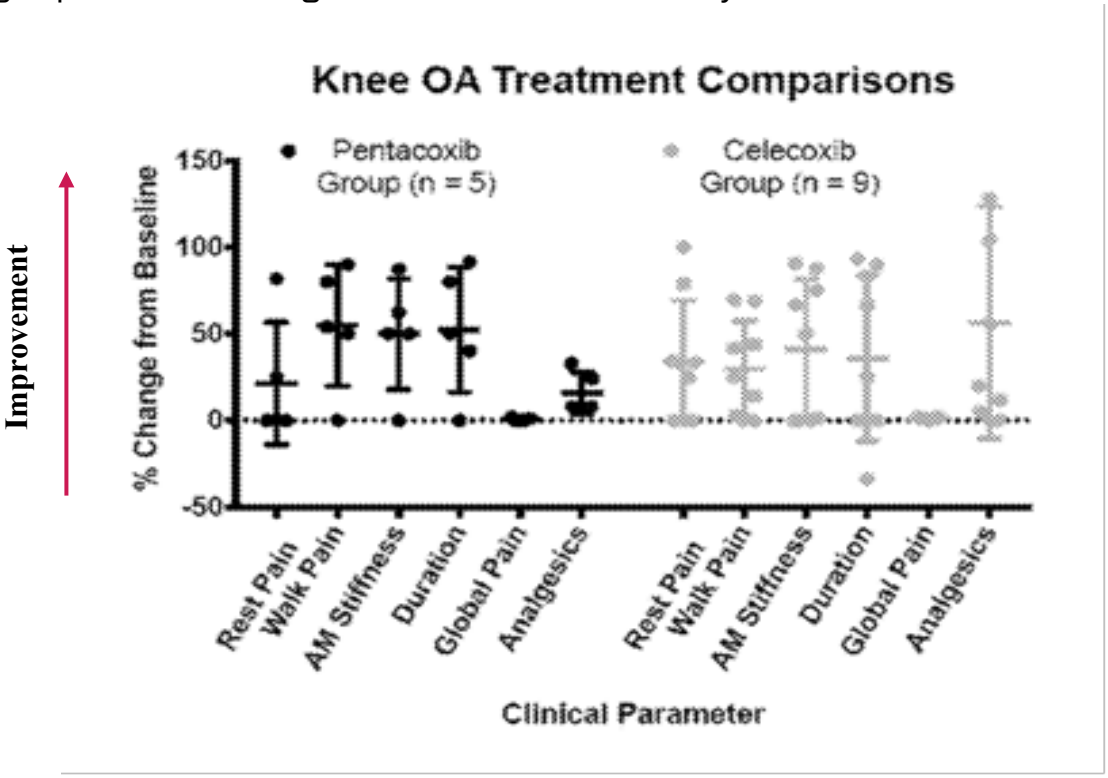
The acquired patent (WO2019157560) includes pilot clinical data in patients with hand OA, where 2 x 250mg Pentacoxib™ capsules (125mg PPS / 125mg celecoxib) were administered three times weekly over six weeks.

The combination showed:

- Meaningful improvements in visual analogue scale (**VAS**) pain, grip strength, morning stiffness, and reduced need for analgesics
- Greater overall symptom improvement versus celecoxib alone, as shown in the accompanying figure below.



In addition, a Pilot clinical knee OA study was undertaken, and the clinical data (shown below) also forms part of the Patent. In a comparator trial for patients with symptomatic knee OA, were randomised to receive either the PPS + celecoxib combination or celecoxib alone for 6 weeks. The combination group received 2 x 250 mg Pentacoxib™ capsules (125 mg PPS / 125 mg celecoxib) taken three times weekly, while the celecoxib-only group received 250 mg celecoxib three times weekly.




Assessments included VAS pain, walking distance, duration of morning stiffness, and analgesic use. Both groups showed improvement over baseline; however, the combination group demonstrated greater reductions in pain and analgesic usage, and improvements in joint function.

## Financial Highlights

As of 30 June 2025, Paradigm held cash and cash equivalents of A$16.82m, providing a strong financial foundation to support the continued execution of its global Phase 3 clinical trial. Net cash used in operating activities for the quarter was A$7.65m, reflecting increased investment in trial-related operations, including clinical research organisation (CRO) coordination, clinical site initiation, and procurement of investigational product and comparator materials. These expenditures are aligned with the planned ramp-up in patient enrolment across both Australian and US sites.

