Paradigm Biopharmaceuticals Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Paradigm Biopharmaceuticals Limited
ABN:	94 169 346 963
Reporting period:	31 December 2024
Previous reporting period:	31 December 2023

2. Results for announcement to the market

	$	**$ and % increase/(decrease) over previous corresponding period**
Revenue from continuing activities	433,658	221,681 104.58%
(Loss) from continuing activities after tax attributable to members	(5,924,052)	(44,095,472) 88.16%
Net (loss) for the period attributable to members	(5,921,642)	(44,127,428) 88.17%
Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	N/A	N/A
Interim Dividend	N/A	N/A
Record date for determining entitlements to the dividends (if any)	N/A	

2. Results for announcement to the market continued

Brief explanation of any of the figures reported above necessary to enable the figures to be understood: Paradigm Biopharmaceuticals Ltd. is a late-stage clinical development company focusing on advancing its lead Phase 3 asset, iPPS, for the treatment of osteoarthritis. In the absence of partnering income or material revenue contributions, the company anticipates continued losses in the near term as it invests in clinical, regulatory, and commercial activities to support the development of iPPS, which has the potential to become a blockbuster treatment for osteoarthritis.

Paradigm recorded a loss before tax of $5,924,052, a decrease on the prior corresponding period loss before tax of $50,019,524 (Restated). The decrease in loss before tax compared to the prior corresponding period of $50.01m, is mainly driven by research and development costs. This decrease reflects the conclusion of the PARA_OA_002 study, which was instrumental in determining the optimal 2mg/kg twice-weekly dose to progress into the pivotal Phase 3 PARA_OA_012 study. The majority of expenditure for the PARA_OA_002 study was concluded in the first half of the 2024 calendar year.

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3. Net tangible assets

	Current Period	Previous corresponding period (Restated)
Basic loss per ordinary security (cents per share)	(1.67) cents	(16.68) cents
Diluted loss per ordinary security (cents per share)	(1.67) cents	(16.68) cents
Net tangible asset backing per ordinary security (cents per share)	7.99 cents	8.78 cents

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Audit qualification or review

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been reviewed	✓	The accounts are in the process of being reviewed	
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A			

7. Attachments

The report of half year ended 31 December 2024 is attached.

