

## Variation to Convertible Securities Agreement

---

**Paradigm Biopharmaceuticals Ltd (ASX:PAR)** (“**Paradigm**” or “**the Company**”), wishes to advise that on 29 April 2026 it executed a deed of variation (**Deed of Variation**) in respect of the convertible securities and share placement agreement between the Company and Obsidian Global GP, LLC dated 1 July 2025 (**Convertible Securities Agreement**).

As previously announced, the Company has drawn down and issued 3 Tranches of Convertible Notes under the Convertible Securities Agreement.

The Company notes that, as an update to its announcement of 27 April 2026, A\$2,250,000 of the funds raised under the Placement and Share Purchase Plan (**SPP**) announced on 27 April 2026 will be utilised for partial repayment of outstanding Convertible Notes pursuant to the Deed of Variation, representing approximately 16% of total Placement proceeds.

The Deed of Variation applies to the drawdown of an additional US\$10,000,000 under the facility (in two tranches of US\$5,000,000 each (**Tranche 4** and **Tranche 5**)), subject to shareholder approval.

Pursuant to the Deed of Variation:

- (a) the Company has agreed not to request the drawdown of Tranche 4 Convertible Notes until 23 June 2026 (unless the parties mutually agree otherwise);
- (b) the Company may not request the drawdown of Tranche 5 Convertible Notes until at least 10 actual Trading Days (20 actual Trading Days if the Company's share price falls by more than 50% at any time in the first 10 actual Trading Days) after the date on which the Company makes its interim analysis announcement in respect of the PARA\_OA\_012 Phase 3 clinical trial (**Interim Analysis Announcement**);
- (c) the 90-day interval requirement otherwise applicable between consecutive subsequent purchases under the Convertible Securities Agreement has been waived as between Tranche 4 and Tranche 5 Convertible Notes, so that the Tranche 5 Convertible Notes may be requested at any time on or after the date that is 10 actual Trading Days (20 actual Trading Days if the Company's share price falls by more than 50% at any time in the first 10 actual Trading Days) after the Interim Analysis Announcement;
- (d) the Company is required to apply A\$2,250,000 of the proceeds of the current capital raising (comprising the Placement and Share Purchase Plan announced by the Company on 27 April 2026) to the redemption of outstanding Convertible Notes, in lieu of the 10% of proceeds otherwise applicable under the existing terms of the Convertible Securities Agreement; and
- (e) Obsidian has agreed not to sell any Shares it holds in the Company or give any conversion notice during a standstill period from 21 April 2026 to 27 May 2026.

The issue of the Tranche 4 Convertible Notes and Tranche 5 Convertible Notes remains conditional on shareholder approval. The Company will dispatch a notice of general

meeting to shareholders in the coming days seeking that approval. Shareholders are encouraged to read the notice of general meeting carefully before voting.

The Company has publicly announced that the PARA\_OA\_012 trial is more than 50% dosed and is expected to be fully dosed in Q2 CY2026, with the Interim Analysis Announcement expected in Q3 CY2026 (approximately August 2026). On that basis, the Company expects the Tranche 5 Convertible Notes to be drawable from approximately late September 2026 at the earliest (being 20 actual Trading Days after the expected Interim Analysis Announcement), and in any event no later than 5 months after the date of the upcoming general meeting to be held on or around 5 June 2026.

The Company has applied to ASX for a waiver from Listing Rule 7.3.4 to permit the Tranche 5 Convertible Notes to be issued up to 5 months after the date of the upcoming general meeting (rather than the standard 3-month period). This extended period reflects the sequencing of drawdown tied to the Interim Analysis Announcement. The Company will update the market on the outcome of the waiver application once ASX has communicated its decision.

A summary of the key terms and conditions of the Convertible Securities Agreement (as varied by the Deed of Variation) is annexed to this announcement.

### **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 injectable (subcutaneous) pentosan polysulfate sodium (**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) and mucopolysaccharidosis (phase 2).

---

Authorised for release by the Paradigm Board of Directors.

