Paragon Care Limited
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26 August 2026

ASX ANNOUNCEMENT

CORRECTION TO APPENDIX 4E AND PRELIMINARY FINAL REPORT

Paragon Care Limited (ASX: PGC) ("ParagonCare" or the "Company"), advises a correction to the Appendix 4E and Preliminary Final Report dated 26 August 2026.

The Company advises that due to a typographical error on Page 8 and 9 incorrectly referencing 30 June 2026 and 31 December 2025, respectively.

A corrected version is attached and replaced the announcement released on 26 August 2026. The correction does not otherwise affect the substance of the announcement.

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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 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.

Preliminary Final Report

30 June 2026

(Issued in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E)

ParagonCare

Enabling Healthcare

Foreword

ParagonCare is one of Asia Pacific's leading diversified healthcare distributors and manufacturers. We've been delivering pharmaceuticals, capital equipment, diagnostics, medical consumables, devices and complementary medicines for over 100 years. We started out in Australia in 1918, and our transformational journey culminated in our 2024 merger of Clifford Hallam and ParagonCare. Today, we are an ASX-listed diversified healthcare leader, making healthcare simpler, smarter, and more accessible across Asia Pacific.

Acknowledgement of Country and Traditional Owners

ParagonCare acknowledges the Traditional Owners of the country in which our headquarters are located, in Australia. We recognise the continuing connection to lands, waters and communities and pay our respects to Aboriginal and Torres Strait Islander cultures and their Elders past and present.

Contents

APPENDIX 4E

For the year ended 30 June 2026

1. Company details

Name of entity:	Paragon Care Limited
ABN:	76 064 551 426
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	1.8%	to	3,680,544
Net profit from ordinary activities after tax attributable to the owners of Paragon Care Limited	down	177.9%	to	(16,028)
Net profit for the year attributable to the owners of Paragon Care Limited	down	177.9%	to	(16,028)

Review of operations

	30 June 2026 $'000	30 June 2025 $'000	Change $'000	Change %
Revenue	3,680,544	3,613,887	66,657	1.8%
Cost of goods sold	(3,333,086)	(3,289,886)	(43,200)	1.3%
Gross margin	**347,458**	**324,001**	**23,457**	**7.2%**
Profit before tax	**(21,673)**	**25,461**	**(47,134)**	**(185.1%)**
Depreciation and amortisation expenses	37,271	29,833	7,438	24.9%
Finance costs	35,218	33,172	2,046	6.2%
Earnings before interest, tax, depreciation and amortisation ('EBITDA')(i)	**50,816**	**88,466**	**(37,650)**	**(42.6%)**
EBITDA	**50,816**	**88,466**	**(37,650)**	**(42.6%)**
Provision for Infinity Group debt, net of GST recoverable(ii)	34,899	-	34,899	n/a
Mergers & acquisitions and related costs(iii)	4,708	-	4,708	n/a
Restructuring & integration costs(iv)	6,433	2,803	3,630	129.5%
FX hedges and other currency measurements(v)	(1,557)	3,934	(5,491)	(139.6%)
Share based payments(vi)	1,869	-	1,869	n/a
Underlying EBITDA	**97,168**	**95,203**	**1,965**	**2.1%**

(i) *Earnings before interest, tax, depreciation and amortisation ('EBITDA') and Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA') are non-IFRS financial information metrics and have not been subject to audit or review by ParagonCare's external auditor in accordance with Australian Auditing Standards. Underlying EBITDA is presented to provide insights into the operating and financial performance of the Group to the users of the financial statements.*

(ii) *Includes the lifetime expected credit loss expense of $38.0 million recognised for Infinity Group balances net of recovered GST of $3.1 million.*

(iii) *Includes external consultants and professional advisers costs plus dedicated internal resources for M&A activity only*

(iv) *Staff redundancy costs & salaries and wages of exited roles as part of merger integration activity*

(v) *Unrealised (gain)/loss on FX hedges and other currency remeasurements.*

(vi) *Share based payment valued in accordance with AASB2 in relation to CEO integration period equity incentive plan*

APPENDIX 4E CONTINUED

For the year ended 30 June 2026

Group summary of financial performance

The Group delivered on its organic and regional growth strategy, which delivered a solid underlying result during the year ended 30 June 2026.

Revenue was up by 1.8% to $3,680,544,000 and gross margin was up 7.2% to $347,458,000. Underlying EBITDA increased by 2.1% to $97,168,000 with organic and accretive growth from the Asia segment supporting the underlying growth.

The reported net loss for Paragon Care Limited and its controlled entities (the 'Consolidated Group') after providing for income tax amounted to $(16,028,000) (30 June 2025: net profit of $20,574,000). The loss in the current period is largely attributable to the provision recorded against the debt owed by Infinity Pharmacy Group ("Infinity Group"). Refer below for further information.

Update on balances due from the Infinity Pharmacy Group ("Infinity Group")

Background

As previously disclosed in the Group's 30 June 2025 Annual Report and 31 December 2025 Interim Financial Report, Paragon Care Limited ("the Group") had balances due from the Infinity Pharmacy Group ("Infinity Group") of $57.1 million as at 30 June 2025, against which an expected credit loss ("ECL") allowance of $1.2 million was recognised. The Group ceased supply to Infinity Group in March 2025.

Voluntary administrators were appointed to Infinity Group in December 2025 and January 2026, and receivers were separately appointed to a significant number of Infinity Group entities. At 31 December 2025, gross amounts owing from Infinity Group totalled $48.5 million, against which the Group recognised a lifetime ECL allowance of 100% ($48.5 million), resulting in an ECL expense of $47.3 million for the six months then ended and a net carrying value of nil.

Developments during the year

The administrators of Infinity Group (the "Administrators") have continued a formal sale and restructuring process throughout the year, under which the majority of Infinity Group's pharmacy businesses are being sold to third-party purchasers. The Group has continued to engage actively and constructively with the Administrators as a significant secured creditor.

On 7 August 2026, the Administrators issued an updated estimated outcome analysis to secured creditors (the "EOA Report"), setting out a directional, non-binding range of modelled outcomes for creditor recoveries, reflecting matters including the number of pharmacy stores expected to complete sale, the timing of completion (modelled between September and December 2026), and a number of unresolved matters affecting the priority and value of individual creditors claims (including the Group).

Accounting treatment at 30 June 2026

An updated EOA Report was received after 30 June 2026 but prior to the authorisation of these financial statements for issue. As the appointment of administrators and receivers, and the conditions giving rise to impairment of the Group's Infinity Group receivable, existed prior to 30 June 2026, the Directors consider the EOA Report provides additional evidence of conditions that existed at the reporting date and have accounted for it as an adjusting subsequent event in accordance with AASB 110 Events after the Reporting Period.