8. Signed

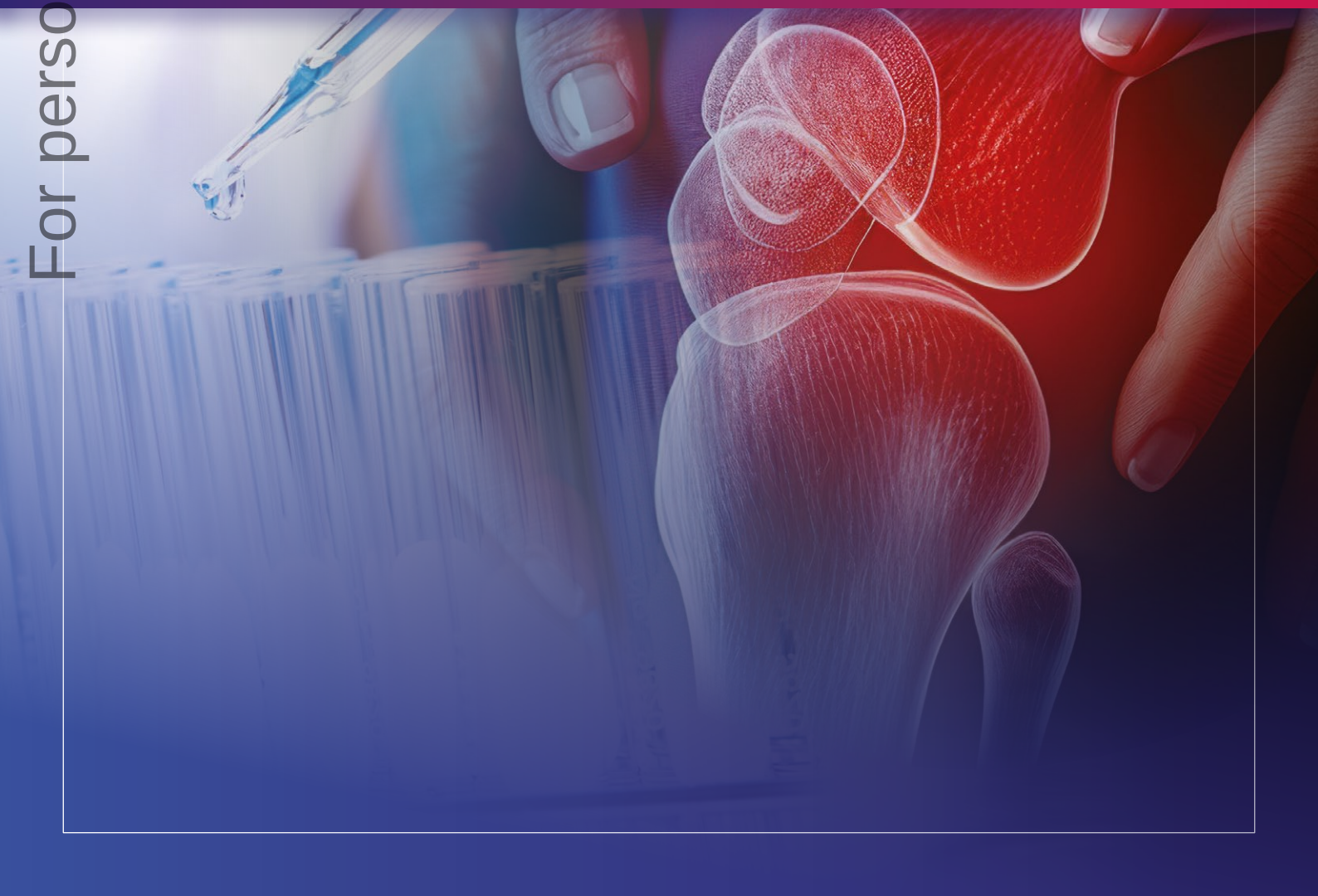
Signed _____

Mr. Paul Rennie
Managing Director
27th February 2025

PARADIGM BIOPHARMA

EXPLORING THE POSSIBILITIES

HALF-YEAR REPORT
31 DECEMBER 2024



Paradigm Biopharmaceuticals Ltd is a late-stage clinical development company. We are driven by a purpose to improve patients' health and quality of life by discovering, developing, and delivering pharmaceutical therapies.

Paradigm has a vision to be recognised as a global leader in the development and commercialisation of innovative pharmaceutical therapies. Paradigm's values of innovation, transparency, adaptability, collaboration, respect, and accountability comprise the central pillars of the organisation and influence all activities and decisions.

Contents

HIGHLIGHTS

466

Subjects will be randomised 1:1 to iPPS or Placebo

$16m AUD

Capital raised in Q4 to fund ongoing phase 3 OA program activities

50%

Interim analysis when 50% of participants have reached Day 112

Paradigm's Road to Phase 3 with the US FDA: Advancing a New Approach to Osteoarthritis Treatment

Paradigm Biopharmaceuticals is developing injectable pentosan polysulfate sodium (iPPS) as a potential treatment to reduce OA pain and improve function by exploiting its multiple effects on inflammation, cartilage integrity, and joint homeostasis. The company's clinical program has been shaped by extensive research and ongoing regulatory engagement, culminating in clearance from the US Food and Drug Administration (FDA) to proceed with a pivotal phase 3 trial. This milestone represents a significant step forward in Paradigm's efforts to develop a new treatment option for people living with OA.

Osteoarthritis (OA) is one of the most prevalent chronic conditions and affects >500 million people worldwide. It is a leading cause of progressive disability, characterised by pain, reduced joint function, and structural degeneration. Treatment options remain largely focused on symptom relief, with non-steroidal anti-inflammatory drugs (NSAIDs), corticosteroid injections, and joint replacement surgery forming the backbone of current management strategies. These interventions offer varying degrees of relief but do not alter the underlying disease progression, leaving a significant unmet need for new therapies.

Assessing the Lowest Effective Dose (PARA_OA_002)

Paradigm has built a substantial body of evidence supporting the 2 mg/kg iPPS twice-weekly for six weeks treatment regimen, with data from its PARA_OA_008, PARA_005, and TGA Special Access Scheme (SAS) programs. As part of its regulatory interactions and clinical development strategy, the company designed an adaptive phase 2b/3 trial, PARA_OA_002, to assess whether a lower dose of iPPS could achieve a meaningful reduction in pain and improvement in function.

The initial stage of PARA_OA_002 was designed to evaluate the lowest effective dose, determining whether doses lower than 2 mg/kg twice weekly for six weeks could still provide clinically meaningful benefits. This approach aligned with regulatory guidance, which encourages sponsors to explore the minimum effective dose when developing new treatments. The trial enrolled 600 participants across seven countries, making it Paradigm's largest and most comprehensive study to date.

An interim analysis was conducted when 300 patients reached 56 days of follow-up, allowing for an early assessment of treatment performance across the different dosing arms. The findings indicated that the doses included in PARA_OA_002 Stage 1 did not demonstrate the same improvements in pain and function observed with the 2 mg/kg twice-weekly for six weeks regimen in previous phase 2 studies. Clinically meaningful improvements for the 2 mg/kg dosing regimen were consistent for the phase 2 clinical trials PARA_OA_008 and PARA_005, and the TGA SAS scheme.

With these findings, Paradigm confirmed that its ongoing clinical development program should focus on the 2 mg/kg twice-weekly for six weeks dosing regimen.

The coming months will be focused on activating sites in Australia, initiating enrollment activities and trial execution. As Paradigm moves forward, it remains committed to engaging with global regulatory agencies, clinicians, and industry partners to progress iPPS through the final stages of development.

Regulatory Engagement and the Path to Phase 3 Clearance

With a clear understanding of the dosing strategy, Paradigm advanced its discussions with the FDA to finalise the phase 3 study design. In January 2024, the company participated in a Type D meeting with the agency, outlining its plans for the phase 3 protocol and providing supporting data from clinical and nonclinical studies.

