PARADIGM BIOPHARMA

ASX RELEASE 30 January 2026

December 2025 Quarterly Activities Report & Appendix 4C

Key Highlights

- **Phase 3 Knee OA Trial Recruitment**: PARA_OA_012 continues to progress, with the majority of clinical sites now active and recruiting across Australia and the United States.
- **International Site Expansion**: Additional sites in Hong Kong and Moldova are expected to commence screening during the quarter, expanding the global recruitment footprint.
- **Interim Analysis Timeline**: Recruitment remains on-track with the previously communicated pathway toward interim analysis in mid-calendar year 2026.
- **Scientific Publications**: subsequent to quarter end, the PARA_OA_008 Phase 2 biomarker manuscript was published in a leading peer-reviewed journal. A canine osteoarthritis manuscript is also progressing through peer review.
- **Cash Position**: Cash balance of approximately A$14.66m at 31 December 2025, with an additional A$22.41m in available facility, providing a funding position that provides flexibility to support ongoing clinical execution.

Paradigm Biopharmaceuticals Ltd. (ASX: PAR) ("Paradigm" or "the Company") is pleased to provide its quarterly update for the three months ended 31 December 2025 and continuing activities to accompany its Appendix 4C cash flow report for the period.

Operational Update

During the December quarter, Paradigm continued to advance its global Phase 3 PARA_OA_012 clinical trial evaluating injectable pentosan polysulfate sodium (iPPS) for the treatment of pain associated with knee osteoarthritis.

The majority of selected clinical sites across Australia and the United States are now active and recruiting, with screening and enrolment activity continuing to build across regions. Remaining sites, including newly added locations in Hong Kong and Moldova, are expected to be activated and commence screening during the quarter, further supporting recruitment momentum and geographic balance.

During the quarter, Paradigm expanded its global Phase 3 footprint through the engagement of Nordic Bioscience Clinical Development (NBCD) as a complementary CRO, working alongside Advanced Clinical and Paradigm's internal clinical team. Under this expanded framework, four additional high-performing clinical sites are being activated, including one site in Hong Kong and three sites in Moldova. These regions were selected based on demonstrated experience in osteoarthritis trials, strong investigator capability and consistent screening and enrolment performance.

The Hong Kong site provides strategic alignment with the territory's recently introduced "1+" regulatory pathway, which allows new medicines approved by a recognised reference authority to apply for registration in Hong Kong, subject to supporting local clinical data and

expert review. Establishing a clinical presence in Hong Kong is expected to support longer-term regulatory and commercial flexibility, while also contributing to the current Phase 3 recruitment program.

The Moldova sites provide access to experienced investigators, established clinical infrastructure and a patient population well suited to osteoarthritis studies. The inclusion of these sites is intended to enhance recruitment efficiency and geographic diversity within the PARA_OA_012 trial.

Recruitment progress remains aligned with the Company's planned pathway toward interim analysis, which is expected to occur once 50% of participants reach Day 112, anticipated in mid-calendar year 2026, consistent with prior guidance.

Scientific Publications and Pipeline Progress

Subsequent to the end of the December quarter, Paradigm announced the acceptance and publication of its Phase 2 PARA_OA_008 biomarker manuscript in a leading international peer-reviewed journal. The manuscript reports on synovial fluid biomarker outcomes in patients with moderate to severe knee osteoarthritis treated with injectable pentosan polysulfate sodium (iPPS).

The online version of the publication can be viewed here: Arthritis Research & Therapy

The publication followed a comprehensive and rigorous peer-review process, including multiple rounds of independent scientific review and editorial assessment. Acceptance by an established international journal represents an important external validation of the quality, consistency and relevance of Paradigm's Phase 2 data.

The published findings demonstrate favourable effects of iPPS on biomarkers associated with cartilage degradation, inflammation and pain signalling within the osteoarthritic joint. These biological outcomes provide important mechanistic support for iPPS and complement previously reported clinical efficacy signals.

Paradigm considers the publication to be a significant milestone for the Company's clinical program, reinforcing the scientific and regulatory rationale underpinning the ongoing pivotal Phase 3 PARA_OA_012 trial. The peer-reviewed data is expected to further strengthens engagement with regulators, investigators and potential commercial partners.

In addition, the PARA_OA_008 Phase 2 study demonstrated clinically meaningful structural findings. A separate manuscript focused on these imaging-based results is currently being prepared and, is planned for submission once complete, to an appropriate scientific journal for peer review.

A separate manuscript reporting outcomes from a translational canine osteoarthritis study is currently progressing through the peer-review process. The study evaluated the effects of pentosan polysulfate sodium in companion dogs with naturally occurring osteoarthritis and assesses clinical, functional, structural and biomarker outcomes following a six-week treatment course, with follow-up assessments conducted out to six months. The study was conducted in collaboration with the University of Melbourne and includes objective gait analysis, MRI-based structural assessments and biomarkers of bone and cartilage turnover. These translational findings are intended to further support the biological activity of PPS across both human and veterinary osteoarthritis settings.

Paul Rennie, MD of Paradigm Biopharma, commented on the quarter: "During the December quarter we continued to make steady progress across our Phase 3 clinical program, with the majority of sites now active and recruiting and additional international sites expected to come online. Importantly, recruitment remains aligned with our planned pathway toward interim analysis in mid-2026. We have also seen strong screening activity and, following the Christmas and New Year period, very good conversion of screened participants into dosed patients, supporting confidence in our current timelines.

The acceptance and publication of the PARA_OA_008 Phase 2 biomarker study is a significant milestone for Paradigm. Independent peer-reviewed validation of biological activity within the osteoarthritic joint provides important mechanistic support for iPPS and further strengthens the scientific and regulatory foundation of our ongoing Phase 3 program. Together with our strong funding position, this positions Paradigm well as we move into the next phase of trial execution."