Based on the updated EOA Report and other information available, the Directors have reassessed the recoverability of the Group's Infinity Group receivable. The updated EOA Report modelled six scenarios reflecting differing assumptions regarding store completion rates, sale values, and completion timing, indicating an estimated range of recovery to the Group of approximately $9 million to $13 million.

Having regard to this range, and having exercised judgement as to the relative likelihood of the scenarios modelled — including the effect of store closures already confirmed by landlords, unresolved lease negotiations affecting a further number of stores, and unresolved disputes between secured creditors regarding claim priority and cross-collateralised security — the Directors have determined an estimate of the recoverable amount, at 30 June 2026, of $9.3 million (approximately 19% of the gross amount owing), based on the scenarios modelled by the Administrators to date. This is consistent with the requirement in AASB 9 Financial Instruments that expected credit losses reflect an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.

This reflects a reversal of $9.3 million against the ECL allowance recognised in profit or loss during the second half of the financial year, following the 100% ECL allowance recognised in the six months to 31 December 2025. Overall, the Group recognised a net ECL expense of $38.0 million in profit or loss for the year ended 30 June 2026 (2025: $nil), comprising the $47.3 million ECL expense recognised in the six months to 31 December 2025, partially offset by the $9.3 million reversal recognised in the six months to 30 June 2026.

This remains a significant area of estimation uncertainty and judgement. The ultimate amount and timing of recovery is dependent on matters outside the Group's control, including completion of the sale process, resolution of disputed creditor claims, and finalisation of the Administrators' analysis, which remains preliminary and subject to change. Actual recovery may differ materially from the amount recognised and will continue to be reassessed at each future reporting date as further information becomes available.

APPENDIX 4E CONTINUED

For the year ended 30 June 2026

3. Any other significant information needed by an investor

Additional significant information supporting the Appendix 4E to make an informed assessment of the Group's financial performance and financial position is contained in the accompanying Preliminary final report, which comprises the Directors' Report and the Consolidated Financial Statements for the year ended 30 June 2026.

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(8.59)	(3.30)

5. Control gained over entities

On 2 July 2025, the Group acquired 100% of the share capital of AHP Dental & Medical Pty Ltd (AHP).

On 15 December 2025, the Group acquired 100% of the share capital of Somnotec (S) Pte. Ltd. ('Somnotec Singapore'), Somnotec (M) Sdn. ('Somnotec Malaysia'), Somnotec Philippines Inc ('Somnotec Philippines') and PT Somnotec Indonesia ('Somnotec Indonesia') (collectively 'Somnotec Group').

On 30 January 2026, the Group acquired 100% of the share capital of Fisher Biotec Pty Ltd ('Fisher').

On 6 February 2026, the Group acquired 100% of the share capital of Pacific Medical (Hong Kong) Company Limited, MD Medical Logistics & Services Limited, and PMC (ANZ) Pty Ltd (collectively, 'Pacific Medical Group').

On 31 March 2026, the Group acquired 100% of the issued share capital of Transpacific Medical Co. Ltd. (Transpacific).

On 1 April 2026, the Group acquired the business of Presidental Pty Ltd and Rockpac South Pacific Pty Ltd (Presidental).

On 1 April 2026, the Group acquired 100% of the share capital of PT Haju Medical Indonesia and Insightof Co., Ltd. (collectively, "Haju Medical").

6. Loss of control over entities

Not applicable.

7. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

8. Dividend reinvestment plans

Not applicable.

9. Details of associates and joint venture entities

Not applicable.

APPENDIX 4E CONTINUED

For the year ended 30 June 2026

10. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

11. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This preliminary final report is based upon the financial statements for the year ended 30 June 2026, which are in the process of being audited by Ernst & Young.

12. Attachments

Details of attachments (if any):

The Preliminary Final Report of ParagonCare for the year ended 30 June 2026 is attached.

13. Authority for release

Authorised for release by the Board of Directors 26 August 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

		Consolidated	
	Note	30 June 2026 $'000	30 June 2025 $'000
Revenue			
Revenue	9	3,680,544	3,613,887
Cost of goods sold	9	(3,333,086)	(3,289,886)
Gross profit		**347,458**	**324,001**
Other income		4,915	281
Interest income		2,206	3,134
Expenses			
Warehousing and distribution expenses		(63,168)	(54,356)
Employee benefits expenses		(152,726)	(141,894)
Administration expenses	9	(87,869)	(38,224)
Depreciation and amortisation expenses		(37,271)	(29,833)
Finance costs	9	(35,218)	(33,172)
Other expenses		-	(4,476)
Profit/(loss) before income tax (expense)/benefit		**(21,673)**	**25,461**
Income tax (expense)/benefit		5,645	(4,887)
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Paragon Care Limited		**(16,028)**	**20,574**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on defined benefit plans, net of tax		(47)	(106)
Items that may be reclassified subsequently to profit or loss			
Hedges reserves, net of tax		(400)	(35)
Foreign currency translation		(19,361)	16,708
Other comprehensive income/(loss) for the year, net of tax		(19,808)	16,567
Total comprehensive income/(loss) for the year attributable to the owners of ParagonCare		**(35,836)**	**37,141**

Basic earnings/(loss) per share		(0.97)	1.24
Diluted earnings/(loss) per share		(0.97)	1.24

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2026

		Consolidated	
	Note	30 June 2026 $'000	30 June 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	10	23,676	20,329
Trade and other receivables	11	370,727	401,538
Inventories	12	342,134	282,544
Derivative financial instruments		216	394
Income tax refund due		-	3,057
Other assets		42,807	49,551
Total current assets		**779,560**	**757,413**
Non-current assets			
Trade and other receivables	11	3,851	1,000
Other assets		11,110	10,147
Investment properties		1,139	1,678
Property, plant and equipment		55,001	31,189
Right-of-use assets		69,553	44,633
Goodwill and other intangible assets	13	449,715	395,474
Deferred tax asset		3,431	2,177
Total non-current assets		**593,800**	**486,298**
Total assets		**1,373,360**	**1,243,711**
Liabilities			
Current liabilities			
Trade and other payables		601,151	575,768
Contract liabilities		5,320	4,868
Borrowings	14	222,569	160,360
Lease liabilities		14,435	12,094
Make good provision		515	47
Derivative financial instruments		856	4,656
Employee benefits		14,631	13,405
Income tax payable		2,559	-
Vendor conditional payables		22,296	264
Total current liabilities		**884,332**	**771,462**
Non-current liabilities			
Contract liabilities		489	272
Borrowings	14	85,167	76,359
Lease liabilities		66,731	43,473
Make good provision		5,288	4,187
Deferred tax liability		-	12,415
Employee benefits		1,803	1,849
Vendor conditional payables		33,675	3,852
Total non-current liabilities		**193,153**	**142,407**
Total liabilities		**1,077,485**	**913,869**
Net assets		**295,875**	**329,842**
Equity			
Issued capital		328,488	328,488
Reserves		(713)	17,226
Accumulated losses		(31,900)	(15,872)
Total equity		**295,875**	**329,842**