On 1 July 2025, Paradigm announced the successful execution of a US$27m (A$41.2m) convertible note facility with Obsidian Global Partners, following a competitive capital process. An initial US$7m tranche has been drawn in July and is being deployed toward Phase 3 trial operations, recruitment activities, and regulatory engagement. The remaining US$20m available in US$5m tranches are to be drawn at Paradigm's discretion, offering a flexible capital structure that preserves balance sheet strength and minimises immediate dilution to shareholders. The facility ensures that Paradigm is fully funded through key clinical milestones, including site activations, full patient recruitment, and the mid-2026 interim analysis, while maintaining strategic optionality to pursue alternative non-dilutive funding pathways or partnering discussions as the program matures.

## Investor and Media Engagement

Earlier this month, Paradigm hosted an investor webinar (1 July 2025) to provide an update on recent strategic and operational progress. The session covered our US$27m funding facility with Obsidian Global Partners, the acquisition of Proteobioactives Pty Ltd (expanding our osteoarthritis pipeline into oral and veterinary indications), and the latest developments in our global Phase 3 knee osteoarthritis program, including site activations and early enrolment progress across Australia and the United States.

A full replay of the webinar is available here:

https://www.youtube.com/watch?si=QYDpiMtSe4pdBo3N&v=ZJv-NHFRDcE&feature=youtu.be

Also, during July, Paradigm was featured in a 7NEWS segment (11 July), reported by Jackie Quist. The story highlighted the potential of Pentosan Polysulfate Sodium (**PPS**) in managing osteoarthritis. Former AFL star Marc Murphy shared his positive experience with PPS, describing significant pain relief and improved mobility. The segment also included comments from Helen Jentz, CEO of Musculoskeletal Health Australia, who emphasised the importance of new treatment options for those living with chronic musculoskeletal conditions.

The segment can be viewed here:

https://www.youtube.com/watch?v=LkV-ImgYGvM

We thank our investors and broader community for their continued interest and support as we continue to execute our late-stage clinical program and prepare for key data milestones.

**Paul Rennie, MD of Paradigm Biopharma, commented on the quarter:** *"This quarter represents a major inflection point for Paradigm, as we move beyond clinical trial set-up to active clinical trial execution across multiple geographies. With the study now recruiting in Australia and the United States and activation of our study sites ramping up rapidly, we are firmly in clinical trial execution mode. Importantly, the funding pathway secured through our US$27m facility with Obsidian Capital provides the financial runway needed to reach the significant milestone of interim analysis by mid-2026. This interim readout has the potential to be a transformative catalyst for the company, offering early insights into efficacy and a potential acceleration of our regulatory and commercial trajectory. The combination of operational momentum, data-rich trial design, and capital flexibility puts Paradigm in a strong position to execute with confidence over the coming quarters."*

## Summary of Cash Flow and Quarterly Activity

As of 30 June 2025, Paradigm's cash and cash equivalents totalled A$16.82m (on 31 March 2025 it was A$24.56m). The net cash outflow for the June 2025 quarter was A$7.65m. The company continues to prioritise resource allocation towards the advancement of its pivotal phase 3 clinical trial for osteoarthritis.

- During the June quarter, Paradigm invested A$6.09m in research and development activities as the Company commenced execution of its pivotal Phase 3 program. Expenditure was primarily directed toward site activations, establishing key CRO and vendor engagement, and procurement of clinical trial materials, with efforts focused on the ramp-up of Australian and US trial operations and preparation for dosing in the second half of CY2025. These investments reflect

Paradigm's transition from regulatory planning to active delivery of its global Phase 3 study.

- In parallel, the Company remains committed to maintaining a robust funding position. On 1 July 2025**,** Paradigm announced a US$27m (A$41.2m) convertible note facility with Obsidian Global Partners. An initial US$7m has been drawn post quarter end to fund Phase 3 trial execution, with the remaining US$20m available at the Company's discretion. The facility provides sufficient capital to progress through key milestones including 100% recruitment and interim analysis, while preserving flexibility to pursue additional strategic funding pathways, to support broader commercial readiness.
- Total cash outflows for the September 2025 quarter are forecast to be in the range of A$10–12m, driven by the operational ramp-up across multiple clinical sites and the expansion of recruitment and monitoring activities.
- In accordance with Listing Rule 4.7C.3 and as noted in item 6 of the Appendix 4C Cashflow Statement, payments to related parties and their associates during the quarter totalled $54K, covering $48K in non-executive Director fees and $6K for legal fees to BioMeltzer, an entity controlled by Amos Meltzer.

## OUTLOOK

### Advancing Phase 3 Program Toward Mid-2026 Inflection Point

Paradigm enters the second half of 2025 with a clearly defined path to value creation through the successful execution of its global Phase 3 trial (PARA_OA_012) of iPPS. With active patient recruitment underway in Australia and the US with rapid site activations progressing in both regions, the Company remains on track to achieve its target of 50% patient enrolment by 2025 year-end, setting the stage for an interim analysis in mid-2026.

