PARADIGM BIOPHARMA

ASX RELEASE 22nd July 2026

Paradigm receives $5.75 million boost to cash reserves through Australian Government's R&D Tax Incentive

- $4.82 million received from the Australian Government under the FY25 Research & Development Tax Incentive.
- Paradigm has also received a $0.93 million refund following an amended FY23 income tax assessment.
- Combined cash receipts of approximately $5.75 million further strengthen the Company's balance sheet as Paradigm progresses its Phase 3 osteoarthritis clinical program.

Paradigm Biopharmaceuticals Ltd (ASX:PAR) ("Paradigm" or "the Company"), a late-stage drug development company focused on delivering new therapies to address unmet medical needs, is pleased to advise that it has received a $4,817,677 Research & Development (R&D) Tax Incentive refund relating to the financial year ended 30 June 2025, inclusive of $59,579 of interest earned**.**

In addition, the Company has received $927,317 (including interest of $85,083) following an amended income tax assessment relating to the financial year ended 30 June 2023.

The combined cash receipts of approximately $5.75 million further strengthen the Company's balance sheet as it continues to execute its strategic priorities, including progressing its pivotal Phase 3 clinical program evaluating injectable pentosan polysulfate sodium (iPPS) for the treatment of knee osteoarthritis and supporting ongoing regulatory and New Drug Application (NDA) activities.

Paradigm Managing Director, Mr Paul Rennie, commented: *"The receipt of the FY25 R&D Tax Incentive refund, together with the amended FY23 income tax refund, further strengthens Paradigm's financial position as we continue to execute on our strategic priorities. These funds support the continued advancement of our pivotal Phase 3 osteoarthritis program, while also providing additional flexibility as we progress regulatory, manufacturing and global partnering initiatives."*

The Australian Government's Research and Development (R&D) Tax Incentive is designed to encourage innovation by supporting Australian companies undertaking eligible research and development activities. Under the program, eligible companies can receive refundable tax offsets for qualifying R&D expenditure.

About Paradigm Biopharmaceuticals Ltd.

Paradigm Biopharmaceuticals Ltd. (ASX: PAR) is a late-stage drug development company driven by a purpose to improve patients' health and quality of life by discovering, developing, and delivering pharmaceutical therapies. Paradigm's current focus is developing 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).

Authorised for release by the Paradigm Board of Directors.

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