

ASX ANNOUNCEMENT

27 March 2020

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UPDATE ON BUSINESS IMPACTS OF COVID-19

Paragon Care Limited ('PGC' or 'Company') provides the following update in relation to the business impacts of the control measures which have been implemented in response to the outbreak of COVID-19.

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.

The Company is unable to determine the likely financial impact of the COVID19 on the FY20 earnings with any certainty at this time as the full extent of the public health emergency is yet to be established. Across the products and services of the Company many are being impacted by the cancellation of non-essential elective surgery and restrictions around attendance at aged care and healthcare facilities, however, other critical care related products are in high demand. As such, any full year earnings indication that may have been issued by third parties based on PGC's half-year results must not be taken as conclusive as they have not included any financial impact of COVID-19. The Company will update the market as and when reliable information becomes available.

Notwithstanding the uncertainty the Company is, however, taking proactive measures in the best interest of its customers, suppliers, staff and community at large. These measures include reviewing and minimising non-critical activities as well as proactively reducing its cost base thereby deploying its resources efficiently to maintain business continuity and provide essential support to the healthcare industry during this public health emergency.

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.