A formal response package was submitted to the FDA in April 2024, addressing key regulatory considerations, including five nonclinical studies conducted to Good Laboratory Practice (GLP) standards. In addition, the package included clinical data from more than 600 participants in the PARA_OA_002 trial, as well as a justification for the 2 mg/kg twice-weekly regimen based on findings from previous trials. Paradigm also submitted a revised safety monitoring and mitigation plan and a draft phase 3 protocol for FDA review.

Following this submission, Paradigm lodged the updated phase 3 protocol (PARA_OA_012) on 29 October 2024, triggering a 30-day FDA review period. This allowed the agency to assess the study design, endpoints, and dosing regimen. On 28 November 2024, the FDA completed its review with no further questions, granting Paradigm clearance to proceed with the phase 3 trial. This outcome was an important milestone, providing the company with a clear regulatory path for its final-stage clinical program.

Advancing Towards the Phase 3 PARA_OA_012 Trial

With FDA clearance secured, Paradigm has the green light to start the PARA_OA_012 phase 3 trial, designed to confirm the safety and efficacy of iPPS in people with OA. The study will enrol 466 participants who will be randomised between iPPS and placebo groups. The primary endpoint will assess pain reduction, with function assessed as a key secondary endpoint. Multiple secondary endpoints will be assessed throughout the phase 3 trial, including MRI/X-ray-based structural assessments following the exciting data produced in the phase 2 PARA_OA_008 clinical trial. An interim analysis will be conducted once data has been collected from 50% of the participants who have reached the Day 112 timepoint.

To support the trial's execution, Paradigm has selected Advanced Clinical as its contract research organisation (CRO). Site start-up activities are expected to begin in Q1 2025, with up to 10 clinical sites in Australia preparing to dose the first participants in Q2 2025. The trial is then anticipated to expand to the United States, broadening global patient recruitment.

The Road Ahead: Delivering a Potential New Treatment for OA

Paradigm's journey to phase 3 clearance has been guided by ongoing research, regulatory discussions, and refinement of its clinical strategy. The PARA_OA_002 study played an important role in assessing whether a lower dose of iPPS could be effective, and the results have shaped the next steps in the company's clinical development program.

With the phase 3 PARA_OA_012 trial now set to begin, Paradigm is positioned to generate definitive clinical evidence on iPPS's role in OA management. If successful, this program could offer a new treatment option for OA patients who currently have limited alternatives beyond over-the-counter pain relief and surgery.

The coming months will be focused on activating sites in Australia, initiating enrollment activities and trial execution. As Paradigm moves forward, it remains committed to engaging with global regulatory agencies, clinicians, and industry partners to progress iPPS through the final stages of development.

For people living with OA, the potential introduction of iPPS represents an opportunity for a new approach to pain relief and improved function, supporting a better quality of life. With the phase 3 trial activities now underway, Paradigm continues to take meaningful steps towards making this treatment a reality.

References:
Data used is available in Paradigm's public disclosures to the ASX.

With the phase 3 PARA_OA_012 trial now set to begin, Paradigm is positioned to generate definitive clinical evidence on iPPS's role in OA management. If successful, this program could offer a new treatment option for OA patients who currently have limited alternatives beyond over-the-counter pain relief and surgery.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Paradigm Biopharmaceuticals Limited (Paradigm or the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2024

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Paul Rennie

Amos Meltzer

Matthew Fry

Donna Skerrett
(Resigned on 20 November 2024)

Principal Activities

The principal activities of the Consolidated Entity are researching and developing therapeutic products for human use.

Results

The Consolidated Entity made a loss for the six-month period ended 31 December 2024 of $5,924,052 (31 December 2023 (restated): Loss of $50,019,524).

