

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

Revision of Appendix 3B lodged 16 September 2015

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PARAGON CARE LIMITED

ABN

76 064 551 426

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 10,600,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares to rank equally in all respects with existing ordinary shares. |

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully paid ordinary shares ranking equally in all respects with existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.7650 per fully paid ordinary share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Part consideration for the acquisition of REM System Limited as announced on 8 June 2018</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>33,970,722 Refer Annexure 1 Part 1</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	22,697,928 new Shares pursuant to the Placement and part of the REM System acquisition shares. Refer Annexure 1 Part 2
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	A total of 61,435,351 shares issued pursuant to the entitlement offers concluded on 5 March 2018 and under DRP issues of 6 October 2017 & 17 April 2018. Refer Annexure 1 Part 1
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. 16,621,461 Refer prior Appendix 3B lodged 19 February 2018. 6,076,467 to be issued 12 June 2018 at \$0.7650 per share 95% of the 15 day VWAP of \$0.8013 to 8 June 2018, Source Weblink data.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	The issue is for part consideration of the acquisition of REM Systems as described in the ASX announcement of 8 June 2018. The issue price was determined by reference to the 30 day VWAP shortly before the agreement to acquire REM Systems was finalised.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Remaining capacity under Rule 7.1 - 76,170 Remaining capacity under Rule 7.1A - Nil

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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

12 June 2018

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	283,647,930	Fully paid ordinary shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	N/A	N/A

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

No change to dividend policy.

Part 2 - Pro rata issue

The new shares are not issued pursuant to a Pro Rate Issue and questions 11 to 35 not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities (tick one)
- (a) +Securities described in Part 1
- (b) All other +securities

+ See chapter 19 for defined terms.

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

The new shares do not form a new class of securities and questions 35 to 37 not applicable

Entities that have ticked box 34(b)

Box 34(b) not ticked and questions 38 to 42 not applicable

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

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- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: John Osborne
Company secretary
Date: 12 June 2018

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	165,018,009
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>06-Oct-17 - issue of shares under DRP - 670,677</p> <p>12-Apr-18 - issue of shares under Dividend Reinvestment Plan (DRP) - 1,203,572</p> <p>14-Aug-17 - Part consideration for acquisition of Medtek business and earn out consideration in lieu of cash consideration to vendor of Western Biomedical business - 525,920</p> <p>Entitlement Offer Shares allotted by 5 March 2018 (ASX waiver of listing rule 7.1) - 59,561,102</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	226,979,280

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	34,046,892
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>25 Jan'18 - Anaequip part consideration – 550,898</p> <p>2 Mar'18 - Surgical Specialties part consideration - 8,823,338</p> <p>19 Feb'18 - Institutional placement - 20,072,953</p> <p>12 Jun'18 – REM Systems part consideration – 4,523,533</p>
“C”	33,970,722
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	34,046,892
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	33,970,722
<p>Total [“A” x 0.15] – “C”</p>	<p>76,170</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	226,979,280
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	22,697,928
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	19 Feb’18 - Institutional Placement - 16,621,461 12 Jun’18 – REM Systems vendor shares as part consideration – 6,076,467
“E”	22,697,928

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	22,697,928
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	22,697,928
Total ["A" x 0.10] – "E"	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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