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGE IN EQUITY

For the year ended 30 June 2026

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	328,488	(325)	(36,446)	291,717
Net profit after income tax expense for the year	-	-	20,574	20,574
Other comprehensive income for the year, net of tax	-	16,567	-	16,567
Total comprehensive income for the year	-	16,567	20,574	37,141
Transactions with owners in their capacity as owners:				
Share-based payments	-	984	-	984
Balance at 30 June 2025	**328,488**	**17,226**	**(15,872)**	**329,842**

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	328,488	17,226	(15,872)	329,842
Net loss after income tax benefit for the year	-	-	(16,028)	(16,028)
Other comprehensive income/(loss) for the year, net of tax	-	(19,808)	-	(19,808)
Total comprehensive income/(loss) for the year	-	(19,808)	(16,028)	(35,836)
Transactions with owners in their capacity as owners:				
Share-based payments	-	1,869	-	1,869
Balance at 30 June 2026	**328,488**	**(713)**	**(31,900)**	**295,875**

The above statement of change in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

		Consolidated	
	Note	**30 June 2026 $'000**	**30 June 2025 $'000**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,096,324	3,919,189
Payments to suppliers and employees (inclusive of GST)		(4,030,615)	(3,886,917)
		65,709	32,272
Interest received		89	2,469
Interest and other finance costs paid		(29,783)	(30,035)
Interest paid on lease liabilities		(4,573)	(3,137)
Income taxes paid		(2,348)	(14,992)
Net cash from/(used in) operating activities		**29,094**	**(13,423)**
Cash flows from investing activities			
Cash consideration for the acquisition of business, net of cash acquired		(51,412)	(463)
Payments for property, plant and equipment		(30,579)	(11,691)
Payments for intangibles		(2,577)	(5,172)
Proceeds from disposal of property, plant and equipment		1,531	685
Net cash used in investing activities		**(83,037)**	**(16,641)**
Cash flows from financing activities			
Proceeds from borrowings		3,856,142	3,920,783
Repayment of borrowings		(3,783,405)	(3,880,626)
Repayment of lease liabilities		(13,314)	(11,002)
Net cash from financing activities		**59,423**	**29,154**
Net increase/(decrease) in cash and cash equivalents		**5,480**	**(910)**
Cash and cash equivalents at the beginning of the financial year		20,329	19,944
Net foreign exchange difference		(2,133)	1,295
Cash and cash equivalents at the end of the financial year		**23,676**	**20,329**

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

Part 6 - Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Paragon Care Limited during the reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

Part 7 - Material Accounting Policy Information: Significant judgements and estimates

The accounting policies adopted, methods of computation and areas of critical accounting judgements, estimates and assumptions are consistent with those of the previous financial year, except for the matters set out below.

Expected credit loss assessment - balances due from the Infinity Group

The expected credit loss ("ECL") assessment of the balances due from Infinity Group is a significant area of estimation uncertainty and judgement. The assessment is based on directional, non-binding analysis prepared by Infinity Group's voluntary administrators, cross-checked by the Directors against the requirements of AASB 9. This analysis is preliminary and subject to change as the sale and administration process progresses. Actual recoveries may materially differ from current expectations, depending on the outcome of that process, which remains uncertain and dependent on factors outside the Group's control. Refer to part 11- Trade and other receivables for further detail.

Change in accounting estimate

During the year, the Group reassessed the inventory obsolescence provisions for certain inventory categories. The revision was driven by an updated analysis of the historical turnover, inventory ageing profile, obsolescence and demand data. As a result, management updated its estimates of the recoverability of inventory balances. This represents a change in accounting estimate in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and has been applied prospectively from 1 July 2025. Comparative information has not been restated. The impact of the change in accounting estimate for the year ended 30 June 2026 was a decrease in cost of sales of $1.8 million and a corresponding increase in profit before tax of $1.8 million.

Management continues to review key assumptions and estimates at each reporting date. Actual outcomes may differ from these estimates due to changes in future circumstances.

Going concern

The preliminary financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. There is a current asset deficiency due to the classification of a bank loan as a current liability (refer part 14). Having reviewed the current performance, forecasts, debt servicing requirements, availability of undrawn committed financial facilities and other financial risks, at the time of approving the consolidated financial statements, the Directors are satisfied that the Group is able to meet its commitments as and when they fall due.

Part 8 - Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments: Australia/New Zealand ('ANZ') and Asia. The operating segments are based on the reports that are reviewed and used by the Chief Executive Officer/Managing Director (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and to make strategic and operating decisions.

Consistent with prior periods, the CODM reviews segment performance based on EBITDA (earnings before interest, tax, depreciation and amortisation), which is a non-IFRS financial measure. The CODM believes it assists in providing additional meaningful information for stakeholders.

Following the internal reorganisation of the business during the 2025 financial year, the CODM no longer performs a review of the statement of financial position for each of the operating segments.

Therefore, assets and liabilities are not reported separately to the CODM by segment and are presented at a Consolidated Group level only.

The information reported to the CODM is on a monthly basis.

Types of products and services

The Group continues to operate only in the healthcare sector which includes the supply of durable medical equipment, medical devices, consumable medical products, and maintenance of technical medical equipment to the health and aged care markets throughout Australia, New Zealand and Asia, as well as the distribution of pharmaceuticals, medical consumables, and complementary medicines to the Australian healthcare market.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Intersegment transactions

Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

During the year ended 30 June 2026 there were no major customers generating over 10% of revenue for the Group (30 June 2025: none)

Operating segment information

Consolidated - FY26	ANZ $'000	Asia $'000	Total $'000
Revenue			
Sales to external customers	3,520,447	160,097	3,680,544
Total revenue	**3,520,447**	**160,097**	**3,680,544**
Income/(expenses)			
Cost of goods sold	(3,240,331)	(92,755)	(3,333,086)
Warehousing and distribution expenses	(62,780)	(388)	(63,168)
Employee benefits expenses	(134,855)	(17,871)	(152,726)
Administration expenses	(70,348)	(17,521)	(87,869)
Other income	6,647	474	7,121
EBITDA	**18,780**	**32,036**	**50,816**
Depreciation and amortisation			(37,271)
Finance costs			(35,218)
Net loss before income tax benefit			**(21,673)**
Income tax benefit			5,645
Net loss after income tax benefit			**(16,028)**