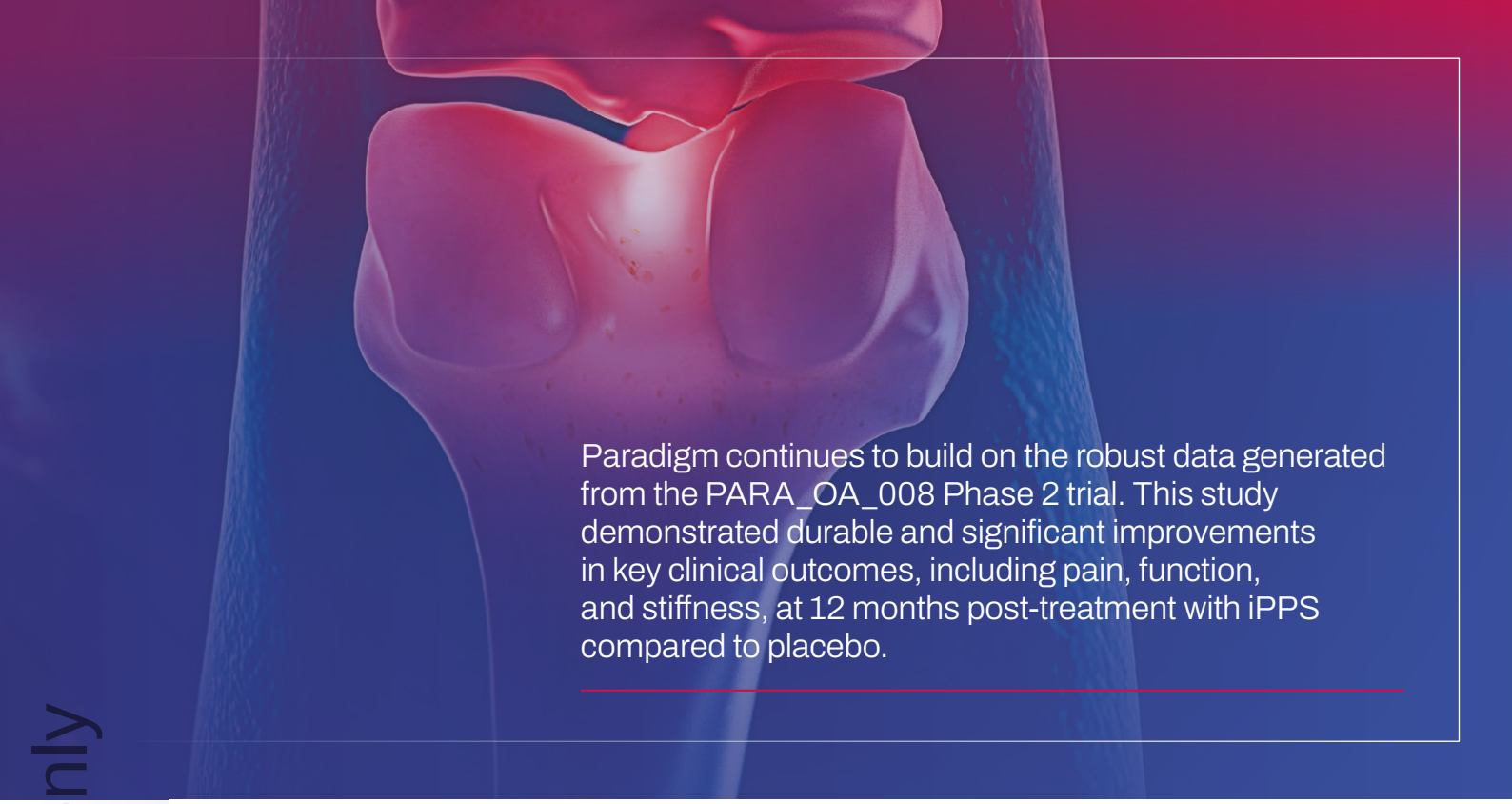
Review of Operations

The Board of Paradigm Biopharmaceuticals are pleased to present this report for the half-year ended 31 December 2024. The past six months have been transformative for the Company as we advanced the development of our Phase 3 clinical program for knee osteoarthritis and strengthened our financial position to support our long-term strategic objectives.

In the first half of fiscal year 2025, Paradigm focused its efforts on essential regulatory activities and submissions required for the progression of the phase 3 program. These included comprehensive regulatory engagements with the U.S. Food and Drug Administration (FDA) to secure approval of the pivotal phase 3 PARA_OA_012 protocol.

Paradigm achieved a significant milestone with the successful completion of the FDA's 30-day review period for the revised phase 3 protocol for the PARA_OA_012 trial. The protocol, submitted on 29 October 2024, incorporated key enhancements based on FDA feedback and lessons from previous trials. These include the adoption of the 2mg/kg twice-weekly dosing regimen, which has consistently demonstrated positive outcomes, and a sample size of approximately 466 subjects randomised 1:1 with placebo to ensure statistical robustness. Secondary endpoints, such as structural improvements assessed via MRI and X-ray, have been elevated to strengthen the potential label claims. The FDA's clearance of the protocol enables Paradigm to proceed with preparations for site activations and enrollment initiatives, which are on track to commence in Q1 CY2025. In parallel, Paradigm submitted the Australian centralised ethics application through the Human Research Ethics Committee (HREC) pathway in Q4 CY2024. This approval process is expected to conclude in the coming weeks, allowing the streamlined activation of up to 10 clinical sites and the commencement of clinical site activations. These developments mark critical steps forward in the execution of our Phase 3 clinical program.

In December 2024, Paradigm successfully completed a $16 million capital raise through a placement to institutional and sophisticated investors. This placement involved the issuance of 40 million shares at $0.40 per share, representing a 2.9% premium to the 30-day volume-weighted average price. Following the placement, Paradigm provided detail on a loyalty option incentive program, offering one listed option for every four shares held. These options, exercisable at $0.65 with a 12-month expiry, could raise up to an additional $63 million, providing significant financial runway to support our clinical and commercial objectives. Subsequent to the half year close, the Company received a $6.3 million



Paradigm continues to build on the robust data generated from the PARA_OA_008 Phase 2 trial. This study demonstrated durable and significant improvements in key clinical outcomes, including pain, function, and stiffness, at 12 months post-treatment with iPPS compared to placebo.

Research and Development (R&D) Tax Incentive refund for the 2024 financial year. This refund further bolstered our cash position, which totalled $24.78 million as of 31 December 2024. These funds have been allocated strategically to support phase 3 trial preparations, including regulatory submissions, site activations, and manufacturing and inventory requirements.

