

13<sup>th</sup> September 2016

Australian Securities Exchange  
Company Announcements Office

### Acquisition of Electro Medical Group

The Directors of Paragon Care Limited (ASX: PGC) (“**Paragon**” or the “**Company**”) are pleased to announce the agreed acquisition of Electro Medical Group Pty Ltd (“**EMG**”), for a purchase consideration of \$3.9 million in Paragon shares and cash.

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.

#### Highlights:

- Acquisition of Electro Medical Group for \$3.9 million
- Paragon will increase its presence across Australia and New Zealand in this space, when combined with Paragon’s existing service teams
- Modestly EPS accretive in FY17

The acquisition allows Paragon to capitalise on the growing demand for the provision of preventative service and maintenance within the health & aged care sector. The initiative will look to generate significant sales synergies over coming years when combined with Paragon’s existing service and maintenance business. The transaction albeit not material in terms of additional sales and profit will be modestly EPS accretive in FY17.

The acquisition has been agreed upon with settlement to be completed over coming weeks. The consideration for EMG is \$3.9 million, which includes \$740,000 in Paragon fully paid ordinary shares with the balance in cash. There is also a deferred consideration comprising of a 2-year earn-out that will be funded from existing operating cash flow.

The Managing Director, Mark Simari commented, “The EMG acquisition is consistent with our strategy to become Australia’s premier health care products and services provider. The acquisition strengthens Paragon’s Australian and New Zealand representation, whilst generating significant sales synergies for the future. The acute, aged and primary care industries are expanding rapidly and this acquisition allows Paragon to be at the forefront of accommodating for their needs.”

**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](mailto:info@paragoncare.com.au).