

ASX ANNOUNCEMENT

29 April 2020

Australian Securities Exchange
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UPDATE ON BUSINESS IMPACTS OF COVID-19

Paragon Care Limited ('PGC' or 'Company') provides the following update in relation to control measures put in place in response to the outbreak of COVID-19.

As advised on 27 March 2020, PGC has established protocols and procedures to ensure the safety of all personnel and to assess and manage potential operations risks. Control measures, such as the implementation of a Working-From-Home Policy, travel restrictions to essential intrastate travel only, and the reassessment of its cash management plan for all its business units, have been put in place in order to manage risks arising from the COVID-19.

As part of its cash management plan and cost control measures, PGC has also decided to reduce the fees and remuneration of its Board of Directors, its Chief Executive Officer and its Executive Team. As such, effective 1 April 2020, the Board, the Chief Executive Officer and the Senior Leadership Team have agreed to a cut of 30% in their fees and base salary. The Company has asked management and staff to reduce their working hours by 20% with matching reductions in salaries effective from the second week of April 2020. This situation will be reviewed when PGC operations return back to normal.

The Company has applied for JobKeeper payments with respect to all eligible staff as a result of April 2020 revenue tracking at 30% less than April 2019 level, and this is anticipated to continue across the whole of the fourth quarter of FY20. The Company has also requested all landlords to grant rent abatements in line with the expected revenue levels, most landlords have responded with positive proposals.

The Company will continue to update the market as and when reliable information is available. The Company continues to take proactive measures in the best interests of its customers, suppliers, staff and community at large. The Company remains vigilant with respect to the latest information on COVID-19 through credible sources and will continue to follow the advice of Governments in the jurisdictions in which we operate.

For further information please contact:

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This announcement is authorised for release to the market by the Board of Directors of Paragon Care Limited.

About Paragon Care Limited

Paragon Care (ASX:PGC) is an Australian 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.