In terms of financial performance, Paradigm recorded a loss before tax of $5,924,052, a decrease on the prior corresponding period loss before tax of $50,019,524. As a late-stage clinical development company, Paradigm is focused on advancing its lead Phase 3 asset, iPPS, for the treatment of osteoarthritis. In the absence of partnering income or material revenue contributions, the company anticipates continued losses in the near term as it invests in clinical, regulatory, and commercial activities to support the development of iPPS, which has the potential to become a blockbuster treatment for osteoarthritis.

The decrease in loss before tax compared to the prior corresponding period of $50.01m, is mainly driven by research and development costs. This decrease reflects the conclusion of the PARA_OA_002 study, which was instrumental in determining the optimal 2mg/kg twice-weekly dose to progress into the pivotal Phase 3 PARA_OA_012 study. The majority of expenditure for the PARA_OA_002 study was concluded in the first half of the 2024 calendar year. Operating expenses for the half year financial year 2025 totalled $2.19 million, with funds directed toward Phase 3 trial preparations, regulatory submissions, and associated operational costs. Paradigm forecasts a controlled cash outflow for the remainder of fiscal year 2025, focusing on site activations and participant recruitment for the phase 3 PARA_OA_002 clinical trial.

Paradigm continues to build on the robust data generated from the PARA_OA_008 Phase 2 trial. This study demonstrated durable and significant improvements in key clinical outcomes, including pain, function, and stiffness, at 12 months post-treatment with iPPS compared to placebo. Quantitative MRI data further highlighted structural benefits, including increased cartilage thickness and reduced bone marrow lesions, reinforcing iPPS's dual role in treating osteoarthritis symptoms and preserving joint health. These results have been written up as two manuscripts and submitted to leading journals for peer review. The first manuscript details the outcomes of the PARA_OA_008 Phase 2 trial and the second manuscript compares the PARA_OA_008 results to currently available and pipeline therapies for osteoarthritis. Peer-reviewed publications play a critical role in establishing scientific credibility, enhancing visibility within the medical community, and providing validation of the clinical data underpinning our programs.

During the half-year, Dr Donna Skerrett, Paradigm's Executive Director, transitioned from her Board role in November 2024 to focus entirely on her duties as Chief Medical Officer (CMO). This decision enables Dr Skerrett to dedicate her full attention to the successful execution of the pivotal Phase 3 clinical trial. Her deep expertise and leadership remain integral to Paradigm as we advance iPPS through this critical phase of development.

During the half-year, the TGA provided a decision that iPPS would not be acceptable to continue through the provisional approval pathway however acknowledged the clinical benefits of PPS for moderate to severe knee osteoarthritis and cited that the proposed Phase 3 program execution and strong data produced would provide the necessary evidence to support full registration. This determination aligns with Paradigm's broader regulatory strategy and positions the Company to advance iPPS toward commercialisation.

Other income is higher for the 6 months to December 2024 mainly due to the $6,300,439 FY24 R&D tax incentive claim receivable in January 2025 being higher than estimated at 30 June 2024. Interest received has decreased due to lower cash levels available for investment. Administration costs decreased compared to the prior corresponding period due to the Company's ongoing cost containment program.

DIRECTORS' REPORT
continued

Looking ahead, Paradigm is preparing for several critical milestones in the second half of FY2025. These include the initiation of phase 3 recruitment initiatives in Q1 CY2025 following the finalisation of the recently announced selection of Advanced Clinical as Contract Research Organisation (CRO) to manage the global trial and the upcoming centralised ethics approval in Australia. The Company remains on track to initiate approximately 10 sites in Australia for the phase 3 trial with first participant expected to be dosed in Q2 CY2025. Additionally, the Company is actively pursuing strategic partnerships and non/less dilutive funding opportunities to extend its financial position to bring iPPS to commercialisation.

The Paradigm Board would like to take this opportunity to thank our shareholders for their continued support as we progress through this pivotal phase in the development of iPPS. I also extend my gratitude to the Paradigm team for their unwavering dedication and commitment to our mission of delivering innovative therapies to patients suffering from osteoarthritis. We remain confident in the transformative potential of iPPS and look forward to updating you on our progress in the months ahead.

Significant changes in the State of Affairs

During the period Paradigm conducted a capital raise of $16m. In October Paradigm issued 40 million shares via a placement to institutional investors at an issue price of $0.40.

Events Subsequent to Reporting Date

No matters or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

Mr. Paul Rennie
Managing Director

27 February 2025

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Paradigm Biopharmaceuticals Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 27 February 2025
Melbourne, Victoria

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents

General Information

The financial statements cover Paradigm Biopharmaceuticals Limited as a Consolidated Entity, consisting of Paradigm Biopharmaceuticals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2024. The financial statements are presented in Australian dollars, which is Paradigm Biopharmaceuticals Limited's functional and presentation currency.

Paradigm Biopharmaceuticals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 15, 500 Collins Street
Melbourne VIC 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27th February 2025.