This interim analysis, triggered once 50% of participants reach Day 112, will be overseen by an independent Data Safety Monitoring Board (**DSMB**) and represents a pivotal clinical and commercial milestone. Positive results at this stage could provide early efficacy insights and accelerate regulatory or partnering discussions.

Paradigm remains closely aligned with the US FDA, having incorporated agency feedback from a recent Type D meeting into the final trial protocol. As part of this alignment, the study includes imaging and biomarker assessments to evaluate whether iPPS may also have disease-modifying effects, not just pain relief. These additional measures are intended to strengthen the data package and potentially support a broader and more differentiated product label at the time of regulatory submission.

All the planned clinical trial sites across Australia (15) and the US (50) are expected to be initiated within the current quarter (Q3), with enrolment activity expected to ramp up materially in the second half of the calendar year.

To support patient education and recruitment, Paradigm has launched dedicated trial websites:

- **hope4oa.com** (Australia)
- **stride4oa.com** (US)

These platforms provide patients and clinicians with resources on osteoarthritis, trial eligibility, and the therapeutic potential of iPPS as a novel, non-opioid option for moderate-to-severe knee OA.

The Company will continue to provide regular updates on site activations and enrolment progress as the trial advances through key milestones.

## Commercial Supply and Tariff Strategy

While iPPS remains investigational and therefore exempt from tariffs, Paradigm is proactively planning for future commercial supply into the US. With Paradigm's established subsidiaries in Ireland, Switzerland, and the US, we are establishing a clear supply management strategy that provides flexibility to mitigate changes in global conditions and ensure protection of gross margins while ensuring efficient market access and will continue to be assessed as Paradigm progresses toward commercialisation of iPPS.

## Strategic Pipeline Development

With the acquisition of Pentacoxib™, Paradigm has the potential to offer therapies to address the full disease spectrum of Osteoarthritis from minor to severe. The near-term focus on veterinary development ensures capital-light progress, while long-term human studies could support a broader prescribing footprint in early OA, especially for patients unsuited to injectable therapy.

## Capital Management

Paradigm's convertible note facility ensures funding through major milestones without requiring immediate equity dilution. In addition, the Loyalty and Piggyback Option program remains in place and, if exercised, could deliver up to $111.9m in non-dilutive capital. The Company remains open to strategic partnerships, regional licensing, or veterinary co-development to further optimise its capital position.

## Phase 3 Update and Probability of Success Webinar

Paradigm is pleased to invite shareholders and interested investors to an upcoming investor webinar to be held on:

**Date**: Thursday, 31 July 2025
**Time**: 9:00am AEST
**Presenters**: Paul Rennie (Managing Director) and Dr Donna Skerrett (Chief Medical Officer)
**Registration link**: Click here to register

The session will provide a comprehensive update on Paradigm's global Phase 3 clinical trial (PARA_OA_012) of iPPS for knee osteoarthritis. The presentation will focus on the optimised trial design, regulatory alignment with the FDA, and Paradigm's high confidence in the trial's probability of success, underpinned by extensive clinical data and prior agency engagement.

## 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 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.

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Authorised for release by the Paradigm Board of Directors.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Paradigm Biopharma

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

| **Name of entity** | |
|---|---|
| Paradigm Biopharmaceuticals Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 94 169 346 963 | 30 June 2025 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | 41 |
| 1.2 | Payments for | | |
| | (a) research and development | (6,094) | (17,772) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | - | (51) |
| | (d) leased assets | (15) | (82) |
| | (e) staff costs | (659) | (2,170) |
| | (f) administration and corporate costs | (1,028) | (2,594) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 145 | 342 |
| 1.5 | Interest and other costs of finance paid | (1) | (7) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 6,300 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(7,652)** | **(15,993)** |

| **2.** | **Cash flows from investing activities** | | |
|---|---|---|---|
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **-** | **-** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 16,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | 1 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (882) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings (lease liabilities) | (55) | (126) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (Limited recourse loan repaid under ESP) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **(55)** | **14,993** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | **24,560** | **17,867** |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (7,652) | (15,993) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (55) | 14,993 |
| 4.5 | Effect of movement in exchange rates on cash held | (35) | (49) |
| **4.6** | **Cash and cash equivalents at end of period** | **16,818** | **16,818** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 16,818 | 24,560 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **16,818** | **24,560** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 54 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| |
|---|
| |

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (7,652) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 16,818 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 16,818 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 2.2 |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

| |
|---|
| Answer:. |

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

| |
|---|
| Answer: |

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

| |
|---|
| Answer: |

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ..29 July 2025.....

Authorised by: ...By the board.....
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.