

ASX ANNOUNCEMENT

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Company Announcements Office

PARAGON CARE ENTERS STRATEGIC PARTNERSHIP WITH CENTURIA HEALTHCARE FOR A STATE-OF-THE-ART HEALTHCARE FACILITY

Paragon Care Limited (ASX: PGC) (“**Paragon Care**” 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 it has entered into a strategic partnership with Centuria Healthcare for the long-term lease of a state-of-the-art clean room facility, laboratories, and office complex in the Monash precinct located in the Eastern suburbs of Melbourne.

Under the terms of the strategic partnership, Centuria will take possession of the property in December 2021 and fund the upgrade of the facilities to a state-of-the-art clean room, laboratories, and office complex to Paragon specifications with works to be completed in April 2022. This new state-of-the-art facility will enable Paragon to expand its laboratories that manufacture Immulab's world-leading blood reagent products to meet future demand in Asia with minimal upfront capital cost. Following completion of Centuria's refurbishment works in April 2022, a fit-out is expected to take 3-6 months with Paragon moving into the new state-of-the-art facility in December 2022.

As part of Paragon's ongoing streamlining of its business operations, Paragon has entered into a fifteen-year lease with Centuria where it will consolidate all of its Victorian operations over the next twelve to eighteen months. This new long-term lease will increase the right-of-use asset and related lease liability on Paragon's balance sheet in accordance with AASB 16: Leases (AASB16), however, the discontinuation of other existing Victorian leases will also decrease these numbers. The net change expected is an additional lease liability on Paragon's statement of financial position of approximately \$20 million due to the long-term nature of the new state-of-the-art premises lease. Completion of its rationalisation program will result in an increase of Paragon's Victorian rents from \$1.4m to approximately \$1.8m

Paragon Care CEO, Phil Nicholl said, “This strategic partnership with Centuria Healthcare is a significant event for Paragon Care, as we establish state-of-the-art laboratory and manufacturing facilities which will enable us to more than double our manufacturing capabilities of our world leading blood reagent products as we start expanding into key Asian markets including China, Thailand and Vietnam. Paragon wishes to acknowledge the invaluable contribution from the Department of Jobs, Precincts and Regions in respect to this project”.

About Centuria

Centuria Healthcare is part of the wider ASX-200 listed Centuria Capital Group (ASX: CNI), which has more than \$18 billion of funds under management. Centuria Healthcare is a specialist funds manager of healthcare real estate assets across Australia, with a portfolio of 56 high-quality assets worth approximately \$1.3 billion as at 26 November 2021 (including fund-through projects on an “as-if complete” basis). Nationwide, Centuria Healthcare actively partners with providers to deliver efficient, cost-effective healthcare facilities, including developing and funding new assets.

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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.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. Forward-looking statements can generally be identified by the use of words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances, and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward-looking statements.

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