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Half-Year Ended 31 December 2024

	Notes	31 December 2024 $	31 December 2023 (Restated) $
Revenue		16,700	–
Cost of sales		(18,715)	–
Other income	2	416,958	211,977
Other gains and (losses)		10,889	(78,356)
Research and development expenses		(3,987,852)	(46,374,458)
General and administration expenses		(2,191,775)	(3,519,024)
Commercial expenses		(166,018)	(253,184)
Finance costs		(4,239)	(6,479)
Loss before income tax expense/(benefit)		**(5,924,052)**	**(50,019,524)**
Income tax expense/(benefit)		–	–
Loss after income tax expense/(benefit) attributable to the members of the Consolidated Entity		**(5,924,052)**	**(50,019,524)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		2,410	(29,546)
Other comprehensive income/(loss) for the half-year, net of tax		**2,410**	**(29,546)**
Total comprehensive loss attributable to members of the Consolidated Entity		**(5,921,642)**	**(50,049,070)**
Loss per share (cents)			
Basic and diluted loss per share	7	(1.67) cents	(16.68) cents

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	31 December 2024 $	30 June 2024 (Restated) $	30 June 2023 (Restated) $
ASSETS				
Current assets				
Cash and cash equivalents		24,778,341	17,820,827	56,333,085
Trade and other receivables	4	6,374,203	6,065,980	7,868,438
Prepaid expenses		1,138,494	1,303,662	599,078
Financial assets held at amortised cost		–	46,200	46,200
Total current assets		**32,291,038**	**25,236,669**	**64,846,801**
Noncurrent assets				
Intangible assets		2,947,588	2,947,588	2,947,588
Plant and equipment		27,791	31,462	42,601
Right-of-use assets		90,394	158,194	293,791
Total noncurrent assets		**3,065,773**	**3,137,244**	**3,283,980**
Total assets		**35,356,811**	**28,373,913**	**68,130,781**
LIABILITIES				
Current liabilities				
Trade and other payables		580,837	2,821,157	12,161,182
Employee benefits		414,728	416,812	776,196
Lease liabilities		81,403	121,842	104,971
Total current liabilities		**1,076,968**	**3,359,811**	**13,042,349**
Noncurrent liabilities				
Employee benefits		124,665	107,042	112,830
Lease liabilities		100,000	117,488	236,694
Total noncurrent liabilities		**224,665**	**224,530**	**349,524**
Total liabilities		**1,301,633**	**3,584,341**	**13,391,873**
Net assets		**34,055,178**	**24,789,572**	**54,738,908**
EQUITY				
Issued capital	5	253,235,141	238,113,171	209,833,883
Share based payments reserve	6	5,161,265	7,549,821	7,786,686
Currency translation reserve		(1,124,347)	(1,126,757)	(428,784)
Accumulated losses		(223,216,881)	(219,746,663)	(162,452,877)
Total equity		**34,055,178**	**24,789,572**	**54,738,908**

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the Half-Year Ended 31 December 2024

	Issued Capital $	Share-based Payments Reserve $	Accumulated Losses $	Currency Translation Reserve $	Total $
Balance at 30 June 2023 originally reported	**209,833,883**	**7,786,686**	**(163,514,014)**	**(428,784)**	**53,677,771**
Correction of Error	–	–	1,061,137	–	1,061,137
Balance at 1 July 2023 – restated	**209,833,883**	**7,786,686**	**(162,452,877)**	**(428,784)**	**54,738,908**
Loss after Income tax expense/(benefit) for the half-year	–	–	(50,019,524)	–	(50,019,524)
Other comprehensive loss for the half-year, net of tax	–	–	–	(29,546)	(29,546)
Total comprehensive loss for the half-year	–	–	(50,019,524)	(29,546)	(50,049,070)
Transactions with owners in their capacity as owners:					
Share-based payments expense	–	913,482	–	–	913,482
ESP lapsed in the period	–	(801,552)	718,209	–	(83,343)
Shares issued under placement	21,002,894	–	–	–	21,002,894
Shares issued under retail offer	9,113,960	–	–	–	9,113,960
Payment of share issue costs	(1,837,615)	–	–	–	(1,837,615)
Balance at 31 December 2023	**238,113,122**	**7,898,616**	**(211,754,192)**	**(458,330)**	**33,799,216**
Balance at 30 June 2024 originally reported	**238,113,171**	**7,549,821**	**(220,730,138)**	**(1,126,757)**	**23,806,097**
Correction of Error	–	–	983,475	–	983,475
Balance at 1 July 2024 – restated	**238,113,171**	**7,549,821**	**(219,746,663)**	**(1,126,757)**	**24,789,572**
Loss after Income tax expense/(benefit) for the half-year	–	–	(5,924,052)	–	(5,924,052)
Other comprehensive loss for the half-year, net of tax	–	–	–	2,410	2,410
Total comprehensive loss for the half-year	–	–	(5,924,052)	2,410	(5,921,642)
Transactions with owners in their capacity as owners:					
Share-based payments expense	–	65,280	–	–	65,280
ESP lapsed in the period	–	(1,641,178)	1,641,178	–	–
Shares issued under placement	16,000,000	–	–	–	16,000,000
Options exercised in the period	1,027	–	–	–	1,027
Payment of share issue costs	(879,057)	–	–	–	(879,057)
Options lapsed in the period	–	(637,841)	637,841	–	–
Performance rights lapsed in the period	–	(174,817)	174,817	–	–
Rounding	–	–	(2)	–	(2)
Balance at 31 December 2024	**253,235,141**	**5,161,265**	**(223,216,881)**	**(1,124,347)**	**34,055,178**

