PARADIGM BIOPHARMA

ASX RELEASE

24 September 2026

Agreement to Return US$2M to Obsidian

Paradigm Biopharmaceuticals Ltd. (ASX: PAR) ("Paradigm" or "the Company") advises that, following discussions with Obsidian Global GP, LLC ("Obsidian"), the parties have agreed that Paradigm will return the US$2 million received under the Tranche 4 drawdown (announced on 11 September 2026) and that the 2,000,000 Convertible Notes issued in connection with that drawdown will be cancelled. No premium, redemption amount, fee or other additional payment is payable by the Company in connection with this arrangement.

As outlined in the 11 September 2026 announcement, the drawdown was intended to support ongoing Phase 3 clinical trial activities, including clinical operations, data management and regulatory activities.

The agreement to return the funds has been reached while Paradigm continues to assess the implications of the interim analysis of its Phase 3 clinical trial, PARA_OA_012, evaluating injectable pentosan polysulfate sodium (iPPS) for the treatment of knee osteoarthritis.

A review of the trial data is being undertaken by designated unblinded members of Paradigm's team. This work is intended to provide a more detailed understanding of the interim analysis findings and inform the Company's assessment of their implications for the clinical development program.

The review remains ongoing, and the Company has not yet completed its assessment. The implications for the program and the appropriate next steps therefore remain subject to further evaluation.

The return of the US$2 million will reduce the Company's available cash and reduce the amount outstanding to Obsidian following the September drawdown. Future program activities and associated funding requirements will need to be considered in light of the ongoing review.

This announcement does not constitute the further announcement regarding the Company's funding arrangements and future operations referred to in its announcement on 23 September 2026. The Company's securities therefore remain in voluntary suspension from quotation on ASX, and the Company will provide that further announcement separately once available.

Paradigm recognises the importance of providing shareholders with clear and accurate information during this period of uncertainty. The Company will provide further updates on the review, its implications for the development program and the Company's funding position as these matters are clarified.

-Ends-

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Simon White
Director of Investor Relations
Tel: +61 404 216 467
Paradigm Biopharmaceuticals Ltd.
ABN: 94 169 346 963
Level 15, 500 Collins St, Melbourne, VIC, 3000, AUSTRALIA
Email: investorrelations@paradigmbiopharma.com

Paradigm Biopharma

For more information please visit:
https://investors.paradigmbiopharma.com