To learn more please visit: [www.paradigmbiopharma.com](http://www.paradigmbiopharma.com)

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](mailto:investorrelations@paradigmbiopharma.com)

## Terms and conditions of the Convertible Note Agreement and Deed Of Variation

<b>Issue of Convertible Notes</b>	The Company may create and issue convertible notes convertible into fully paid ordinary shares in the Company ( <b>Shares</b> ) ( <b>Convertible Notes</b> ). Obsidian agrees to subscribe for the Convertible Notes in accordance with the Convertible Securities Agreement.
<b>Commitment Limit</b>	US\$27,000,000 ( <b>Commitment Value</b> ).
<b>Face Value</b>	US\$1.09 per Convertible Note ( <b>Face Value</b> ).
<b>Maturity Date</b>	24 months after each Purchase (defined below) (each, a <b>Maturity Date</b> ).
<b>Purchases</b>	<p>On each Purchase Date (set out below) Obsidian must pay the Company the relevant Purchase Price (set out below) and the Company must issue the relevant number of Convertible Notes, on the following Purchases:</p> <p>(a) <b>First Purchase:</b> US\$7,000,000, within 5 business days after the execution date of the Convertible Securities Agreement (<b>Execution Date</b>); and</p> <p>(b) <b>Subsequent Purchases:</b> US\$5,000,000 each or such other amount as agreed between Obsidian and the Company, subject to an overall limit of the Commitment Limit, at times agreed between the Company and Obsidian.</p> <p>The Company will issue the number of Convertible Notes that is equivalent to the actual amount paid in US\$ by Obsidian.</p>
<b>Placement Shares</b>	<p>(a) In consideration for Obsidian entering into the Convertible Securities Agreement, the Company agreed to issue Obsidian a total of 8,000,000 Shares (<b>Placement Shares</b>).</p> <p>(b) During the term of the Convertible Securities Agreement, Obsidian may elect to:</p> <p>(i) purchase the Placement Shares at a price of 94% of the average of the 5 lowest daily VWAPs during the 20 trading days prior to Obsidian notifying the Company its intention to purchase Placement Shares, rounded down to the lowest A\$0.01 (<b>Purchase Price</b>); or</p> <p>(ii) at any time, the Company is required to issue Shares to Obsidian under the Convertible Securities Agreement, use the Placement Shares to wholly or partially offset the Company's obligation to issue those Shares.</p> <p>(c) If any Placement Shares remain outstanding following full repayment of the Convertible Notes and termination of the Convertible Securities Agreement, Obsidian must either (at its election):</p> <p>(i) sell the Placement Shares on market and pay 100% of the net sale proceeds to the Company; or</p> <p>(ii) transfer the Placement Shares to the Company's nominee for no consideration.</p>
<b>Conditions to Contemplated Transactions</b>	<p>The conditions to the First Purchase are customary for an agreement of its nature.</p> <p>Each Subsequent Purchase is conditional on the Company obtaining Shareholder approval for the issue of the Convertible Securities and other conditions precedent which are considered customary for a facility of this nature.</p>
<b>Maximum Share Number</b>	Notwithstanding any other provision of the Convertible Securities Agreement but subject to the Company's ability to issue Conversion Shares, the aggregate maximum number of new securities (excluding any securities the past issue of which has been ratified by the Company's shareholders in a manner permitted under Listing Rule 7.4) that the Company may or is required to issue as the Placement Shares, or on one or more Conversions of the Convertible

