

ASX ANNOUNCEMENT

31 May 2021

Australian Securities Exchange
Company Announcements Office

SECTION 258F SHARE CAPITAL REDUCTION TO ENABLE FUTURE FRANKED DIVIDEND PAYMENTS

Paragon Care Limited (ASX: PGC) (“**PGC**” or the “**Company**”), a leading provider of medical equipment, devices, and consumables to the healthcare markets in Australia and New Zealand, is pleased to announce that the Board has resolved to reduce Paragon Care’s share capital by \$88,776,000 in accordance with Section 258F of the Corporations Act. The capital reduction will have the effect of reducing the share capital account and reducing Paragon Care’s accumulated accounting losses. This is a technical adjustment which does not require shareholder approval and allows the Company to pay future franked dividends.

The capital reduction has no impact on Paragon Care’s assets, net assets, financial results, cash flow or funding or that of the Paragon Care Group. The number of shares on issue will not change as a result of the capital reduction.

Under section 258F(1) of the Corporations Act, a company may reduce its share capital without shareholder approval by cancelling any paid-up share capital that is not represented by available assets. The deficiency in Paragon Care’s assets arose as a result of the impairment and subsequent sale of the Axis Health businesses in FY19 and further the impairment and write-off of assets in FY20 as a result of the business restructure undertaken during FY20.

Paragon Care is required to make the following disclosures to shareholders under ASX Listing Rule 7.20:

- The capital reduction will have no effect on the number of issued securities, and
- There are no fractional entitlements arising from the capital reduction.

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 and New Zealand healthcare markets. These are high growth markets driven by the aging 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.