

ASX Announcement

Paragon Care Limited (ASX: PGC)

12 February 2018

SUCCESSFUL COMPLETION OF PLACEMENT & INSTITUTIONAL ENTITLEMENT OFFER

Paragon Care Limited (ASX: PGC) (**Paragon**) is pleased to announce that it has successfully completed the institutional component of the fully underwritten accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) and institutional placement (**Placement**) announced on 8 February 2018, raising approximately \$44.8 million.

The retail component of the entitlement offer (**Retail Entitlement Offer**) will open on 15 February 2018 and is expected to raise approximately \$25.0 million, providing a total equity raising amount of \$69.8 million. New shares issued under the equity raising will rank equally with existing Paragon shares and will qualify for the fully franked interim dividend of 1.1 cents per ordinary share.

Paragon will use the funds raised to fund a compelling portfolio of value accretive acquisitions which deliver on Paragon's growth strategy. The acquisitions are expected to generate EPS accretion of 21.4%, and upon completion, Paragon will be well positioned to meet its stated aspirational targets of \$250 million revenue and a 15% EBITDA margin.

The Placement, Institutional Entitlement Offer and Retail Entitlement Offer are jointly underwritten by Bell Potter Securities Limited and Shaw and Partners Limited.

Placement and Institutional Entitlement Offer

The Placement and Institutional Entitlement Offer was strongly supported by new and existing high quality domestic and Asian institutional investors, and raised approximately \$44.8m representing approximately 61.8 million shares.

Shares issued under the Placement and Institutional Entitlement Offer are issued at the same price as the Retail Entitlement Offer (\$0.725 per share) and are expected to be allotted on 19 February 2018.

Retail Entitlement Offer

Eligible shareholders may participate in the Retail Entitlement Offer at the same price (\$0.725 per share) and offer ratio (1 new shares for every 2.8 shares held) as the Institutional Entitlement Offer.

Eligible shareholders' entitlements will be determined according to their ownership of shares on the record date for the Retail Entitlement Offer (7pm, Sydney time on 12 February 2018).

Further details in relation to the Retail Entitlement Offer will be provided in the retail offer booklet, to be despatched to eligible shareholders on Thursday, 15 February 2018. The offer closes at 5pm (Sydney time) on Monday, 26 February 2018.

Retail shareholders with questions about the Retail Entitlement Offer should call the Paragon Offer Information Line on 1300 970 086 (from within Australia) or +61 1300 970 086 (from outside Australia) between 8:30am and 5.00pm (Sydney time), Monday to Friday during the retail offer period (Thursday, 15 February 2018 to Monday, 26 February 2018).

PGC shares are expected to resume trading on ASX from market open today (12 February 2018).

For further information, please contact:

Mark Simari
Mergers and Acquisitions
Telephone: 1300 369 559
Email: mark@paragoncare.com.au

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About Paragon Care Limited

Paragon Care (ASX: PGC) is a Melbourne based listed company which has progressively acquired businesses in the healthcare sector. It is a leading provider of medical equipment, devices and consumables for the Australian and New Zealand healthcare market. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. By combining a series of strategic acquisitions of class leading companies, Paragon Care has positioned itself to provide end to end solutions including equipment and consumable solutions for acute, aged and primary care.