14th August 2017

Australian Securities Exchange
Company Announcements Office

ACQUISITION OF MEDTEK

The Directors of Paragon Care Limited (ASX: PGC) ("Paragon" or the "Company") are pleased to announce the agreed acquisition of Medtek Pty Ltd ("MTK") for a purchase consideration of $649,000 to be funded via Paragon shares and cash.

Medtek focuses on the Far North Queensland region and specialises in providing high-quality biomedical engineering services and preventative maintenance to the Medical, Scientific, Aged Care and Allied Health clientele in the region.

With offices in Cairns and Townsville, the acquisition allows Paragon to penetrate the region with direct representation, expand its service and maintenance offering and establish a sales gateway for the balance of its product portfolio.

Highlights:

- Acquisition of Medtek for $649,000
- Paragon will leverage Medtek's Far North Queensland penetration via its offices in Cairns and Townsville
- EPS accretive in FY18

Following the acquisition, and when combined with Paragon's existing service and maintenance operations, the Company will have in excess of 50 biomedical engineers and service technicians servicing the Australian and New Zealand healthcare sector. This will provide a solid foundation for growth for FY18 and beyond as Paragon fulfils an element of its strategic plan in providing a high quality national service and maintenance offering to its clients.

The transaction albeit not material in terms of additional sales and profit will be modestly EPS accretive in FY18. The consideration of $649K for Medtek includes $50,000 in Paragon fully paid ordinary shares with the balance in cash.

The Managing Director, Mark Simari commented, "The Medtek acquisition strengthens Paragon's Far North Queensland representation, whilst generating significant sales gateways for the future."

John Osborne

Company Secretary

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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.