



ASX & MEDIA RELEASE

Integral Diagnostics and Capitol Health enter into a Merger Process Deed aimed at creating an ANZ leader in Diagnostic Imaging

17 June 2024, Melbourne

Highlights

- The Proposed Merger would create a leader in diagnostic imaging across ANZ, with materially larger scale, an enhanced clinical offering and greater ability to invest in growth for the benefit of our combined patients, doctors and shareholders
- Under the Proposed Merger, Capitol shareholders would receive 0.12849 Integral shares per Capitol share, implying c. 63% pro forma ownership of the combined group for Integral shareholders
- Following mutual value-confirming due diligence, Integral and Capitol have identified at least \$10 million of anticipated annual pre-tax net cost synergies
- The Merger Ratio values Capitol at an enterprise value of \$413 million and represents an EV / FY25F EBITDA multiple of 8.1x (including pro forma anticipated annual pre-tax net cost synergies) and 10.0x (before synergies)
- The Proposed Merger is expected to deliver double-digit pro forma EPS accretion to Integral shareholders in FY25 (including pro forma anticipated annual pre-tax net cost synergies)
- Subject to further confirmatory due diligence and entry into binding transaction documentation, Capitol's Board intends to unanimously recommend the Proposed Merger¹

Transaction Overview

Integral Diagnostics Limited (ASX:IDX) (**Integral**) is pleased to announce that it has entered into a merger process deed (**Merger Process Deed**) in relation to a potential merger with Capitol Health Limited (ASX:CAJ) (**Capitol**) by way of scheme of arrangement (**Proposed Merger**).

Under the Proposed Merger, Capitol shareholders would receive 0.12849 Integral shares per Capitol share (**Merger Ratio**). Following the Proposed Merger, Integral shareholders would own c. 63%, and Capitol shareholders would own c. 37% of the combined group.²

Under the Merger Process Deed, Integral and Capitol have agreed to work together in good faith to complete confirmatory due diligence and finalise and enter into a binding agreement to implement the Proposed Merger (**Implementation Deed**) during a 4-week period of mutual exclusivity. The Implementation Deed is expected to be subject to customary conditions and regulatory approvals for a transaction of this kind, including Capitol shareholder approval.

Capitol's Board have confirmed that, subject to completion of confirmatory due diligence and entry into the Implementation Deed, each director intends to recommend to Capitol Shareholders to vote in favour of the Proposed Merger.¹

¹ In the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the transaction is in the best interest of Capitol shareholders

² Based on 234.0 million Integral shares on issue (on an undiluted basis) and 1,074.4 million Capitol shares on issue (on a fully diluted basis, excluding out-of-the-money options)

The announcement of the Merger Process Deed follows the provision of a non-binding indicative proposal by Integral to Capitol regarding the Proposed Merger and a subsequent period of collaborative engagement and value-confirming due diligence conducted between Integral and Capitol.

Dr Ian Kadish, MD and CEO of Integral said: “We are pleased to have reached this milestone in respect of the Proposed Merger of Australia’s only listed pure-play diagnostic imaging practices. The merger would create a scalable platform that would unlock significant value for stakeholders of both Integral and Capitol, including patients, doctors and shareholders. The potential combination of the two businesses is compelling and logical and would see us create a leading player in Australian and New Zealand diagnostic imaging, with the scope and scale to transform the industry. Integral has benefitted significantly from acquisitions over time and the Proposed Merger is one that would be transformative, driving a step-change in Integral’s scale, capabilities and clinical outcomes.”

“We believe now is the right time to come together and we look forward to working closely with the Capitol team to agree and consummate this transaction that will better position both our businesses for the exciting future ahead.”

Whilst substantial mutual value-confirming due diligence has been conducted to date, Integral notes that there is no certainty that the Proposed Merger will proceed or that the Merger Process Deed will result in a binding offer by Integral for Capitol.

