

PARADIGM BIOPHARMACEUTICALS LIMITED



ASX RELEASE

12th May 2020

BLOCK TRADE TO INSTITUTIONAL INVESTORS

Paradigm Biopharmaceuticals Ltd (ASX:PAR) advises that a group of Directors have sold a portion of shares to offshore institutional investors, as detailed in the ASX Appendix 3Y Notices also lodged today. The sale of shares to offshore institutional shareholders further boosts the increasing ownership on the Paradigm register.

REPAYMENT OF EMPLOYEE SHARE LOANS

An amount of 392,109 shares were sold in the block trade to fund the repayment of an Employee Share Plan (ESP) Loan that was due to be repaid to the Company by 29th May 2020. This loan originated in May 2015. The details of this is outlined below:

Name	Position	Number of shares sold to repay Employee Share Plan loan Scheme ¹	Number of shares remaining post sale
John Gaffney	Non-Executive Director	115,695	587,555
Paul Rennie	Managing Director	92,108	See below
Graeme Kaufman	Non-Executive Chairman	184,216	1,890,034

1. Amount sold includes brokerage + GST and in some cases associated capital gains tax liability

PAR current net cash position is \$106m and is fully funded for the proposed pivotal trials in both OA and MPS.

The repayment of these loans will result in an increase in the net cash position of the company of \$840,000.

ADDITIONAL SHARE SALE BY PAUL RENNIE CEO and MD

In addition to the Employee Share Loan sell down above, Founder and Managing Director Mr Paul Rennie has sold an additional 4,039,460 shares as part of the block trade. The purpose of the sale is to fund a residential property, ESP loan, tax liabilities and balance his investment portfolio. In regard to the sale, we provide the following additional context:

- This is the first share sale by Mr Rennie since he founded the company in 2014.
- Mr Rennie largely funded the entire Company with his personal cash prior to IPO.
- Since IPO Mr Rennie has put a combined \$400,000 of equity capital into the Company.
- In addition, Mr Rennie has made multiple on-market purchases of shares since IPO.
- This total sale represents only 17.48% of Mr Rennie's holding. Mr Rennie still owns 19,509,222 shares and owns 8.68% of the company and is the single largest shareholder in the company.
- **Mr Rennie has voluntarily agreed to escrow the balance of his holding until 31 December 2022.**

Mr Graeme Kaufman, Paradigm Chairman:

“We appreciate the support of these offshore institutions for helping facilitate this transaction as our share register continues to globalize. We are pleased that after 6 years and founding the Company with the idea to treat to OA with PPS, Paul has been able to realise a small portion of liquidity to secure the financial future of his family. He has created tremendous shareholder wealth for a large number of our shareholders and we look forward to that continuing as we move towards some very large catalysts for the company over the next 2-3 years”.

Paradigm’s proposed news flow for the remainder of CY 2020.

- Potential to be included into the ASX 300 index during the rebalance scheduled to occur 19th June.
 - Initial feedback from the Joint Parallel Scientific Advice submission to both the FDA and EMA during Q2. The submission put forward by Paradigm staff detailed the proposed trial design for a pivotal/registrational trial for MPS.
 - Expanded Access Program results to be released for entire patient population (n=10) treated under the EAP will be released to the market in Q3.
 - New data on 100 patients under the TGA SAS using the primary and secondary endpoints for Paradigm’s proposed phase 3 trials, (i) reduced WOMAC pain from baseline and (ii) improved Patient Global Impression of Change (PGIC) at week 8 (Day 53). The company expects the data to be released to the market in Q3.
 - Commencement of Paradigm’s MPS I Phase 2 clinical trial in Adelaide, Q3.
 - Multi-Centered Phase 2/3 US and EU clinical trial for MPS VI on track to begin late CY2020.
 - Phase 2b Osteoarthritis clinical trial and Phase 2A Viral Arthritis clinical trial Peer Reviewed Articles to be released to the market Q4.
 - FDA Investigational New Drug (IND) submission for Osteoarthritis expected in Q4.
 - TGA Provisional Approval submission likely Q4.
 - New Patent Filings Q4.
 - Partnership and Commercial discussion remain ongoing.
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Addressable Market: Osteoarthritis (OA) is the most common joint disorder in the United States. Symptomatic knee OA occurs in 10% men and 13% in women aged 60 years or older. The number of people affected with symptomatic OA is likely to increase due to the aging of the population and the obesity epidemic. ABOUT 54.4 MILLION ADULTS IN THE U.S. HAVE DOCTOR-DIAGNOSED ARTHRITIS¹. (Barbour – MMWR [66] 2017). There are over 100 million OA sufferers in the USA, Europe and Japan².

About injectable PPS (Zilosul®): Injectable PPS is not currently registered in Australia, but it is registered in four of the seven major global pharmaceutical markets. In those European markets, injectable PPS is registered as an antithrombotic agent. In Australia, injectable PPS for human use is not currently available for sale. Injectable PPS for human use is only available by inclusion into a Paradigm Sponsored clinical trial or via a treating physician applying for its use in patients via the TGA's SAS - Category B.

Zilosul® is a registered Trademark of Paradigm Biopharmaceuticals Ltd (ASX: PAR).

Authorised for release by Paul Rennie, Managing Director & CEO.

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