

ASX ANNOUNCEMENT

16 April 2020

Capitol Health Raises \$29.8m in Placement to Institutional Investors

Capitol Health Limited (“Capitol” or “Company”) (ASX: CAJ) is pleased to announce that it has successfully raised \$29.8m in a strongly supported placement to institutional investors.

Key Highlights:

- **Capital of \$29.8m has been raised under the Placement, representing 186,498,879 fully paid ordinary shares (“New Shares”) at an issue price of \$0.16 (16 cents) (“Issue Price”) which will be issued on 21 April 2020 after the settlement date on 20 April 2020.**
- **Proceeds will be used to strengthen balance sheet flexibility during the current macroeconomic uncertainty, reduce net debt, and fund potential future acquisitions and other growth initiatives.**

The funds raised under the Placement strengthen the Company’s balance sheet flexibility and will support the business during the current macroeconomic uncertainty, increase liquidity and reduce its net debt. The COVID-19 environment provides a unique opportunity to capitalise on current identified opportunities as well as additional initiatives in line with the Company’s three-year strategic plan.

Managing Director Justin Walter commented “We are pleased to see that the Company has been strongly supported by its long-term investors. During the current financial year, the Company strived to deliver excellent results to its shareholders, with half-year revenue and underlying EBITDA increasing by \$8.2m and \$1.8m respectively. However, the COVID-19 Pandemic has had a material impact on clinic attendance and revenue of circa 40% at the beginning of April. This capital raise, as announced on 14 April 2020, places CAJ in a position of strength and enables the Company to patiently pursue its organic growth and acquisitive strategy.”

Placement

New Shares under the Placement will be issued on 21 April 2020 subject to settlement of funds on 20 April 2020. 108,358,605 New Shares will be issued under the Company’s placement capacity under Listing Rule 7.1 while the remaining 78,140,274 New Shares will be issued under the ASX Class Waiver “Temporary Extra Placement Capacity”.

The New Shares will rank equally with existing fully paid ordinary shares of the Company.

Shaw and Partners Limited is acting as Lead Manager to the Capital Raising.

Share Purchase Plan

The Company will now proceed with the SPP component of the Capital Raising. Participation in the SPP is optional and will be opened to shareholders who were registered holders of Shares at 7:00pm AEST on 14 April 2020, and whose registered address is in Australia or New Zealand. The SPP represents a material component of the total raise in order to allow retail shareholders every opportunity to participate. No brokerage or transaction costs will be payable by subscribing shareholders. Full details of the SPP will be set out in the SPP Offer Booklet which is expected to be released to ASX and despatched to eligible shareholders on Wednesday 22 April 2020.

The Key Dates for the Placement and SPP are as follows:

SPP Record Date	Tuesday, 14 April 2020
Trading Halt	Tuesday, 14 April 2020
Institutional Placement Bookbuild Open	Tuesday, 14 April 2020
Institutional Placement Bookbuild Close (firm and irrevocable bids due) (2.00pm)	Wednesday, 15 April 2020
Trading resumes on ASX	Thursday, 16 April 2020
Institutional Placement Settlement Date	Monday, 20 April 2020
Institutional Placement Allotment Date	Tuesday, 21 April 2020
Quotation of New Shares issued under Institutional Placement	Wednesday, 22 April 2020
Expected SPP Offer opening date and despatch of SPP Offer Booklet	Wednesday, 22 April 2020
Expected SPP closing date	Wednesday, 13 May 2020
Announcement of results of SPP	Thursday, 14 May 2020
SPP Allotment Date	Wednesday, 20 May 2020
New Shares issued under SPP commence normal trading on ASX	Thursday, 21 May 2020

The timetable above is indicative only and can be changed from time to time by the Company.

For further information, please contact:

Marcell Judkins
Chief Financial Officer
(03)9348 3333
investors@capitolhealth.com.au

This announcement is authorised for release to the market by the Board of Directors of Capitol Health Limited.

About Capitol Health

Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria, the Company owns and operates clinics throughout Victoria, Tasmania, and Western Australia. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.

Capitol also has an investment in diagnostic imaging artificial intelligence through Enlitic Inc in the US.