Overview of Capitol Health

Capitol is a leading provider of diagnostic imaging modalities and related services to the Australian healthcare market. It operates 65 clinics throughout Victoria, Tasmania, Western Australia, and South Australia. While trading primarily under its flagship brand, Capital Radiology, it also trades as Imaging@Olympic Park, Radiology Tasmania, Fowler Simmons Radiology, Womens’ Imaging, Direct Radiology and Future Medical Imaging Group.

Overview of the offer under the Proposed Merger

Based on Integral’s closing share price of \$2.540 as at 14 June 2024, the Merger Ratio of 0.12849 Integral shares per Capitol share implies:

- an offer price of \$0.3264 per Capitol share;
- an equity value of approximately \$350.6 million for Capitol³; and
- an enterprise value of \$413.2 million for Capitol⁴;

and represents:

- an EV / FY25F EBITDA multiple of 8.1x (including pro forma anticipated annual pre-tax net cost synergies)⁵;
- an EV / FY25F EBITDA multiple of 10.0x (before synergies)⁵;

³ Implied equity value based on implied offer price of \$0.3264 per share multiplied by 1,074.4 million Capitol shares on issue (on a fully diluted basis, excluding out-of-the-money options)

⁴ Enterprise value is calculated as equity value plus net debt of \$62.9 million as at 31 December 2023 on a pre-AASB 16 basis less non-controlling interests of \$0.3 million as at 31 December 2023

⁵ Based on Capitol’s pre-AASB 16 median broker consensus FY25F EBITDA of \$41.2 million as at 14 June 2024, which includes a \$13.9 million AASB 16 adjustment. AASB 16 adjustment is based on Capitol’s FY23A impact, calculated as cash payment of lease liabilities (~\$12.3 million) + lease interest (~\$1.7 million). Seven broker earnings forecasts have been used to determine the consensus median, with a date range of 29 February 2024 to 4 June 2024. These brokers were selected on the basis of all broker research reports publicly available to Integral as at 14 June 2024. Pro forma anticipated annual pre-tax net cost synergies of \$10 million included in the post-synergies multiple

- an EV / FY24F EBITDA multiple of 9.2x (including pro forma anticipated annual pre-tax net cost synergies)⁶;
- an EV / FY24F EBITDA multiple of 11.8x (before synergies)⁶;
- a 33% premium to Capitol's last close share price on 14 June 2024 of \$0.245;
- a 28% premium based on the 1-month volume-weighted average prices (VWAP) of Capitol and Integral⁷;
- a 27% premium based on the 3-month VWAPs of Capitol and Integral⁷; and
- a 14% premium based on the 6-month VWAPs of Capitol and Integral.⁷

If the Proposed Merger proceeds, Integral and Capitol shareholders would be expected to own approximately 63% and 37% respectively of the combined group's shares, based on the current number of shares on issue.²

Attractive strategic rationale and financial benefits

If it proceeds, the Proposed Merger would capitalise on the established standalone and highly complementary capabilities of Integral and Capitol to create a market leader in the Australian and New Zealand diagnostic imaging market, delivering significant strategic and financial benefits including:

Significantly enhanced scale

- Combination of two highly complementary footprints into a more geographically diversified portfolio, providing Capitol shareholders with exposure to the Queensland and New Zealand markets and enhanced presence in the Victorian and Western Australian markets
- Combined group would have a materially greater financial profile, with approximately \$651 million in pro forma FY23 revenue and \$93 million in pro forma FY23 EBITDA⁸
- Nationwide footprint of 155 clinics supported by more than 350⁹ radiologists and c. 3,000 employees

Platform to drive best-in-class clinical outcomes for patients, doctors and referrers

- Deep clinical expertise across a wider network, promoting sub-specialty reporting and peer review opportunities to ensure the highest service quality
- Ability to leverage Integral's advanced AI-enabled clinical technology, driving doctor productivity gains, improving accuracy and reducing turnaround times for patients whose lives depend on it
- Advanced clinical governance framework and increased training, fellowship and research opportunities for radiologists