Consolidated - FY25	ANZ $'000	Asia $'000	Total $'000
Revenue			
Sales to external customers	3,512,552	101,335	3,613,887
Total revenue	**3,512,552**	**101,335**	**3,613,887**
Income/(expenses)			
Cost of goods sold	(3,235,520)	(54,365)	(3,289,886)
Warehousing and distribution expenses	(53,714)	(642)	(54,356)
Employee benefits expenses	(129,871)	(12,023)	(141,894)
Administration expenses	(27,409)	(10,815)	(38,224)
Other expenses	(4,344)	(133)	(4,476)
Other income	3,414	1	3,415
EBITDA	**65,107**	**23,359**	**88,466**
Depreciation and amortisation			(29,833)
Finance costs			(33,172)
Net profit before income tax expense			**25,461**
Income tax expense			(4,887)
Net profit after income tax expense			**20,574**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Geographical information

	Sales to external customers		Geographical non-current assets	
	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000
Australia	3,460,836	3,452,586	362,375	415,943
New Zealand	59,611	59,966	27,812	32,571
Asia	160,097	101,335	200,182	35,607
	3,680,544	**3,613,887**	**590,369**	**484,121**

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets and post-employment benefits assets.

Part 9 – Profit from Ordinary Activities

The profit from ordinary activities before income tax including the following items of revenue and expenses.

a - Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
Revenue from contracts with customers - Based on timing of revenue recognition	30 June 2026 $'000	30 June 2025 $'000
Goods transferred at a point in time	3,652,287	3,580,132
Services transferred over time	28,257	33,755
	3,680,544	**3,613,887**

b - Cost of sales

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Cost of inventories sold	3,787,831	3,710,770
Supplier rebates	(450,893)	(417,224)
Other costs of goods sold	(3,852)	(3,660)
	3,333,086	**3,289,886**

Cost of sales comprise of purchase and inwards delivery costs, net of rebates and discounts received or receivable. Shipping and handling costs associated to transfer of goods to the customer are included in warehousing and distribution expenses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

c - Finance costs

	Consolidated	
	30 June 2026 $'000	**30 June 2025 $'000**
Interest on bank borrowings	22,960	22,821
Merchant and other finance charges	7,685	7,214
Interest on lease liabilities	4,573	3,137
	35,218	**33,172**

d - Administration expenses

	Consolidated	
	30 June 2026 $'000	**30 June 2025 $'000**
Management consulting fees	2,832	2,054
Professional fees	1,853	2,207
Information technology	8,001	7,320
Travel costs	4,718	4,077
Bad debts and allowance for expected credit losses	38,265	(366)
Advertising and promotional	12,715	10,720
Other corporate costs	14,770	7,270
Insurance	4,715	4,942
	87,869	**38,224**

Part 10 - Cash and cash equivalents

	Consolidated	
	30 June 2026 $'000	**30 June 2025 $'000**
Current assets		
Bank and petty cash balances	23,676	20,329

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Part 11 - Trade and other receivables

	Consolidated	
	30 June 2026 $'000	**30 June 2025 $'000**
Current assets		
Trade receivables	368,115	342,969
Other receivables	30,962	47,085
Less: Allowance for expected credit losses	(29,851)	(1,538)
	369,226	**388,516**
Loan receivables - current	11,453	13,022
Less: Allowance for expected credit losses	(9,952)	-
	370,727	**401,538**
Non-current assets		
Loan receivables - non-current	3,851	1,000
	374,578	**402,538**

Trade receivables are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables generally have terms of 30 days.

Loans receivables represent balances receivable from customers on extended payment terms and carry interest at agreed terms. Other loans receivable is presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Update on balances due from the Infinity Pharmacy Group ("Infinity Group")

The background to, and developments in respect of, the Group's balances due from Infinity Group are set out in the Review of Operations and Directors' Report.

Movement in gross carrying amount and expected credit loss allowance

	30 June 2026 $m	**30 June 2025 $m**
Gross carrying amount	48.5	57.1
Expected credit loss allowance	(39.2)	(1.2)
Net carrying amount	9.3	55.9

For reference (not a required statutory comparative): net carrying amount at 31 December 2025 was $nil (gross carrying amount $48.5 million, less a 100% ECL allowance of $48.5 million), as disclosed in the Group's 31 December 2025 Interim Financial Report.

Reconciliation of the expected credit loss allowance

	$m
Opening balance (1 July 2025)	1.2
ECL expense recognised (six months to 31 December 2025, following the appointment of administrators and receivers)	47.3
Impact of the reassessment of ECL recognised (following receipt of the Administrators' updated analysis — see below)	(9.3)
Closing balance (30 June 2026)	39.2

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

The net ECL expense recognised in profit or loss for the year ended 30 June 2026 is $38.0 million (2025: $nil).

Basis of the 30 June 2026 assessment

On 7 August 2026, the Administrators issued an updated, directional and non-binding estimated outcome analysis to secured creditors (the "EOA Report"). As the appointment of administrators and receivers occurred, and the conditions giving rise to impairment existed, prior to 30 June 2026, the Directors have treated the EOA Report as an adjusting subsequent event under AASB 110 Events after the Reporting Period, and have used it to determine the ECL allowance recognised as at 30 June 2026.

The EOA Report modelled six scenarios based on differing assumptions, including the proportion of pharmacy stores expected to complete sale, sale value adjustments for stores subject to unresolved lease negotiations, and completion timing (modelled between September and December 2026). The Report also modelled the impact of specific unresolved matters affecting individual creditors' claims (including the Group), including the priority ranking of tax liabilities and the validity of certain creditors' cross-collateralised security. Taken together, these scenarios indicated an estimated range of recovery to the Group of approximately $9 million to $13 million.

Consistent with the requirement in AASB 9 that expected credit losses reflect an "unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes", the Directors have considered the full range of outcomes modelled by the Administrators. Having exercised judgement as to the relative likelihood of the scenarios modelled — having regard to matters including confirmed store closures, unresolved lease negotiations, the risk that other creditors may challenge the Administrators' modelled assumptions regarding claim priority and security ranking, and the way in which changes to those assumptions would flow through the proceeds available for distribution across a portfolio of stores each with differing security, lease and financing arrangements — the Directors' estimate of the recoverable amount is $9.3 million as at 30 June 2026, based on the scenarios modelled by the Administrators.

