

7<sup>th</sup> October 2016

Australian Securities Exchange  
Company Announcements Office

## Settlement of Electro Medical Group acquisition

Paragon Care Limited (ASX: PGC) (“**Paragon**” or the “**Company**”) is pleased to announce the completion of the Electro Medical Group Pty Ltd acquisition foreshadowed in the announcement of 13 September 2016.

Electro Medical Group specialises in providing reliable and high-quality service support and technology management to the Medical, Scientific, Aged Care and Allied Health industry of Australia and New Zealand. EMG has established agreements in place with a number of major healthcare providers throughout the region.

An Appendix 3B for the issue of the new shares as part of the acquisition consideration and a cleansing notice are attached to this announcement.

**John Osborne**  
Company Secretary

### **For more information please contact:**

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*Stephen Munday*

*Chief Financial Officer*

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### About Paragon Care Limited

Paragon Care is a Melbourne based, listed company with the ASX (PGC), 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, primary, community and hospital care. Paragon Care Ltd.'s head office is located at 11 Dalmore Drive Scoresby VIC 3179 Australia. For further information please contact Mark Simari, Managing Director (1300 369 559) or via email at info@paragoncare.com.au.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## Revision of Appendix 3B lodged 16 September 2015

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PARAGON CARE LIMITED

ABN

76 064 551 426

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 902,784   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares to rank equally in all respects with existing ordinary shares. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|   |  |
|---|--|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Fully paid ordinary shares ranking equally in all respects with existing ordinary shares.</p> |
| <p>5 Issue price or consideration</p>   | <p>\$0.8203 per fully paid ordinary share</p>  |
| <p>6 Purpose of the issue<br/>         (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>Part consideration of Electro Medical Group acquisition</p>                                   |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>   | <p>Yes</p>   |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p>  | <p>30 November 2015</p>  |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p>  | <p>7,414,971</p>   |

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+ See chapter 19 for defined terms.

|    |   |                                |
|----|---|--------------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A  | Nil                            |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)   | Nil                            |
| 6f | Number of +securities issued under an exception in rule 7.2   | 14,199,895                     |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.  | N/A                            |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements  | N/A                            |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements  | 31,880,627<br>Refer Annexure 1 |
| 7  | +Issue dates<br><br>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.<br><br>Cross reference: item 33 of Appendix 3B. | 7 October 2016                 |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

|   | Number      | +Class                     |
|---|-------------|----------------------------|
| 8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | 164,597,364 | Fully paid ordinary shares |

|   | Number | +Class |
|---|--------|--------|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | N/A    | N/A    |

|   |                               |
|---|-------------------------------|
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | No change to dividend policy. |
|---|-------------------------------|

**Part 2 - Pro rata issue**

**The new DRP shares are not issued pursuant to a Pro Rate Issue and questions 11 to 35 not applicable.**

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
*(tick one)*

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**The new shares do not form a new class of securities and questions 35 to 37 not applicable**

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Entities that have ticked box 34(b)

Box 34(b) not ticked and questions 38 to 42 not applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: John Osborne  
Company secretary

Date: 7 October 2016

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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>  |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue  | 67,558,422  |
| <b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | 128,237 DRP – 18 September 2015<br>13,512,044 – Rights Issue 6 October 2015<br>69,086,041 – Placement (3) – 6 Oct. 2015<br>1,886,792 – Allotment – 8 October 2015<br>7,547,170 – Allotment – 8 October 2015<br>215,812 – DRP – 6 April 2016<br>343,802 – DRP – 6 October 2016 |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period  | Nil   |
| <b>“A”</b>   | 157,182,393   |

+ See chapter 19 for defined terms.

|   |   |
|---|---|
| <b>Step 2: Calculate 15% of “A”</b>   |   |
| “B”   | 0.15<br><i>[Note: this value cannot be changed]</i>   |
| <b>Multiply “A” by 0.15</b>   | <b>23,577,359</b>   |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |   |
| <p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | 3,095,927 – Placements – 6 October 2015<br>707,214 – Allotment – 18 July 2016<br>2,709,046 – Allotment – 25 July 2016<br>902,784 – Allotment – 7 October 2016 |
| “C”   | 7,414,971   |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |   |
| “A” x 0.15<br><i>Note: number must be same as shown in Step 2</i>   | 23,577,359  |
| <b>Subtract “C”</b><br><i>Note: number must be same as shown in Step 3</i>  | 7,414,971   |
| <b>Total [“A” x 0.15] – “C”</b>   | <b>16,162,388</b><br><i>[Note: this is the remaining placement capacity under rule 7.1]</i>   |

+ See chapter 19 for defined terms.



Part 2

| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>“A”</b><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  | 157,182,393                                       |
| <b>Step 2: Calculate 10% of “A”</b>  |   |
| <b>“D”</b>   | 0.10<br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>  | 15,718,239  |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |   |
| <i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |   |
| <b>“E”</b>   | 0   |

+ See chapter 19 for defined terms.

| <b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b> |  |
|--|--|
| <p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>                           | 15,718,239   |
| <p><b>Subtract "E"</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>                  | 0  |
| <p><b>Total</b> ["A" x 0.10] – "E"</p>   | <p style="text-align: center;">15,718,239</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p> |

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7 October 2016

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## New Issue – Cleansing Notice

Paragon Care Limited, (“**Paragon**” or the “**Company**”) has today issued 902,784 ordinary shares (“**Issue Shares**”) pursuant to the announcement and the Appendix 3B lodged with ASX today (“**New Issue**”).

The Company has issued the Issue Shares without disclosure to investors under section 708A(5) of the *Corporations Act 2001* (Cth) (“**Corporations Act**”).

For the purposes of section 708A(6) of the Corporations Act, the Company advises:

- (a) the Issue Shares are issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708A(5)(e) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with the provisions of:
  - (i) Chapter 2M of the Corporations Act as they apply to the Company; and
  - (ii) section 674 of the Corporations Act; and
- (d) as at the date of this notice, there is no information that is ‘excluded information’ (within the meaning of sections 708A(7) and 708A(8) of the Corporations Act).

**John Osborne**  
Company Secretary

### **For more information please contact:**

*Mark Simari*

*Managing Director*

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*Stephen Munday*

*Chief Financial Officer*

*Tel: 1300 369 559*

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### About Paragon Care Limited

Paragon Care is a Melbourne based, listed company with the ASX (PGC), 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, primary, community and hospital care. Paragon Care Ltd.’s head office is located at 11 Dalmore Drive Scoresby VIC 3179 Australia. For further information please contact Mark Simari, Managing Director (1300 369 559) or via email at info@paragoncare.com.au.