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the Half-Year Ended 31 December 2024

	Notes	31 December 2024 $	31 December 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		40,550	29,550
Payments to suppliers and employees (inclusive of GST)		(8,344,244)	(51,680,965)
Interest received		88,271	634,982
Interest repayment of lease liabilities		(4,239)	(6,479)
Net cash outflow from operating activities	8	**(8,219,662)**	**(51,022,912)**
Cash flows from investing activities			
Proceeds for financial assets held at amortised cost		46,200	46,200
Net cash inflow from investing activities		**46,200**	**46,200**
Cash flows from financing activities			
Proceeds from share issue		16,000,000	30,116,854
Proceeds from options exercised		1,027	–
Payment of share issue costs		(825,423)	(1,763,004)
Principal repayment of lease liabilities		(57,927)	(51,351)
Net cash inflow from financing activities		**15,117,677**	**28,302,499**
Net increase/(decrease) in cash and cash equivalents		**6,944,215**	**(22,674,213)**
Cash and cash equivalents at the beginning of the financial half-year		**17,820,827**	**56,333,085**
Effects of exchange rate changes on cash and cash equivalents		**13,299**	**(107,902)**
Cash and cash equivalents at the end of the financial half-year		**24,778,341**	**33,550,970**

The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS

for the Half-Year Ended 31 December 2024

1. Material Accounting Policy Information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or Amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Any new or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Other Income

	31-Dec-24 $	31-Dec-23 (Restated) $
Interest received	85,974	211,977
R&D tax incentive	330,984	–
	416,958	**211,977**

3. Restatement of Comparatives

During the half-year ended 31 December 2024, management noted that the provision calculated to estimate the R&D receivable as at 30 June 2024 underestimated the actual amount of the funds received, due to the conservative method of calculation. The conservative calculation resulted in a material understatement of the Other Income for the financial year ended 30 June 2024 amounting to $983,475 and a corresponding understatement of Receivables as at that date. Management identified a similar understatement as at 30 June 2023 amounting to $1,061,137.

The understatement has been corrected by restating each of the relevant financial statement line items for the prior periods as follows:

For the Half Year ended 31 December 2023

Income Statement (extract)

	$ Reported	$ Adjustment	$ Restated
Other Income	1,273,114	(1,061,137)	211,977
Expenses	(50,231,501)	–	(50,231,501)
Loss before income tax	(48,958,387)	(1,061,137)	(50,019,524)
Other comprehensive income	(29,546)	–	(29,546)
Total comprehensive loss	(48,987,933)	(1,061,137)	(50,049,070)

Statement of Financial Position (extract)

	30-Jun-24 $ Reported	$ Adjustment	30-Jun-24 $ Restated
Assets			
Current Assets			
R&D tax incentive receivable	4,985,980	983,475	5,969,455
Other current assets	19,267,214		19,267,214
Total current assets	**24,253,194**	**983,475**	**25,236,669**
Total non-current assets	**3,137,244**		**3,137,244**
Total assets	**27,390,438**	**983,475**	**28,373,913**
Liabilities			
Total current liabilities	**3,359,811**		**3,359,811**
Total non-current liabilities	**224,530**		**224,530**
Total liabilities	**3,584,341**	**–**	**3,584,341**
Net assets	**23,806,097**	**983,475**	**24,789,572**
Equity			
Accumulated losses, before loss for the year	(162,076,950)	1,061,137	(161,015,813)
Net loss for the year	(58,653,188)	(77,662)	(58,730,850)
Accumulated losses as at 30 June 2024	(220,730,138)	983,475	(219,746,663)
Issued capital	238,113,171	–	238,113,171
Other reserves	6,423,064	–	6,423,064
Total equity	**23,806,097**	**983,475**	**24,789,572**
Income Statement (extract)			
Loss before income tax	(58,653,188)	(77,662)	(58,730,850)
Other comprehensive income	(697,973)	–	(697,973)
Total comprehensive loss	(59,351,161)	(77,662)	(59,428,823)

4. Trade and other Receivables

	31-Dec-24 $	30-Jun-24 (Restated) $
GST receivable	58,331	54,944
Interest receivable	15,433	17,731
R&D tax incentive receivable	6,300,439	5,969,455
Other receivables	–	23,850
	6,374,203	**6,065,980**

5. Issued Capital

	31-Dec-24 Number of Shares	30-Jun-24 Number of Shares	31-Dec-24 $	30-Jun-24 $
Ordinary shares – fully paid	**389,428,603**	**350,364,346**	**253,235,141**	**238,113,171**
Movements in ordinary share capital				
Reconciliation and movement	**Shares**		**$**	
Balance as at 1 July 2024	350,364,346		238,113,171	
Shares issued under Placement	40,000,000		16,000,000	
Shares issued under Rights Issue	1,580		1,027	
Payment of share issue costs	–		(879,057)	
ESP shares lapsed	(937,323)		–	
Balance as at 31 December 2024	**389,428,603**		**253,235,141**	

6. Share Based Payment Reserve

	31-Dec-24 $
Balance as at 01 July 2024	7,549,821
Share based payment expenses in the period	65,280
ESP options lapsed in the period	(1,641,178)
Options lapsed in the period	(637,841)
Performance rights lapsed in the period	(174,817)
Balance as at 31 December 2024	**5,161,265**