Key uncertainties and forward-looking statement

The recoverable amount recognised is a significant accounting estimate, involving considerable judgement. It is based on preliminary, non-binding analysis prepared by the Administrators, which remains subject to change. Key matters that could affect the ultimate recovery, in either direction, include:

- the final number of pharmacy stores that complete sale, and the sale price achieved for each;
- the timing of completion of the sale process;
- resolution of disputed matters between secured creditors, including creditor priority ranking, tax treatment, and the validity of certain cross-collateralised security arrangements;
- the risk that the Administrators' modelled assumptions regarding security ranking and claim priority are challenged by other creditors; and
- finalisation of the Administrators' review of creditor claims and security positions, which remains ongoing.

The amount ultimately recovered by the Group may differ materially from the $9.3 million recognised at 30 June 2026, and the estimate will continue to be reassessed as the administration progresses and further information becomes available. Any further change will be recognised in profit or loss in the period in which it arises.

Furthermore, the Group holds personal guarantees from the directors of the entities comprising the Infinity Group in respect of the debt included in the claim amount. The Company intends to rigorously pursue recovery of any shortfall in proceeds from the relevant directors under these personal guarantees. No value has been attributed to potential recoveries under the personal guarantees in the assessment of the recoverable amount, pending the outcome of the recovery process.

Allowance for expected credit losses

In relation to the trade receivables, the Group has recognised a provision of $28,313,000 (30 June 2025: reversal of $400,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

In relation to the loans and other receivable, the Group has recognised a provision of $9,952,000 (30 June 2025: $Nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

The ageing of the receivables, other receivables, loan receivables and related allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Gross carrying amount		Allowance for expected credit losses	
	30 June 2026 %	30 June 2025 %	30 June 2026 %	30 June 2025 %	30 June 2026 %	30 June 2025 %
Not overdue	-	-	334,340	336,337	-	-
Past due 1 - 30 days	-	-	19,948	18,028	-	-
Past due 31 -120 days	1.40%	2.95%	9,953	43,849	140	1,292
Past due 121 days	79.11%	4.20%	50,140	5,862	39,663	246
			414,381	**404,076**	**39,803**	**1,538**

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Opening balance	1,538	2,083
Provision for impairment	38,390	(400)
Provision for impairment loss utilised	(125)	(145)
Closing balance	**39,803**	**1,538**

Part 12 - Inventories

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current assets		
Finished goods - at the lower of cost and net realisable value	323,829	264,462
Stock in transit - at cost	18,305	18,082
Balance at the end of the financial year	**342,134**	**282,544**

	Consolidated	
Movement in Inventory Obsolescence Provision	30 June 2026 $'000	30 June 2025 $'000
Balance at the start of the financial year	770	497
Movements during the year	1,331	273
Balance at the end of the financial year	**2,101**	**770**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Part 13 - Goodwill and other intangible assets

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-current assets		
Goodwill - at cost	333,423	264,854
Software - at cost	19,867	17,586
Less: Accumulated amortisation	(8,424)	(7,335)
	11,443	10,251
Brands and Licenses - at cost	18,207	18,619
Supplier contracts - at cost	99,771	106,981
Less: Accumulated amortisation	(13,939)	(7,469)
	85,832	99,512
Development costs WIP- at cost	810	2,238
	449,715	**395,474**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Goodwill $'000	Supplier contracts $'000	Software $'000	Brands and licenses $'000	Development costs WIP $'000	Total $'000
Balance at 1 July 2024	260,485	99,398	10,423	18,328	576	389,210
Additions	-	100	3,410	-	1,662	5,172
Additions through business combinations	712	-	6	-	-	718
Disposals	-	-	(106)	-	-	(106)
Transfer to other assets	-	-	(115)	-	-	(115)
Exchange differences	3,657	6,602	(1)	291	-	10,549
Transfers in/(out)	-	236	(236)	-	-	-
Amortisation expense	-	(6,824)	(3,130)	-	-	(9,954)
Balance at 30 June 2025	**264,854**	**99,512**	**10,251**	**18,619**	**2,238**	**395,474**
Additions	-	-	2,083	-	494	2,577
Additions through business combinations	74,082	1,346	61	-	-	75,489
Exchange differences	(5,513)	(5,377)	(6)	(412)	-	(11,308)
Transfers in/(out)	-	-	1,922	-	(1,922)	-
Amortisation expense	-	(9,649)	(2,868)	-	-	(12,517)
Balance at 30 June 2026	**333,423**	**85,832**	**11,443**	**18,207**	**810**	**449,715**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Impairment testing

Goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

The Group performs its annual impairment test in June and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations.

At 30 June 2026, the Group's market capitalisation was below the carrying amount of the Group's net assets, which was considered an external indicator of potential impairment in accordance with AASB 136 Impairment of Assets. Management considered this indicator as part of its assessment of the recoverable amount of the Group's cash-generating units (CGUs), together with enterprise value, earnings multiples of comparable listed companies and the factors influencing the Group's share price. The recoverable amount of the Group's CGUs was primarily assessed using a value-in-use methodology based on the Board-approved FY27–FY31 business plan. Based on this assessment, the CGUs continue to have positive headroom over their carrying amounts. Management concluded that, when considered together with the other impairment indicators and the value-in-use assessment, the market capitalisation deficiency does not indicate that the recoverable amount of the CGUs is below their carrying amounts.

Brands and licences

Brands and licences were fair valued as part of the reverse acquisition and are recognised as intangible assets. These assets have indefinite useful lives and are therefore not amortised. Instead, they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Supplier contracts

Supplier contracts acquired through business combinations are recognised as intangible assets and amortised over their expected useful lives. They are tested for impairment annually, or more frequently where events or changes in circumstances indicate that they may be impaired. The amortisation expense for the current year includes an acceleration of amortisation for certain supplier contracts, reflecting an updated assessment of their useful life.

Part 14 - Borrowings

	Consolidated	
	30 June 2026 $'000	**30 June 2025 $'000**
Current liabilities		
Bank loans	206,761	158,836
Capitalised debt transaction costs	(81)	(64)
Trade finance facility	14,445	-
Other loans	915	1,101
Hire purchase	529	487
	222,569	**160,360**
Non-current liabilities		
Bank loans	84,272	75,000
Capitalised debt transaction costs	(65)	(128)
Hire purchase	960	1,487
	85,167	**76,359**
	307,736	**236,719**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Bank loans

The bank loans continue to comprise of $325 million Debtor Finance Facility providing working capital funding secured against eligible trade receivables with a minimum $125 million drawdown requirement, and a separate $75 million Asset Based Facility secured over inventory, plant and equipment, and selected non-core receivables.

A summary of the facility terms and limits are set out below.

