

ASX ANNOUNCEMENT

26 July 2022

Australian Securities Exchange
Company Announcements Office

TRADING UPDATE

Paragon Care Limited (PGC) has today updated its earnings guidance for the year ending 30 June 2022 (FY22). Based on the unaudited Accounts, PGC expects to deliver Underlying EBITDA of approximately \$30 million. This is a 20% increase on the equivalent figure for FY21 and mainly reflects the inclusion of earnings from Quantum since February 2022. FY21 also included \$3 million of JobKeeper (nil in FY22).

Reported EBITDA is expected to be around \$24 million. This includes \$3 million in one-off costs in relation to the Quantum merger and the net impact of approximately \$3 million of inventory and other one-off adjustments.

Pleasingly, PGC's net debt position has reduced from \$69 million in FY21 to approximately \$50 million at the end of FY22 (all figures pre AASB-16). This reflects a strong cash flow from operations and the net cash acquired as part of the Quantum merger process (\$9.5 million). As a result, gearing for the PCG group is now comfortably below 2 times Underlying EBITDA.

Group CEO & Managing Director, Mark Hooper commented "It's encouraging to see the business perform well against the backdrop of a challenging year that continued to be impacted by COVID-19. Together with an improved net debt position, it also gives us a strong platform for growth moving forward into FY23."

Paragon Care Limited is expected to release its full year FY22 results on 25 August 2022.

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 in the healthcare sector. It is a leading provider of medical equipment, devices and consumables for the Australian, New Zealand and Asian healthcare markets. 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 advanced technology solutions including equipment, consumables and services for acute and ancillary care environments.