Once an offer of shares under the Employee Share Plan (**ESP**) is approved by the Board, monies are loaned by the Consolidated Entity interest free and on a non-recourse basis to employee's to finance the purchase of shares in the Company. The **ESP** shares are registered in the name of participants. Shares offered under the **ESP** are subject to a 3 year vesting period where the shares will vest in 3 equal amounts. Once the shares vest, the shares remain under the Company's Loan Funding agreement as set out in the ESP. The loan becomes payable (unless extended by the company in its absolute discretion) on the first to occur of the following:

1. The repayment date (5 years from the date on which the Company advances the loan to the participant);
2. 90 days after the participant ceases for any reason to be employed or engaged by the Company; or
3. By the legal personal representative of the participant, six months after the participant ceases to be an employee or consultant of the company due to their death.

Fair values at loan date are determined using a Binomial Hedley pricing model that takes into account the issue price, the term of the loan, the share price at loan date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the loan.

31-Dec-24

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
7/11/2019	7/11/2024	$2.93	697,323	–	–	(697,323)	–
10/07/2020	10/07/2025	$3.24	915,000	–	–	(120,000)	795,000
19/11/2020	19/11/2025	$3.05	1,100,000	–	–	–	1,100,000
10/09/2021	10/09/2026	$2.41	1,330,000	–	–	(120,000)	1,210,000
25/01/2022	25/01/2027	$1.89	375,000	–	–	–	375,000
			4,417,323	**–**	**–**	**(937,323)**	**3,480,000**

Listed Options

31-Dec-24

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
30/11/2023	30/11/2024	$0.65	51,800,629	–	–	(51,800,629)	–
27/11/2023	30/11/2024	$0.65	10,100,560	–	(1,580)	(10,098,980)	–
			61,901,189	**–**	**(1,580)**	**(61,899,609)**	**–**

Unlisted Performance Rights

31-Dec-24

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Balance at the end of the year
20/12/2024	20/12/2027	$0.00	–	6,558,600	–	6,558,600
			–	**6,558,600**	**–**	**6,558,600**

7. Loss Per Share

	31-Dec-24	31-Dec-23 Restated
Net loss for the period attributable to ordinary shareholders	(5,924,052)	(50,019,524)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	354,046,163	299,789,784
Weighted average number of ordinary shares used in calculation diluted loss per share	**354,046,163**	**299,789,784**
	Cents	**Cents**
Basic loss per share	(1.67)	(16.68)
Diluted loss per share	(1.67)	(16.68)

8. Reconciliation of Cash Flows Provided by Operating Activities

	31-Dec-24	31-Dec-23 Restated
Loss for the half-year	**(5,924,052)**	**(50,019,524)**
Depreciation and amortisation	71,472	73,397
Foreign exchange unrealised losses	(10,889)	78,356
Share-based payment	65,280	830,141
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(310,521)	18,578
(Increase)/decrease in other receivables	2,298	423,005
(Increase)/decrease in other assets	165,168	(251,232)
Increase/(decrease) in payables	(2,293,957)	(2,249,354)
Increase/(decrease) in provisions	15,539	73,721
Net cash used in operating activities	**(8,219,662)**	**(51,022,912)**

9. Contingent Liabilities

The Consolidated Entity had no contingent liabilities as at the reporting date (30 June 2024: nil).

10. Events Subsequent To Reporting Date

No matters or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) (a) of the *Corporations Act 2001*.

On behalf of the Directors

Mr. Paul Rennie
Managing Director

27 February 2025

INDEPENDENT AUDIT REPORT

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Paradigm Biopharmaceuticals Limited

Conclusion

We have reviewed the accompanying half-year financial report of Paradigm Biopharmaceuticals Limited ('the Company') and the entities it controlled during the period (together 'the Consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, notes comprising a summary of material accounting policy information and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Paradigm Biopharmaceuticals Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Paradigm Biopharmaceuticals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

INDEPENDENT AUDIT REPORT

continued

Directors' Responsibility for the Half-Year Financial Report

The directors of Paradigm Biopharmaceuticals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 27 February 2025
Melbourne, Victoria

CORPORATE DIRECTORY

Directors

Mr Paul Rennie
Chairman and Managing Director

Mr Amos Meltzer
Non-Executive Director

Mr Mathew Fry
Non-Executive Director

Company Secretary

Ms Abby Macnish Niven

Principal Place of Business

Level 15, 500 Collins Street
Melbourne VIC 3000

Registered Office

Level 15, 500 Collins Street
Melbourne VIC 3000

Auditor

RSM Australia Partners
Level 27, 120 Collins Street
Melbourne VIC 3000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry

Automic Group
Suite 5, Level 12/530 Collins Street
Melbourne VIC 3000
Telephone: 1300 299 664

Bankers

Commonwealth Bank
Level 20, Tower One
Collins Square
727 Collins Street
Melbourne VIC 3008

Stock Exchange

ASX Limited
Level 4, North Tower
525 Collins Street
Melbourne VIC 3000

ASX Code: **PAR**

Website

https://paradigmbiopharma.com

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