Facility	Limit $'000	Drawn as at FY26 $'000	Maturity	Interest Rate	Line Fee	Financial Covenants
Debtor Finance Facility	325,000	206,186	12 Jun 2028	BBSY + 3.05%	Nil	Nil
Asset Based Facility	75,000	75,000	12 Jun 2028	BBSY + 3.05%	Nil	Nil

Debtor Finance Facility (DFF)

The drawings made under the committed DFF are revolving in nature and accordingly, the outstanding balances are settled daily in cash and are available to be redrawn (subject to the availability of eligible trade receivables). The funds collected from customers are cleared overnight by ScotPac as a settlement of the outstanding balances under the DFF.

Asset Based Facility (ABF)

The ABF is a fixed term, unamortising bullet line of credit providing funding against eligible inventory, plant and equipment, and certain receivables not funded under the debtor finance facility. It comprises separate components with advance rates up to 40% for inventory and up to 50% for plant and equipment. The facility operates independently of the DFF and is classified as non-current.

Liabilities under both facilities are measured at amortised cost and presented as current and non-current borrowings based on contractual settlement terms. Both facilities are secured by a first-ranking General Security Deed over all present and after-acquired property of Clifford Hallam Healthcare Pty Ltd and a select group of five Australian resident wholly-owned subsidiaries of the Consolidated Group.

Both DFF and ABF lines mature on 12 June 2028 but can be voluntarily repaid without penalty on or after 12 June 2027.

Trade finance facility

Paragon (Thailand) Company Limited ('Paragon Thailand') (a wholly-owned subsidiary of the Consolidated Group) has the following facilities with a commercial bank:

- Committed facility: US$17.0 million
- Uncommitted facility: US$10.0 million

The total amount outstanding under the facility cannot exceed US$17.0 million at any time with interest calculated on commercial terms. As at 30 June 2026, funds drawn down total USD $10.0 million ($14.4 million) and are on 180-day repayment terms.

The facility is secured by the guarantee of Paragon Care Limited for an amount of up to US$10.0 million, security over the inventory of accounts receivables of Paragon Thailand and a promissory note issued in favour of the bank. The facility is not subject to any financial covenants.

Revolving Credit Facility

Paragon Care New Zealand Limited ('Paragon New Zealand') (a wholly-owned subsidiary of the Consolidated Group) has a revolving credit facility agreement with a commercial bank for a total facility limit of NZ $12.0 million.

The facility carries interest which is calculated on commercial terms. As at 30 June 2026, funds were fully drawn down ($9.8 million) with repayments commencing from 13 months after each drawdown date. The outstanding loan balance is included within 'bank loans'.

The facility is secured by general security and cross guarantee agreements from Paragon New Zealand, a New Zealand resident and three Australian resident wholly-owned subsidiaries of the Consolidated Group. The facility is subject to interest cover and leverage ratio targets, which are monitored on a quarterly basis. Paragon New Zealand has complied with the financial covenants as at 30 June 2026.

Undrawn financing limits

As at 30 June 2026, the Group has access to maximum undrawn financing limits of $111.0 million (30 June 2025: $187.2 million) including $8 million (30 June 2025: $20 million) in an undrawn unsecured American Express corporate purchasing facility, fees are charged at a discounted trade service fee of 1.45% and payment is due 35 days post statement. The total facility limit of the DFF at any point in time is subject to the total pool of eligible receivables. As at 30 June 2026 a further $19.6 million was available and undrawn within the DFF.

The Group also has a hire-purchase line of $3.0 million with a commercial bank. As at 30 June 2026, $1.5 million (30 June 2025: $1.9 million) was utilised and is secured by the individual pieces of equipment under lease.

Other facilities

ParagonCare also has a bank guarantee and corporate credit card facilities with a commercial bank without any covenants.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Financing arrangements

As at 30 June 2026 and 30 June 2025, the Group had access to the following lines of credit:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Total facilities		
Bank loans	310,808	352,942
Trade finance facility	24,587	-
Other loans	1,148	1,101
Hire purchase	3,005	3,000
American Express facility	8,000	20,000
	347,548	**377,043**
Used at the reporting date		
Bank loans	291,033	233,836
Trade finance facility	14,445	-
Other loans	915	1,101
Hire purchase	1,489	1,974
American Express facility	-	-
	307,882	**236,911**
Unused at the reporting date		
Bank loans	19,775	119,106
Trade finance facility	10,142	-
Other loans	233	-
Hire purchase	1,516	1,026
American Express facility	8,000	20,000
	39,666	**140,132**

Bank Guarantees

As part of the arrangements with NAB and Scottish Pacific Business Finance Pty Ltd the Group has access to bank guarantees. As of 30 June 2026, the bank guarantees used were $11,327,374 (30 June 2025: $9,549,673) and predominately relate to property leases held by the various landlords as security.

Part 15 - Dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Part 16 - Business Combinations

a. Acquisition of Somnotec Group

On 28 October 2025, Paragon Care Asia Pte. Ltd (formerly named Paragon Care Singapore Pte. Ltd), a wholly-owned subsidiary of Paragon Care Limited entered into an agreement with the owners of Somnotec (S) Pte. Ltd. ('Somnotec Singapore'), Somnotec (M) Sdn. ('Somnotec Malaysia'), Somnotec Philippines Inc ('Somnotec Philippines') and PT Somnotec Indonesia ('Somnotec Indonesia') (collectively 'Somnotec Group') and Somnotec Thailand ('Somnotec Thailand').

On 15 December 2025, the Group completed the acquisition of the Somnotec Group. The transaction has been assessed to be a business combination under AASB3 Business Combinations ('AASB3').

As at 30 June 2026, the acquisition of Somnotec Thailand has not been completed due to the non-completion of conditions precedent. The consideration payable (cash and contingent consideration) for the acquisition of Somnotec Thailand is expected to be $4.8 million.

Somnotec Group is a distributor of various leading edge medical devices and technology in Southeast Asia. ParagonCare believes the acquisition of Somnotec will accelerate the Company's strategy of building a complete footprint across the Asian region and will better enable it to serve OEM manufacturers across APAC.

The values identified in relation to the acquisition are provisional as at 30 June 2026. Thus, the net assets acquired may need to be subsequently adjusted, with a corresponding adjustment to the provisional goodwill. The identification and finalisation of the fair values of assets acquired and liabilities assumed will be completed within 12 months of the acquisition date, at the latest.

Purchase consideration

	$'000
Cash paid	16,152
Contingent consideration liability (vendor conditional payable) – at fair value (provisional)	6,659
Total consideration	**22,811**

The contingent consideration is to be paid over 2 years (with annual payments commencing after 12 months of acquisition) and is subject to minimum EBITDA targets being achieved. The maximum undiscounted amount of contingent consideration payable under the acquisition agreement is $7.3 million, should the relevant EBITDA targets be achieved. Information necessary to complete the valuation, relating to conditions that existed at the acquisition date, is not yet available. Accordingly, the amount recognised remains provisional.