	Securities issued at the First Purchase, without the Company first obtaining Shareholder approval is 58,414,323 Shares.
<b>Interest</b>	No interest is payable on the Convertible Notes except if an event of default occurs, interest will be payable on the amount outstanding and any other amounts payable under the Convertible Securities Agreement, at a rate of 10% per annum accruing daily and compounded monthly.
<b>Conversion Prices</b>	<p>Obsidian can convert one or more Convertible Notes on issue to them at any time at:</p> <p>(a) in respect of:</p> <p>(i) <b>Convertible Securities issued at the First Purchase:</b> A\$0.75;</p> <p>(ii) <b>Convertible Securities issued at a Subsequent Purchase:</b> 150% of the 5-day VWAP for the 5 actual Trading Days immediately prior to the relevant Purchase Date, <b>(Fixed Conversion Price)</b></p> <p>(b) subject to the Limitations on Conversions specified below, at the <b>"Variable Conversion Price"</b>, being the lesser of:</p> <p>(i) 94% of the average of the lowest 5 daily VWAPs during the 20 actual Trading Days prior to the Conversion Notice date rounded down to the lowest A\$0.01; and</p> <p>(ii) the Fixed Conversion Price; or</p> <p>(c) in the event of an unremedied event of default and the Noteholder issuing the Company a conversion notice, the lesser of:</p> <p>(i) 85% of the lowest daily VWAP during the 10 trading days prior to the date of the Conversion Notice date; and</p> <p>(ii) the Fixed Conversion Price.</p>
<b>Limitations on Conversions</b>	<p>Unless an event of default occurs:</p> <p>(a) Obsidian may only give Conversion Notices specifying that a Conversion is to occur at the Variable Conversion Price:</p> <p>(i) after the day which is 30 days after the Execution Date; and</p> <p>(ii) where the 10-day VWAP for the 10 Trading Days immediately prior to the relevant Conversion Notice Date is less than the Fixed Conversion Price.</p> <p>(b) Obsidian may not give a Conversion Notice where the number of Conversion Shares will exceed 9.99% of the total number of Shares on issue on the Conversion Notice Date.</p>
<b>Redemption Amount</b>	The Convertible Notes are redeemable at 110% of the amount outstanding being the Face Value plus any other amounts payable by the Company to Obsidian in respect of the relevant Convertible Notes ( <b>Redemption Amount</b> ).
<b>Early Redemption on raise</b>	<p>Obsidian may at any time, subsequent to the date of the execution of the Convertible Securities Agreement, provide written notice to the Company:</p> <p>(a) where the Company raises funds in aggregate of less than US\$20,000,000 from any source (other than from Obsidian), requiring the Company to apply up to 10% of the proceeds of the funds raised (from the first US\$20,000,000 raised); and</p> <p>(b) where the Company raises funds in aggregate of more than US\$20,000,000 from any source (other than from Obsidian), requiring the Company to apply up to 15% of the proceeds of the funds raised (from the funds raised in excess of US\$20,000,000),</p> <p>to the redemption of outstanding Convertible Notes at the Redemption Amount.</p> <p>Note: Pursuant to the Deed of Variation, in connection with the current raising (comprising the Placement and SPP announced on 27 April 2026), the Company is required to apply A\$2,250,000 of the proceeds of the current capital raising (comprising the Placement and SPP announced on 27 April</p>

	2026) to the redemption of outstanding Convertible Notes. This replaces the 10% of proceeds otherwise applicable under the Convertible Securities Agreement for this specific raising. As a result of the operation of clause 16.14 of the Convertible Securities Agreement, the parties have acknowledged in the Deed of Variation that the Fixed Conversion Price of the existing Convertible Notes is currently A\$0.19.
<b>Early Redemption by Company</b>	The Company may, at any time prior to the Maturity Date, redeem some or all of the Convertible Notes by giving notice to Obsidian and paying the Redemption Amount ( <b>Early Redemption Notice</b> ). The Company may not give an Early Redemption Notice in respect of any Convertible Notes the subject of an existing conversion notice, if an event of default has occurred.
<b>Redemption on Maturity</b>	On each Maturity Date, the Company must redeem all outstanding Convertible Notes that mature on that Maturity Date by paying Obsidian the Redemption Amount in respect of the relevant Convertible Notes.
<b>Share Restrictions</b>	(a) No Shares will be issued under the Convertible Securities Agreement if it would result in Obsidian or any person holding a relevant interest in more than 19.99% of the Shares on issue. (b) If Obsidian sells any Shares issued to it under the Convertible Securities Agreement, Obsidian must not sell Shares on any trading day in excess of the greater of: (i) 20% of the daily trading volume on that trading day on ASX and Chi-X (as reported by IRESS); and (ii) A\$150,000, which will cease to apply in an event of default under the Convertible Securities Agreement.
<b>Events of default</b>	Events of default are customary for an agreement of this nature and include, amongst others, the following: (a) failure to pay an amount owed to Obsidian; or (b) a material breach or failure to comply with any material obligation under the transaction documents (subsisting for 5 business days following notice to rectify such breach or failure).
<b>Termination</b>	The Convertible Securities Agreement may be terminated by agreement of the Parties at any time and otherwise: (a) by either party by notice to the other, effective immediately, if the First Purchase has not occurred within three business days of the Purchase Date or such later date as the parties agree in writing, however this right is not available to any party that is in material breach of or default under the Convertible Securities Agreement; or (b) by Obsidian in the case of an unremedied event of default or change of law.
<b>Ranking on Conversion</b>	Shares issued on conversion of the Convertible Notes will rank equally with existing Shares on issue.
<b>No Voting Rights</b>	Except as required by law, the Convertible Notes will not carry any right to attend or vote at general meetings of the Company.
<b>Security</b>	The Convertible Securities Agreement is secured by a general security agreement over the Company's assets.

