ASX RELEASE 23 September 2026

Phase 3 Interim Result Below Continuation Threshold

- The interim efficacy result for PARA_OA_012 did not reach the pre-specified threshold required for the study to continue.
- Operational challenges in the conduct of the study resulted in a significant amount of missing data, which has impacted the interim efficacy results.
- The Company continues to review the available data to obtain further information and better understand the nature and extent of that impact.
- Paradigm continues to review the available data and assess the financial and operational implications of the outcome, including its funding arrangements with Obsidian.
- The Company retains a substantial intellectual property portfolio and is assessing the most appropriate path forward.
- Paradigm has requested that its securities remain in voluntary suspension under ASX Listing Rule 17.2 until it is able to release a further announcement addressing the financial and funding implications of the outcome, expected by 28 September 2026.
- The Board and the Company are deeply disappointed by this outcome. The Board will provide further updates as information becomes available.

Paradigm Biopharmaceuticals Ltd. (ASX: PAR) ("Paradigm" or "the Company") advises that the independent Data Safety Monitoring Board (DSMB) has confirmed that the interim efficacy result for its Phase 3 PARA_OA_012 trial did not reach the pre-specified threshold required for the study to continue. The trial, evaluating injectable pentosan polysulfate sodium (iPPS/Zilosul®) for knee osteoarthritis, therefore met the study's pre-specified futility criterion.

The outcome follows the DSMB's review of unblinded interim efficacy and safety data. Paradigm's blinded personnel remain blinded to treatment allocation, the actual treatment effect size and the underlying treatment-group results.

Interim outcome and data review

The planned interim analysis was conducted after approximately 50% of participants had reached the Day 112 primary efficacy endpoint. The observed treatment effect fell below the minimum efficacy threshold for continuation under the study's statistical design, indicating that the study is unlikely to meet its primary efficacy endpoint at the final analysis.

Operational challenges during the trial resulted in a significant amount of missing data, which has impacted the interim efficacy results. The Company continues to review the available data to obtain further information and better understand the nature and extent of that impact.

Paradigm will work with the DSMB, its clinical partners and investigators to determine the appropriate remaining study activities and database processes.

Following completion of the required database and unblinding processes, Paradigm will undertake a detailed review of the available Phase 3 data, including pain, function, safety and other pre-specified endpoints. The review will inform the Company's assessment of the outcome and the next steps for the program.

Paradigm Executive Chairman, Paul Rennie: *"The Board and the entire Paradigm team are deeply disappointed by this outcome. We recognise the disappointment it brings to our shareholders and everyone who has supported the program. An initial review, by Paradigm's unblinded clinical staff, identified missing data. Under the statistical analysis plan, missing data is imputed and this imputation impacted the efficacy outcome. This is very disappointing given our broad and positive experience with iPPS in treating osteoarthritis. We remain optimistic in the therapeutic potential of PPS in treating osteoarthritis."*

"PARA_OA_012 treated 538 participants. We are continuing to review the available data to gain further information and better understand the impact of the operational challenges and missing data."

"Paradigm retains a substantial intellectual property portfolio. We are assessing the best path forward for the Company and its assets, and the Board will provide further updates as information becomes available."

Intellectual property and future strategy

Paradigm retains a substantial intellectual property portfolio and is assessing the most appropriate path forward for the Company and its assets. This assessment will be informed by the ongoing data review and consideration of the available development and commercial options.

Paradigm will reassess the timing, scope and objectives of future regulatory engagement following the data review. The Zilosul® osteoarthritis program has Fast Track designation from the US Food and Drug Administration (FDA).

Any future clinical or regulatory development strategy will be determined after consideration of the Phase 3 dataset and, where appropriate, discussions with regulatory authorities.

Financial position and material uncertainty

Following the interim analysis outcome, the Board is assessing the implications for the Company's financial position and future operations. This includes reviewing potential trial wind-down costs, remaining contractual commitments, future funding requirements and the Company's rights and obligations under its existing funding arrangements.

Paradigm is working closely with Obsidian Global GP, LLC, its secured convertible note facility provider, to assess the implications of the trial outcome under the facility and the options available to the Company. Discussions are ongoing, and the Company cannot be certain of their outcome or when that outcome will be known.

Accordingly, material uncertainty remains regarding the financial and operational consequences of the trial outcome and the path forward for the Company. The Board's assessment is ongoing, and the Company is not yet able to quantify the full impact on its funding requirements and future operations.

Voluntary suspension

Paradigm has requested a voluntary suspension of quotation of its securities under ASX Listing Rule 17.2 while it completes its assessment of the financial implications of the trial outcome and progresses discussions with Obsidian. The suspension is intended to prevent trading in the Company's securities on an uninformed basis while these material matters remain unresolved.

The Company expects to provide a further announcement addressing its funding arrangements and the implications for its future operations by 28th September 2026. The suspension is expected to continue pending that announcement, with reinstatement to quotation subject to ASX's agreement. If more time is required, the Company will update shareholders on the reasons and expected timing.

The Board will maintain disciplined capital management and provide further updates as material information becomes available. The Company will continue to comply with its continuous disclosure obligations during any suspension.

-Ends-

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.

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