The provisional fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Identifiable assets and liabilities acquired	Provisional fair value $'000
Cash and cash equivalents	1,559
Trade and other receivables	9,504
Inventories	10,055
Property, plant and equipment	1,583
Trade and other payables	(6,606)
Contract liabilities	(782)
Borrowings	(207)
Net assets acquired	**15,106**
Goodwill on acquisition (provisional)	7,705
Representing: Fair value of consideration (refer note above)	**22,811**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Revenue and profit contribution

From the date of acquisition (15 December 2025), Somnotec Group contributed sales of $18.2 million and profit before tax of $1.6 million to the Group's results. The results of Somnotec Group are reported within the Asia segment.

If the acquisition had occurred on 1 July 2025, the Group's revenue would have increased by $17.5 million and loss before tax would have been lower by $1.1 million.

Transaction costs

Transaction costs of $1.3 million have been recognised as expenses and are included in employee benefits expenses and administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Provisional goodwill

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Somnotec Group with those of the Group. The goodwill is not deductible for income tax purposes.

b. Acquisition of AHP Dental & Medical Pty Ltd (AHP)

On 2 July 2025 the Group acquired 100% of the share capital of AHP Dental & Medical Pty Ltd ('AHP') for total cash consideration of $7.3 million. The transaction has been assessed to be a business combination under AASB3.

AHP supplies a wide range of leading global brands across the dental market. Since its inception more than 15 years ago, AHP has become a well-known supplier to healthcare professionals across Australia with quality products at great prices. AHP are an Australian-owned business that commits to providing a superior, personalised service to dental practices. This strategic acquisition will enable the Group to expand its newly formed dental division quickly. The Group sees this acquisition accelerating its planned dental organic rollout which will now provide the Group with a comprehensive range covering the dental market.

Finalisation of the purchase price accounting was completed within the 12-month measurement period.

The fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Identifiable assets and liabilities acquired	Fair value $'000
Trade and other receivables	756
Inventories	1,322
Other assets	122
Intangibles assets	657
Trade and other payables	(479)
Employee liabilities	(66)
Deferred tax liabilities	(160)
Net assets acquired	**2,152**
Goodwill on acquisition	5,163
Representing: Fair value of consideration (refer note above)	**7,315**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Revenue and profit contribution

From the date of acquisition (2 July 2025) up to 31 December 2025, AHP contributed sales of $4.6 million and profit before tax of $0.1 million to the Group's results. During H2, the acquired business was integrated into the Group's existing operations. As a result of the integration of the acquired business's operations, systems, customers and cost base into the Group, it is impracticable to separately identify the revenue and profit or loss of the acquiree for the full year. Accordingly, the Group has not disclosed the post-acquisition revenue and profit or loss of the acquiree as required by AASB 3. The results of AHP are reported within the ANZ segment.

Transaction costs

Transaction costs of $0.1 million have been recognised as expenses and are included in administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Goodwill

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of AHP with those of the Group. The goodwill is allocated entirely to the ANZ segment. The goodwill is not deductible for income tax purposes.

c. Acquisition of Haju Medical

On 30 November 2025, Paragon Care Asia Pte. Ltd (formerly named Paragon Care Singapore Pte. Ltd), a wholly-owned subsidiary of Paragon Care Limited entered into an agreement for the proposed acquisition of 100% of the issued shares in PT Haju Medical Indonesia and Insightof Co., Ltd, (collectively 'Haju Medical').

On 1 April 2026, the Group completed the acquisition of Haju Medical. The transaction has been assessed to be a business combination under AASB3 Business Combinations ('AASB3')

Haju Medical is a leading provider of medical aesthetic services and technology in the Indonesian market. Established in 2014, Haju has consistently supported Indonesian clinics and dealers by providing marketing materials, product information and workshops led by respected aesthetic doctors and experts from South Korea. Additionally, Haju operates a buying house in South Korea to secure the best possible aesthetics products for export to Indonesia.

The acquisition will accelerate the Group's strategy of establishing a comprehensive Asian footprint, enabling ParagonCare to service OEM manufacturers across the entire APAC region. Haju is highly complementary to the business in Thailand, as well as the emerging aesthetics businesses in ANZ, the Philippines, Vietnam and Japan.

The values identified in relation to the acquisition are provisional as at 30 June 2026. Thus, the net assets acquired may need to be subsequently adjusted, with a corresponding adjustment to the provisional goodwill. The identification and finalisation of the fair values of assets acquired and liabilities assumed will be completed within 12 months of the acquisition date, at the latest.

Purchase consideration

	$'000
Cash paid	26,190
Contingent consideration liability (vendor conditional payable) – at fair value (provisional)	36,423
Total consideration	**62,613**

The contingent consideration is to be paid over 2 years (with annual payments commencing after 12 months of acquisition) and is subject to minimum EBITDA targets being achieved. The maximum undiscounted amount of contingent consideration payable under the acquisition agreement is $40.0 million, should the relevant EBITDA targets be achieved. Information necessary to complete the valuation, relating to conditions that existed at the acquisition date, is not yet available. Accordingly, the amount recognised remains provisional.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

The provisional fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Identifiable assets and liabilities acquired	Provisional fair value $'000
Cash and cash equivalents	2,617
Trade and other receivables	6,085
Inventories	9,447
Other assets	605
Property, plant and equipment	1,788
Trade and other payables	(4,340)
Deferred tax Liabilities	(93)
Contract liabilities	(146)
Income tax payable	(209)
Net assets acquired	**15,754**
Goodwill on acquisition (provisional)	46,859
Representing: Fair value of consideration (refer note above)	**62,613**

Revenue and profit contribution

From the date of acquisition (1 April 2026), Haju Medical contributed sales of $10.1 million and profit before tax of $4.6 million to the Group's results. The results of Haju Medical are reported within the Asia segment.

If the acquisition had occurred on 1 July 2025, the Group's revenue would have increased by $28.8 million and loss before tax would have been lower by $11.5 million.

Transaction costs

Transaction costs of $0.9 million have been recognised as expenses and are included in employee benefits expenses and administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Provisional goodwill

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Haju Medical with those of the Group. The goodwill is not deductible for income tax purposes.

d. Acquisition of Pacific Medical

On 6 February 2026, Paragon Care Asia Pte. Ltd (formerly named Paragon Care Singapore Pte. Ltd), a wholly-owned subsidiary of Paragon Care Limited entered into an agreement for the acquisition of 100% of the issued shares in Pacific Medical (Hong Kong) Company Limited (PMC HK) and MD Medical Logistics & Services Limited (MDM HK). Within the same SPA, PMC (ANZ) Pty Ltd (PMG ANZ) was acquired by Clifford Hallam Healthcare Pty Limited (collectively 'Pacific Medical').

