ParagonCare
Enabling Healthcare

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ASX ANNOUNCEMENT

PARAGONCARE ANNOUNCES CHANGES TO THE RAMSAY HEALTHCARE CONTRACT

Paragon Care Limited (ASX:PGC) ("ParagonCare" or the "Company") today announces that, from 1 February 2026, it will transition out as the primary wholesale to Ramsay Healthcare Limited's ("Ramsay") retail and hospital pharmacy business.

In FY25, the Ramsay pharmacy business resulted in an uplift to ParagonCare's group revenue of approximately A$230 million; however, it contributed less than 2% to the Company's gross margin. ParagonCare will now focus on removing associated supply chain costs, which is expected to neutralise the gross margin impact. As a result, the exit of this business is expected to be immaterial to ParagonCare's earnings in FY26, prior to one-off restructuring charges, which we do not expect to be material. Working capital released will be approximately A$4.5 million, which will be used to repay debt.

ParagonCare CEO Carmen Riley said, "As part of the contract re-tender process, we were advised that our bid was materially higher than a competitor's. We decided not to offer any further price reductions during the process due to this contract's low profitability."

ParagonCare has a clear focus on delivering superior customer service and value across our diverse customer base and maintains a healthy pipeline of new business opportunities. We remain confident in the underlying healthcare market and finished the half year at approximately A$1.9 billion in unaudited revenue across the Group."

A further update will be provided at the release of ParagonCare's 1H26 Results on 25 February 2026.

ENDS

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This announcement is authorised for release to the market by the Board of Paragon Care Limited.

About Paragon Care Limited

Paragon Care Limited (ASX:PGC) is an Australian based listed company in the healthcare sector. It is a leading provider of medical equipment, devices, consumables, pharmaceuticals, complementary medicines, nutritional supplies, and manufacturer of Blood Bank diagnostic reagents to the healthcare markets in Australia, New Zealand and Asia.