## FY16 FULL YEAR FINANCIAL RESULTS SUMMARY

Record results reflect another year of strong growth in earnings and dividends

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$93.4m</td>
<td>up 190%</td>
</tr>
<tr>
<td>2015: $32.2m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net profit after tax</strong></td>
<td>$7.5m</td>
<td>up 257%</td>
</tr>
<tr>
<td>2015: $2.1m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>$7.8m</td>
<td>up 858%</td>
</tr>
<tr>
<td>2015: $0.8m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>$36.5m</td>
<td>up 135%</td>
</tr>
<tr>
<td>2015: $15.5m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>5.6c</td>
<td>up 75%</td>
</tr>
<tr>
<td>2015: 3.2c</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>$19.1m</td>
<td>up 402%</td>
</tr>
<tr>
<td>2015: $3.8m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$12.1m</td>
<td>up 224%</td>
</tr>
<tr>
<td>2015: $3.7m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Final dividend per share</strong></td>
<td>1.4c ff</td>
<td>up 75%</td>
</tr>
<tr>
<td>2015: 0.8c</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net gearing</strong></td>
<td>21%</td>
<td>down 28%</td>
</tr>
<tr>
<td>2015: 29%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
Figures only include a partial contribution from Western Biomedical, Designs for Vision and Medtrion, which all settled in October 2015.
FY16 FULL YEAR FINANCIAL RESULTS SUMMARY

Record results reflect another year of strong growth in earnings and dividends

Highlights

- Record results across all key metrics
  - Revenue up 190% to $93.4m
  - EBITDA up 224% to $12.1m
  - NPAT up 257% to $7.5m
- Strong balance sheet, despite recent acquisitions
  - Operating cash flows up 858% to $7.8m
  - Cash balance of $19.1m
  - Net gearing of 21% (reduced from 29% in FY15)
- Record results driven by strong organic growth across the portfolio
- Results only include a 9 month contribution from the successful recent acquisitions of Western Biomedical, Designs for Vision and Meditron
  - Significant revenue and cost synergies are emerging
  - FY17 will be the first full year of earnings capture from these acquisitions
- Fully franked dividend declared of 1.4 cents per share, which when combined with the interim dividend represents a 47% payout of NPAT
  - Final dividend up 75% on prior corresponding period
  - Dividend reinvestment plan will apply with a 2.5% discount
PROVEN EXECUTION

Hockey stick growth driven by successful strategy execution

Revenue ($m)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.1</td>
<td>19.4</td>
<td>32.2</td>
<td>93.4</td>
</tr>
</tbody>
</table>

Earnings per share (cents)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7</td>
<td>2.0</td>
<td>3.2</td>
<td>5.6</td>
</tr>
</tbody>
</table>

NPAT ($m)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.7</td>
<td>1.1</td>
<td>2.1</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Dividends (cents)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>1.25</td>
<td>1.40</td>
<td>2.20</td>
</tr>
</tbody>
</table>
STRONG BALANCE SHEET AND CASH FLOW

Paragon maintains a strong balance sheet with conservative gearing levels

Working capital management
- Inventories of $22.6m vs. $22.7m in 1H16
- Receivables of $19.4m vs. $18.0m in 1H16
  - Similar level of receivables despite June typically being the strongest sales month

Gearing
- Net debt of $19.0m
- **Net gearing ratio of 21% in FY16** (down from 29% in FY15)
- Paragon’s **strong funding position** provides flexibility in relation to future growth opportunities

Operating cash flow management
- **Positive operating cash flow of $7.8m**, up 858% over prior corresponding period
  - One off imbalance in 1H16 between operating payments and collections, associated with the three acquisitions, has been redressed
  - Strong conversion of earnings to cash highlights earnings quality
- Paragon’s working capital management strengthened following the employment of a National Credit Manager and Inventory Manager during the year

<table>
<thead>
<tr>
<th>Financial Position Extract</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>19.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Inventories</td>
<td>22.6</td>
<td>8.4</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>19.4</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>61.1</td>
<td>19.6</td>
</tr>
<tr>
<td>PP&amp;E</td>
<td>3.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Intangibles</td>
<td>81.0</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Total Non-Current</strong></td>
<td>86.7</td>
<td>21.0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>147.8</td>
<td>40.6</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>26.1</td>
<td>7.7</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>7.6</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>33.7</td>
<td>13.2</td>
</tr>
<tr>
<td>Other payables</td>
<td>10.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>30.6</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>41.3</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>75.0</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>72.8</td>
<td>20.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flow Statement Extract</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>7.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(57.2)</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>64.8</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Net increase</strong></td>
<td>15.4</td>
<td>0.9</td>
</tr>
</tbody>
</table>
ACQUISITION OF MIDAS SOFTWARE SOLUTIONS

Significant upside potential to Paragon’s long-term earnings

- Acquisition of Midas Software Solutions (MIDAS) completed on 6 July 2016

- MIDAS is a **world first, fully customisable interpretive reporting software platform** for a wide range of diagnostic medical examinations

- The MIDAS target market is **highly complementary to Paragon’s existing customer base and sales channels**
  - Including private and public Australian hospitals, and private consulting rooms
  - In addition, there is potential to partner with global participants and license the product internationally