Pacific Medical (PMC) is a Hong Kong–based medical products distributor and healthcare solutions provider that focuses on bringing innovative medical devices, equipment, and treatment technologies to the Hong Kong and Macau market. Over the past 24 years, they have built strong and lasting relationships with key customers, as well as an extensive distribution network throughout the region. PMC has a proven track record of successfully launching niche products and continues to strive for excellence in all aspects of their business. PMG ANZ has executed distribution agreements and is scheduled to commence commercial operations during the first half of FY27.

The acquisition will accelerate the Group's strategy of building a complete Asian footprint. PMC is a contract logistics business, very similar to the PGC Australian contract logistics business, as well as some OEM agreements. The main product groups are Interventional Cardiology and Oncology.

The values identified in relation to the acquisition are provisional as at 30 June 2026. Thus, the net assets acquired may need to be subsequently adjusted, with a corresponding adjustment to the provisional goodwill. The identification and finalisation of the fair values of assets acquired and liabilities assumed will be completed within 12 months of the acquisition date, at the latest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Purchase consideration

	$'000
Cash paid	3,343
Contingent consideration liability (vendor conditional payable) – at fair value (provisional)	8,041
Total consideration	**11,384**

Contingent consideration – PMC HK and MDM HK

The contingent consideration is to be paid over 2 years (with annual payments commencing after 12 months of acquisition) and is subject to minimum EBITDA targets being achieved. The maximum undiscounted amount of contingent consideration payable under the acquisition agreement is $5.5 million, should the relevant EBITDA targets be achieved. Information necessary to complete the valuation, relating to conditions that existed at the acquisition date, is not yet available. Accordingly, the amount recognised remains provisional.

Contingent consideration – PMG ANZ

Contingent consideration is payable based on 50% of the Gross Margin generated from new distribution agreements originated by PMG and signed before 1 July 2026. The contingent consideration is payable annually following the end of each calendar year ending 31 December 2026, 31 December 2027 and 31 December 2028 and is subject to the achievement of the relevant Gross Margin targets. The maximum undiscounted amount of contingent consideration payable under the arrangement is HKD $70 million (AUD $12.9 million), of which management has assessed the contingent liability to be $5.7 million.

The provisional fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Identifiable assets and liabilities acquired	Provisional fair value $'000
Cash and cash equivalents	4,752
Trade and other receivables	3,578
Inventories	852
Other assets	975
Property, plant and equipment	859
Trade and other payables	(10,194)
Contract liabilities	(152)
Net assets acquired	**670**
Goodwill on acquisition (provisional)	10,714
Representing: Fair value of consideration (refer note above)	**11,384**

Revenue and profit contribution

From the date of acquisition (6 February 2026), Pacific Medical contributed sales of $12.6 million and loss before tax of $0.2 million to the Group's results. The results of PMC HK and MDM HK are reported within the Asia segment. The results of PMG ANZ will be reported within the ANZ segment from the commencement of operations.

If the acquisition had occurred on 1 July 2025, the Group's revenue would have increased by $5.4 million and loss before tax would have been higher by $0.1 million.

Transaction costs

Transaction costs of $0.5 million have been recognised as expenses and are included in employee benefits expenses and administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Provisional goodwill

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Pacific Medical with those of the Group. The goodwill is not deductible for income tax purposes.

e. Other business combinations

During the year, the Group acquired control of a number of other businesses. The acquisitions were individually immaterial to the Group and have therefore been aggregated for disclosure purposes.

The values identified in relation to these acquisitions are provisional as at 30 June 2026. Thus, the net assets acquired may need to be subsequently adjusted, with a corresponding adjustment to the provisional goodwill. The identification and finalisation of the fair values of assets acquired and liabilities assumed will be completed within 12 months of the acquisition dates, at the latest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Purchase consideration

	$'000
Cash paid	7,542
Contingent consideration liability (vendor conditional payable) – at fair value (provisional)	800
Total consideration	**8,342**

The contingent consideration is to be paid over 2 years (with annual payments commencing after 3 months of acquisition) and is subject to minimum EBITDA targets being achieved. The maximum undiscounted amount of contingent consideration payable under the acquisition agreement is $0.8 million, should the relevant EBITDA targets be achieved. Information necessary to complete the valuation, relating to conditions that existed at the acquisition date, is not yet available. Accordingly, the amount recognised remains provisional.

The provisional fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Identifiable assets and liabilities acquired	Provisional fair value $'000
Cash and cash equivalents	202
Trade and other receivables	1,591
Inventories	3,579
Other assets	75
Property, plant and equipment	773
Right-of-use assets	72
Intangible assets	689
Deferred tax assets	85
Trade and other payables	(1,039)
Employee benefits	(1,074)
Lease liabilities	(511)
Net assets acquired	**4,442**
Goodwill on acquisition (provisional)	3,900
Representing: Fair value of consideration (refer note above)	**8,342**

Revenue and profit contribution

From the date of acquisition, the acquired businesses' contributed sales of $7.3 million and profit before tax of $0.4 million to the Group's results. The results of the other acquired businesses are reported within the ANZ segment.

If the acquisitions had occurred on 1 July 2025, the Group's revenue would have increased by $14.8 million and loss before tax would have been lower by $0.5 million.

Transaction costs

Transaction costs of $0.5 million have been recognised as expenses and are included in employee benefits expenses and administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Provisional goodwill

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of the acquisitions with those of the Group. The goodwill is not deductible for income tax purposes.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2026

Part 17 - Earnings per share

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Net earnings/(loss) after income tax attributable to the owners of ParagonCare	(16,028)	20,574

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	1,655,305,389	1,655,305,389
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share*	1,655,305,389	1,656,649,765

**All of the potential dilutive instruments are anti-dilutive in FY26 as the Group is in a loss position*

	Cents	Cents
Basic earnings/(loss) per share	(0.97)	1.24
Diluted earnings/(loss) per share	(0.97)	1.24

Part 18 - Events after the reporting period

Other than the developments in respect of the Infinity Group debt, refer to Part 11, no matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

We sincerely thank our valued customers and trusted suppliers for your continued support and partnership.

Your confidence in us drives our ongoing commitment in *enabling healthcare* by providing innovative solutions to patient care.

ParagonCare

Enabling Healthcare