Financially attractive opportunity

- At least \$10 million of anticipated annual pre-tax net cost synergies¹⁰ identified following due diligence

⁶ Based on Capitol's pre-AASB 16 median broker consensus FY24F EBITDA of \$35.0 million as at 14 June 2024, which includes a \$13.9 million AASB 16 adjustment and is based on the broker earnings forecasts available to Integral (as outlined in footnote 5). Pro forma anticipated annual pre-tax net cost synergies of \$10 million included in the post-synergies multiple

⁷ VWAPs calculated to close of trading on 14 June 2024, being the last day of trading for Integral and Capitol prior to this announcement. For the avoidance of doubt, these premia are based on implied offer prices which are calculated by multiplying Integral's relevant VWAP by the Merger Ratio. Integral's 1-month, 3-month and 6-month VWAPs are \$2.427, \$2.390 and \$2.178 respectively. Implied offer prices using Integral's 1-month, 3-month and 6-month VWAPs are \$0.312, \$0.307 and \$0.280 respectively. Capitol's 1-month, 3-month and 6-month VWAPs are \$0.243, \$0.241 and \$0.245 respectively

⁸ EBITDA on a pre-AASB 16 basis

⁹ Including contractor radiologists

¹⁰ Synergies of at least \$10 million reflect the annualised (run-rate) synergies that would be expected to be achieved at the end of year 2 post-completion

- Including the pro forma impact of anticipated annual pre-tax net cost synergies, the Proposed Merger is expected to deliver double-digit pro forma EPS accretion to Integral shareholders in FY25

Well-positioned for future growth

- Improved ability to invest in costly higher-end imaging modalities, including MRI, PET and CT
- Opportunity to grow teleradiology volumes by offering Integral's leading platform, IDXt, to Capitol radiologists
- Pro forma leverage of 2.6x (including the impact of pro forma anticipated annual pre-tax net cost synergies)¹¹ and trending downwards, and a strong financial position to pursue further value-accretive investments, including M&A

Board and Management Arrangements

Under the Proposed Merger, Dr Ian Kadish would be CEO of the combined group and two independent directors from Capitol would be invited to join the Integral Board. Mr Justin Walter, MD and CEO of Capitol, would be offered the transitional role of Chief Integration Officer, whereby he would be tasked with driving the successful integration of the two businesses.

Next steps

The Merger Process Deed grants both parties a 4-week exclusivity period to complete confirmatory due diligence and agree an Implementation Deed, which is expected to be subject to customary conditions and regulatory approvals standard for a transaction of this kind, including unanimous recommendation from the Capitol Board (subject to customary exceptions) and approval by Capitol shareholders and the Court (but not, for the avoidance of doubt, by Integral shareholders).

Integral has retained Barrenjoey Capital Partners and Jefferies Australia as financial advisers and Herbert Smith Freehills as legal adviser in connection with the Proposed Merger.

A copy of the Merger Process Deed is attached to this announcement.

IDX Announcement: Investor and analyst conference call

Integral's MD & CEO, Dr Ian Kadish, and CFO, Craig White, will be holding an investor and analyst conference call at 11AM AEST today.

For those wishing to dial into the call, please register for the call through the following link:

<https://s1.c-conf.com/diamondpass/10039847-Uhdgww.html>

Alternatively, at the time of the call, dial your respective number below and provide conference ID 10039847 to the operator, noting there may be wait times:

AUSTRALIA: 1800 809 971

AUSTRALIA Local: 02 9007 3187

¹¹ Based on Integral and Capitol pre-AASB 16 net debt as at 31 December 2023, Integral and Capitol pre-AASB 16 median broker consensus FY24F EBITDA as at 14 June 2024 of \$73.4 million and \$35.0 million respectively (which includes a \$19.3 million AASB 16 adjustment to Integral's EBITDA based on FY23A impact and \$13.9 million AASB 16 adjustment to Capitol's EBITDA per footnote 5), \$10 million of pro forma anticipated pre-tax net cost synergies and assumed one-off transaction costs. Fourteen broker earnings forecasts have been used to determine the consensus median for Integral, with a date range of 20 February 2024 to 4 June 2024. These brokers were selected on the basis of all broker research reports publicly available to Integral as at 14 June 2024. Refer to footnote 5 for details on the basis for Capitol's broker forecasts

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Authorised for lodgement by the Integral Diagnostics Board of Directors.

