



ASX Release

Cleansing Notice under Section 708AA of the Corporations Act 2001 (Cth)

Melbourne – 15 April 2019: Paradigm Biopharmaceuticals Limited ACN 169 346 963 ASX: PAR ("**Paradigm**" or "**the Company**") today announced An accelerated non-renounceable rights issue to 'Eligible Shareholders' on the basis of 1 fully paid ordinary share (**New Share**) for every 8 fully paid ordinary share held, at an issue price of \$1.50 per New Share to raise a maximum of approximately \$26.3 million (before costs) by the issue of approximately 17,537,431 Shares (**Rights Issue**).

The Company has also announced that it has received commitments from sophisticated and professional investors to invest a total of a further \$51.5 million (approximately) at the same price as under the Rights Issue (**Placement**).

Eligible shareholders are those shareholders who are, as at 7.00pm AEST time on the Record Date (being 17 April 2019), registered with a registered address situated in Australia and New Zealand.

In accordance with section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (the **Act**), the Company gives notice that:

- (a) The New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) This notice is given by the Company under section 708AA(2)(f) of the Act;
- (c) As at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) As at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the Listing Rules of ASX; and
 - (ii) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:

- (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the New Shares.
- (e) The issue of the New Shares may affect the control of the Company.

As the Rights Issue is underwritten, the potential effect of the Rights Issue on the control of the Company is as follows:

Issued Shares	Shares
Total issued capital of the Company as at the Record Date	140,299,444
Number of Shares offered under the Rights Issue (assuming maximum number of Shares are issued under the Rights Issue)	17,537,431
Total Issued Capital of the Company at completion of the Rights Issue	157,836,875

Investors should note the following:

- If particular eligible Shareholders do not take up all of their entitlements under the offer, the Share interests of those Shareholders will be diluted;
- The proportional interests of Shareholders with registered addresses outside Australia and New Zealand will be diluted because those Shareholders are not entitled to participate in the Rights Issue; and
- Should the Company's major Shareholders subscribe for their full entitlement under the Rights Issue, there will not be any material impact on the control of the Company following the issue of Shares under the Rights Issue.

Further details about the Rights Issue are being announced on 15 April 2019.

About Paradigm Biopharmaceuticals Ltd

Paradigm Biopharmaceuticals Limited (ASX: PAR) is an ASX-listed biotechnology company focused on repurposing Pentosan Polysulfate Sodium (iPPS), an FDA approved drug that has a long track record of safely treating inflammation over 60 years.

On 18 December 2018 the Company announced the successful results from their phase 2b randomised, double blind, placebo controlled multicentre trial, investigating subjects with osteoarthritis and concurrent bone marrow edema lesions (n=112). There is a global trend for safe and effective non-opioid and non-steroid pain relief for chronic disease such as osteoarthritis which presents a huge market opportunity for Paradigm's iPPS treatment.

The Company is aiming to achieve Fast-Track designation and begin a phase 3 trial in the US in CY2019, both these initiatives are expected to attract significant big pharma interest.

Paradigm recently executed an Exclusive In-License Agreement for the use of iPPS in the treatment of mucopolysaccharidoses (MPS), a group of inherited lysosomal storage disorders. A key unmet medical need in this class of inherited disease is the lack of treatment of joint pain and dysfunction akin to osteoarthritis, hence the applicability of iPPS in treating these rare joint diseases. MPS is classified as an Orphan Indication/Designation in the US/EU and provides Paradigm the opportunity to serve a US\$1.4bn p.a. market that is in desperate need of new cost-effective treatments.

In parallel to its clinical programs, Paradigm is pursuing a Provisional Approval for iPPS for OA pain via the Australian Therapeutic Goods Administration (TGA), in addition to treating retired elite sportspeople and past NFL players via a US Expanded Access (Compassionate Use) program.

In July 2017 the Company commenced a phase 2a clinical trial to treat people recently infected with the Ross River virus. The results of this trial are also expected to be released in Q2/Q3CY2019.

The Company continues to execute on its drug repurposing strategy. The key benefits of this strategy are lower costs, accelerated development timelines and higher success rates than the standard clinical development timeline.

To learn more please visit: www.paradigmbiopharma.com

For more information, please contact

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