- Paragon expects the earnings impact will be neutral in FY17 with **solid growth expected from FY18 onwards**
  - Cash flow impact from this acquisition is not expected to be material

- Acquisition of MIDAS represents a **strategic and measured investment** into software with **substantial upside to earnings growth**
  - De-risked product offering with certain modules already in commercial use within the sector
  - 8 modules commercialised with an additional 20-30 to be completed over the next 18 months
  - Acquisition consideration structured to optimise MIDAS’ long-term performance
INTEGRATION UPDATE

Performance of all three acquisitions has either met or exceeded expectations

- As the largest independent health care supplier into WA, Western Biomedical provides Paragon with broader geographical distribution as well as a strong platform and sales gateway for a variety of products within our portfolio
- Key staff within Western Biomedical are taking ownership of the capital equipment and device portfolio for WA, the true impact of which should start to be realised in FY17
- Designs for Vision is partnering with the Western Biomedical team to capitalise and grow on the existing sales channels in place within WA

DESIGNS FOR VISION

- The fast growing ophthalmic/optometry sector has strong growth opportunities for some of Paragon’s existing products
- Significant savings have already been identified in international and local freight which will predominantly flow into FY17
- Implementation of tighter working capital controls is ongoing, with some initial successes contributing positively to Paragon’s operating cash flows
- SAP Integration completed during 4Q16

MediTron

- Meditron has performed well with the vendor receiving his full earn-out as advised on 18 July 2016
- The business has provided Paragon with a significantly expanded device portfolio, enabling the business to broaden its market share and generate meaningful revenue synergies
- SAP integration is progressing well and freight savings should flow into FY17
As part of our strategy to consolidate a fragmented industry, Paragon is consolidating all business activities into central distribution centres to drive strong product adoption in key sales areas across Australia.
ParagonCare (sample of product suite on platform)

**One-stop shop**
- Typical hospital uses ~30-40,000 suppliers
- Paragon’s platform allows consolidation of invoices, tax reports and reduces overheads

**Customer focus**
- Genesis of platform driven by customer demand to ease reduce the cost of transacting and administrative strain
- Alignment of customer and Paragon’s interest in securing quality products

**Range and expertise**
- Improved customer choice and flexibility of decision making
- Extensive knowledge of product range

**Economies of scale**
- Greater buying power
- Expert management across the value chain
- Potential to develop more competitive pricing structures

Key point of difference that is analogous to the investment wrap / platform concept which successfully transformed the investment management sector.

Paragon was the first company in Australia to use platform economics to reduce the administrative burden of hospital procurement.

For personal use only
GROWTH IN FY17 AND BEYOND

Exciting new products in FY17 should drive additional revenue streams

**Stralus Aged Care Beds**
- Class-leading aged care bed developed internally following an extensive R&D program

**Acero Examination Couch**
- Acero examination couches offer a cost effective solution to any consultation facility; the all electric operation not only provides ease of use, but is ergonomic and OH&S friendly

**ThermiRF, ThermiSmooth**
- Award-winning aesthetic technology providing innovative alternatives to conventional plastic surgery

**NeuroCom**
- Recognised worldwide as the gold standard for the rehabilitation of balance and mobility disorders
CUSTOMER-CENTRIC BUSINESS MODEL

High end products provide stable revenue and repeat customers

- Value proposition to customers is based on a platform offering of high quality products and premium customer service around those products
- Key competitive advantage and the point of differentiation that drives repeat purchases

**Approach**

<table>
<thead>
<tr>
<th>Sourcing</th>
<th>Product mix</th>
<th>Sales mix</th>
<th>Key customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% Exclusive distribution products</td>
<td>70% Consumables</td>
<td>80% Acute care</td>
<td>Includes:</td>
</tr>
<tr>
<td>10% designed and manufactured products</td>
<td>30% Capital equipment</td>
<td>10% Aged care</td>
<td>• WA Health</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Catholic Network Alliance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Ramsay Health Care</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• NSW Health</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Healthscope</td>
</tr>
</tbody>
</table>

**Benefit**

- High quality products
- Minimal capital and R&D expenditure
- Ability to adjust product range to suit customer needs
- Aggressive hedging keeps COGS well managed
- High consumables provides decreased earnings volatility
- Sustainable earnings growth at a reduced gross profit margin
- Acute and aged care are growing industries
- Strong demand
- Repeat purchases
- Seeking partnering solutions
- Customers include Australia's top hospitals and care providers
- Repeat customers driven by standard of service and full partnering solution

Includes:
- Melbourne Health
- Alfred Health
- Austin Health
- NSW Health
- Healthscope
- WA Health
- Catholic Network Alliance
- Ramsay Health Care
- Lend Lease
Paragon Care Limited (ASX: PGC)

COMPANY OVERVIEW

Paragon is transforming the health care procurement sector

Corporate Overview

- A premium provider of medical equipment devices and consumables throughout Australia and New Zealand
- Services the acute, aged care and primary care markets
- Only non-global provider with a full suite of medical equipment, products, consumables and devices
- Broad suite of premium products forming a ‘one stop shop’ for clients
- Board and associates’ interests are aligned with shareholders through their ~12%+ shareholding
- Increasing shareholder returns as synergies are being realised via strategy to consolidate a fragmented industry

