



ASX/Media Release

17 April 2019

Paradigm successfully completes Institutional Entitlement Offer and Placement

Key highlights

- Institutional Entitlement Offer and Placement successfully completed raising approximately \$61.3m
- Strong support from existing shareholders as well as new institutions from the USA, Europe, ASIA and Australia
- Existing eligible retail shareholders will have the opportunity to subscribe for 1 new share for every 8 ordinary shares held at the Record Date at the same price, \$1.50 per share
- The fully underwritten Retail Entitlement Offer will open on Wednesday, 24 April 2019, to raise a further \$16.6m

Paradigm Biopharmaceuticals (ASX: PAR) 17 April 2019: ASX listed biotechnology company Paradigm Pharmaceuticals Limited (ASX: PAR, “Paradigm” or the “Company”) is pleased to announce the successful completion of the fund raising by the receipt of commitments for its \$51.6m placement (**Placement**) and the \$9.8m institutional component of its fully underwritten 1 for 8 accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) of new shares in the Company.

On 15 April 2019 Paradigm announced a proposed **A\$77.9m** capital raise, comprising the \$51.6m Placement to professional and sophisticated investors across Australia, Asia, the UK and the USA, including some existing shareholders, and a \$26.3m underwritten institutional and retail entitlement offer (“**Offer**”). The funds raised under the Offer are anticipated to fund the Company’s osteoarthritis (OA) and mucopolysaccharidosis (MPS) programs through to the end of their respective pivotal phase 3 clinical trials, new drug applications, working capital, costs of offer, further preclinical studies and possibly further intellectual property acquisitions.

New Shares issued under the Placement and the Institutional Entitlement Offer will rank equally with the existing ordinary shares of Paradigm and are expected to be issued and commence trading on Friday 26 April 2019.

Paul Rennie, Managing Director of Paradigm said:

“On behalf of the Board we are delighted with the overwhelmingly positive response to the release of the osteoarthritis phase 2B secondary endpoint data (on 15 April) and this capital raise. The Board believes that Paradigm has now secured funding for purposes including the conclusion of our pivotal phase 3 clinical trials for OA and MPS. I take this opportunity to welcome new institutions from the UK, USA, Asia and Australia to the register and to thank our existing shareholders for their ongoing support.”



From a clinical perspective I note the significance of the indicative regression of disease demonstrated by our secondary endpoint data. With this combination of funding and compelling clinical data the company is well placed to progress its clinical program whilst pursuing potential commercial transactions.”

Retail Entitlement Offer

Eligible retail shareholders will shortly be invited to participate in the retail component of the 1 for 8 pro-rata accelerated entitlement offer (**Retail Entitlement Offer**), under which New Shares will be offered at \$1.50 (being the same offer price as the Placement and Institutional Entitlement Offer). The Retail Entitlement Offer will open on Wednesday, 24 April 2019. Retail shareholders with registered addresses in Australia or New Zealand who hold shares at 7:00pm on the record date of 17 April 2019 will be eligible to participate in the Retail Entitlement Offer. A copy of the proposed Offer Booklet will be lodged with the ASX today.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read their own retail offer booklet and accompanying personalised entitlement and acceptance form, which are expected to be despatched by mail by Paradigm on 24 April 2019. Copies of the retail offer booklet will also be available on Paradigm’s ASX announcements platform and Paradigm’s website (although acceptances of the Offer can only be made on the personalised entitlement and acceptance forms eligible shareholders will receive). Paradigm reserves the right to allot and issue any shortfall shares under the Retail Entitlement Offer at its discretion.

The Institutional Entitlement Offer and the Retail Entitlement Offer are fully underwritten by Bell Potter Securities Limited.

An indicative timetable for the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer is set out below. Paradigm shares are expected to resume trading on the ASX from market open today on an “*ex-entitlement*” basis.

Timeline

Indicative Timetable

Trading Halt	Monday 15 April – Tuesday 16 April 2019
Company resumes trading and completion of Placement and Institutional Entitlement Offer announced	Wednesday, 17 April 2019
Record date for eligibility under the Retail Entitlement Offer (7:00pm)	Wednesday, 17 April 2019



Settlement of New Shares issued under the Placement and the Institutional Entitlement Offer	Wednesday 24 April 2019
Despatch of Retail Entitlement Offer Booklet	Wednesday 24 April 2019
Retail Entitlement Offer Opens	Wednesday 24 April 2019
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 26 April 2019
Retail Entitlement Offer closes	Monday, 6 May 2019
Announce results of the Retail Entitlement Offer	Thursday, 9 May 2019
Retail Entitlement Offer shares expect to be quoted and available for trading*	Tuesday, 14 May 2019

The timetable is indicative only and the Company reserves the right to amend the dates at its discretion and without notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth) .

*For clarity, please note that the Retail Entitlement Offer shares are expected to be issued on 13 May 2019.

About Paradigm Pharmaceuticals

Paradigm Pharmaceuticals Limited (ASX:PAR) is an ASX-listed biotechnology company focused on repurposing Pentosan Polysulfate Sodium (PPS), an FDA approved drug that has a long track record of safely treating inflammation and dissolving blood clots over 60 years. The Company's primary focus is on repurposing PPS (under the name ZILOSUL[®]) to treat Osteoarthritis (OA) – a market with over 31m sufferers in the USA alone.

In December 2018, the Company announced the primary results of its a phase 2b randomised, double blind, placebo controlled multicentre trial investigating subjects with osteoarthritis and concurrent bone marrow edema lesions. As shown in the Company's announcements on 18 December 2018 and 15 April 2019, the Phase 2b trial in OA of the knee has met primary and secondary endpoints. It will move to a pivotal phase 3 clinical trial in the USA in 2019.

- Primary endpoint (released Dec 18) - 50% reduction in pain
- Secondary endpoint – 6 month duration of effect and reduction in volume/size/grade of BML confirmed by MRI

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 PPS treatment. PPS is the first OA drug in a Phase 2b trial to demonstrate the combination of safety, subjective efficacy, objective efficacy, indicative regression of disease via reduced BML and mechanism of action. No competing treatment (NGF, steroid, opioid) has demonstrated all in combination.



The Company continues to execute on its drug repurposing strategy. The key strengths and 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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