Summary of Cash Flow and Quarterly Activity

As at 31 December 2025, Paradigm's cash and cash equivalents totalled A$14.66 million, compared with A$19.86 million at 30 September 2025. The movement in cash during the quarter reflects continued investment in Phase 3 clinical trial execution, partially offset by an additional drawdown under the Company's convertible note facility. The A$72,000 term deposit held during the period is classified as an investing activity and is not included in cash and cash equivalents.

Net cash used in operating activities for the December quarter was A$12.61 million, primarily reflecting ongoing expenditure related to the pivotal PARA_OA_012 Phase 3 clinical trial, including site activations, screening, dosing, manufacturing and regulatory operations. Paradigm continues to prioritise disciplined allocation of capital to advance its clinical and corporate objectives.

- Paradigm invested A$11.52 million in research and development activities during the quarter, primarily directed toward execution of the PARA_OA_012 Phase 3 program, including site activations, CRO operations, patient recruitment initiatives and investigational product supply.
- In addition to clinical progress, Paradigm continued to maintain a funding position that provides flexibility to support ongoing clinical execution. During the quarter, and prior to the Company's Annual General Meeting, Paradigm drew down an additional US$5 million, resulting in A$7.67 million received, under its US$27 million convertible note facility with Obsidian Global Partners. Following this drawdown, US$15 million remains available and undrawn under the facility. Based on the RBA exchange rate at 31 December 2025, the remaining undrawn facility equates to approximately A$22.41 million.
- Paradigm expects to receive an R&D tax incentive rebate of approximately A$6.2m during the quarter, representing a meaningful non-dilutive funding inflow.
- Total cash outflows for the March 2026 quarter are forecast to be in the range of A$12–15m, driven by the operational ramp-up across multiple clinical sites and the expansion of recruitment, screening, dosing 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 A$65K, comprising non-executive Director fees.

The Company remains well funded with runway through several key milestones, including continued recruitment progression and the interim analysis planned for mid-calendar year 2026.

OUTLOOK

Paradigm enters the March quarter with a clear operational focus on continued execution of its global Phase 3 PARA_OA_012 clinical trial evaluating iPPS for knee osteoarthritis. Following the Christmas and New Year period, site activity has accelerated, with screening, enrolment and dosing increasing across active centres. With the majority of sites now operational and additional international sites expected to be contributing, the Company anticipates a significant ramp-up in recruitment activity through the quarter.

Based on current momentum, Paradigm anticipates achieving the 50% recruitment milestone during the quarter, positioning the study to progress toward the planned interim analysis once 50% of participants reach Day 112, expected in mid-calendar year 2026. The Company remains focused on maintaining protocol integrity and data quality as recruitment scales across regions.

In early January, Paradigm's senior management and clinical team presented to NFL Alumni Chapter Presidents, continuing a close working relationship that commenced during the Company's Expanded Access Program (EAP) in early 2021. As part of this engagement, Paradigm's Head of Clinical Operations, Melanie Duiker, provided an overview of the PARA_OA_012 Phase 3 clinical trial, including eligibility criteria and participation pathways for former players with knee osteoarthritis. The Company views this engagement as an important component of ongoing investigator, patient and advocacy collaboration.

In parallel with clinical execution, Paradigm continues to advance its broader osteoarthritis portfolio strategy. Development activities for the PPS × COX-2 inhibitor combination program (Pentacoxib™) for the veterinary market remain ongoing, reflecting the Company's strategy to expand across the osteoarthritis disease spectrum while maintaining capital discipline. The veterinary pathway is expected to provide an efficient development route, generate additional supportive data, and complement longer-term opportunities across both animal and human health.

Paradigm also notes that the PAROA loyalty options are scheduled to expire on 11 February 2026. The Company continues to progress a number of clinical, operational and engagement initiatives aligned with its stated strategy, with the objective of delivering sustainable long-term value and maintaining constructive engagement with shareholders as key milestones are approached.

Paradigm will continue to provide regular updates on recruitment progress, publication milestones, portfolio development and funding position.

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.

Authorised for release by the Paradigm Board of Directors.

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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	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	33
1.2	Payments for		
	(a) research and development	(11,516)	(17,216)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	(32)	(44)
	(e) staff costs	(475)	(935)
	(f) administration and corporate costs	(707)	(1,287)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	130	279
1.5	Interest and other costs of finance paid	(9)	(9)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	63
1.9	**Net cash from / (used in) operating activities**	**(12,609)**	**(19,116)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	(500)
	(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 (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	5
	(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 (Term deposits)	(72)	(72)
2.6	**Net cash from / (used in) investing activities**	**(72)**	**(567)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	7,671	18,352
3.3	Proceeds from exercise of options	-	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(605)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liabilities)	(36)	(67)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Limited recourse loan repaid under ESP)	81	81
3.10	**Net cash from / (used in) financing activities**	**7,704**	**17,762**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**19,861**	**16,818**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,609)	(19,116)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(567)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,704	17,762
4.5	Effect of movement in exchange rates on cash held	(221)	(234)
4.6	**Cash and cash equivalents at end of period**	**14,663**	**14,663**

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	14,663	19,861
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)**	**14,663**	**19,861**

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	65
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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *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	22,411	7,671
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	22,411	7,671

7.5	**Unused financing facilities available at quarter end**	22,411

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.

Convertible Note facility from Obsidian Global Partners, with no interest payable. Refer to ASX Announcement on 01 July 2025 for full details.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(12,609)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,663
8.3	Unused finance facilities available at quarter end (item 7.5)	22,411
8.4	Total available funding (item 8.2 + item 8.3)	37,074
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.94

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: ..30 January 2026.....

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.