Financial Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price (2-Aug-16)</td>
<td>$0.705</td>
</tr>
<tr>
<td>Number of shares (m)</td>
<td>163.4</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>$115.2m</td>
</tr>
<tr>
<td>Cash (30-Jun-16)</td>
<td>$19.1m</td>
</tr>
<tr>
<td>Debt (30-Jun-16)</td>
<td>$38.2m</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>$134.2m</td>
</tr>
</tbody>
</table>

Source: IRESS

Share Price Performance

Top Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Board, management and associates</td>
<td>6.0%</td>
</tr>
<tr>
<td>JMT Investment Group</td>
<td>5.9%</td>
</tr>
<tr>
<td>First Samuel</td>
<td>5.6%</td>
</tr>
<tr>
<td>Australian Ethical Investment</td>
<td>5.4%</td>
</tr>
<tr>
<td>Australian Foundation Investment Company</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Note: Grey shading represents Board, management and associate holdings, which includes the founders and directors of businesses acquired
BOARD AND MANAGEMENT

Experienced Board and management team with a proven track record

- Paragon’s Chairman Shane Tanner is a renowned leader in the health care industry, having been the Chairman of Vision Eye Institute (VEI.ASX) since it formed in 2001
- Highly experienced Board and management team with Managing Director Mark Simari appointed in 2008
- Paragon’s entrepreneurial team has generated significant shareholder returns to date

Non-Executive Board members

Shane Tanner – Non-Executive Chairman
- Chairman of Funtastic and BGD, and former Chairman of Vision Eye Institute
- Extensive commercial and financial experience in a number of industries including health care
- Orchestrated a number of acquisitions as well as being responsible for establishing a number of successful businesses

Michael Newton – Non-Executive Director
- Experienced operator specialising in the industrial chemical sector with previous executive roles with both Unilever and ICL PLC
- Successfully managed major diversification programs and exceptional business growth during his role at Symex Holdings

Geoff Sam – Non-Executive Director
- Over 35 years’ experience in the Australian health sector
- Held a number of board positions with ASX-listed companies and for profit and not-for-profit hospital groups including Healthe Care, CML Group, Money3 Corporation and Nova Health
- Deep knowledge of capital markets, M&A and strategic planning with a proven track record in building small to mid-cap businesses

New Non-Executive Director, Geoff Sam, was appointed to Paragon’s Board as a Non-Executive Director on 3 June 2016

Executive Board members

Mark Simari – Managing Director / CEO
- Extensive corporate and management experience
- Responsible for a number of successful company re-births, including Paragon’s, as well as the integration of several acquisitions
- Strong business acumen and hands on management philosophy

Brett Cheong – Executive Director
- Over 30 years’ experience in the durable medical equipment industry
- Founder and Managing Director of Axishealth
- Previous roles have included owner/founder to sales management
SHARE PRICE CATALYSTS

Operational and corporate events should provide ongoing value enhancement

**SYNERGIES**
Revenue synergies and cost-outs
- Attractive revenue synergies emerging through new geographies and market reach, increased cross-selling and bundling opportunities
- Increased scale and product range through the platform attracts and retains customers and supports strong organic growth

**NEW PRODUCTS**
New revenue streams
- Paragon’s product portfolio is constantly evolving, generally via agreements with current or new distribution providers
- New products drive new revenue streams and increase the customer base

**FY17 RESULTS**
First full year of earnings
- FY17 will be the first full year of earnings capture from the Western Biomedical, Designs for Vision and Meditron acquisitions

**M&A ACTIVITY**
Value accretive
- Paragon has a demonstrated track record of buying sensibly and integrating successfully, which provides significant earnings upside
- Further acquisitions may be considered over time to continue to leverage our integrated platform

**AWARENESS**
Institutional grade
- Added to the All Ordinaries Index on 18 March 2016
- Research coverage from Bell Potter and Argonaut – see website
- Ongoing focus on enhancing awareness of Paragon’s investment case
COMPANY HIGHLIGHTS

A low-risk exposure to a rapidly emerging health care company

- Paragon is one of the premier medical equipment, device and consumables suppliers on the ASX
- Platform economics, valuable distribution networks and a customer-centric business model all differentiate Paragon’s service offering
- 12 value accretive acquisitions since June 2009 have supported strong organic and inorganic growth in a highly fragmented industry
- Capitalising on the compelling macro tailwinds given the ageing population and increasing government and private investment in health care equipment and services
- Strong operating cash flows and balance sheet to pursue additional growth opportunities, with a conservative approach to debt finance
- Supportive institutional shareholder base and highly aligned Board and management team, with extensive health care experience
- Shareholder returns will continue to be driven by strong growth in earnings, which supports increasing fully franked dividends to shareholders
Some of the statements in this presentation constitute “forward-looking statements” that do not directly or exclusively relate to historical facts.

These forward-looking statements reflect Paragon Care Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Paragon Care Limited’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks.

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