About IDX:

Integral Diagnostics (IDX) is a leading provider of medical imaging services across Australia and New Zealand. IDX employs some of Australasia's leading radiologists and diagnostic imaging specialists in a unique medical leadership model that ensures quality patient care, service and access. Good medicine is good business. For more information, please visit www.integraldiagnostics.com.au/.

FORWARD-LOOKING STATEMENTS

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of IDX, its directors and management, including any further impacts of COVID-19 on IDX's continued trading and operations. This includes statements about market and industry trends, which are based on interpretations of current market conditions. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of IDX's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of IDX or its representatives assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to IDX as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of IDX or its representatives undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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HERBERT
SMITH
FREEHILLS

Deed

Execution version

Process Deed

Integral Diagnostics Limited

Capitol Health Limited

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Process Deed

Date ▶17 June 2024

Between the parties

IDX **Integral Diagnostics Limited**
ACN 130 832 816
of Suite 9.02, Level 9, 45 William Street, Melbourne VIC 3000

Capitol **Capitol Health Limited**
ACN 117 391 812
of Level 2, 288 Victoria Parade, East Melbourne VIC 3002

Recitals

- 1 IDX and Capitol have agreed indicative terms to give effect to the Proposed Transaction as set out in the Merger Proposal.
- 2 The parties have agreed to progress the Proposed Transaction on the terms and conditions of this deed.

This deed witnesses as follows:

1 Definitions and interpretation

(a) In this deed:

Business Day means a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Melbourne Victoria, Australia.

Competing Proposal in relation to a party, means any expression of interest, proposal, offer, arrangement or transaction which, if entered into or completed, would result in a Third Party (either alone or together with any associate):

- 1 directly or indirectly acquiring a Relevant Interest in, or having a right to acquire a Relevant Interest in, 20% or more of the party's issued securities;
- 2 acquiring Control of the party;
- 3 directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or substantially all of the business or assets of the party or the group of entities of which that party is the holding company;



- 4 otherwise directly or indirectly acquiring, or merging with, the party; or
- 5 other than as referred to, or as a result of paragraphs 2, 3 or 4 above, requiring the party to abandon, or otherwise fail to proceed with, the Proposed Transaction,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.

Confidentiality Deed means the confidentiality deed between the parties dated 10 May 2024 (and any amendment of that deed) including the Competition Protocol which is contemplated by that deed.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Exclusivity Period means the period commencing on the execution of this deed and ending on the earlier of:

- 1 11:59pm on the date that is 4 weeks after the date of this deed; and
- 2 entry into a definitive document by the parties to implement the Proposed Transaction.

Implementation Deed means a deed to be entered into by IDX and Capitol whereby the parties agree to implement the Proposed Transaction, which deed will reflect the terms set out in the Merger Proposal and otherwise include customary terms and conditions for such a deed.

JV Partner means:

- 1 in respect of IDX, each shareholder in Med-IDX Pty Ltd ACN 646 707 244, other than IDX; and
- 2 in respect of Capitol, each shareholder in Imaging @ Olympic Park Pty Ltd ACN 132 368 524, Capital Radiology (Pakenham) Pty Ltd ACN 650 965 834, Adrad Investments SA Pty Ltd ACN 628 040 273, Capital Radiology (EPH) Pty Ltd ACN 660 814 031 or Capital Heart Pty Ltd ACN 649 831 943, other than a related entity of Capitol.

Merger Proposal means the indicative terms to give effect to the Proposed Transaction (including the assumptions on which such terms are based) agreed in writing between the parties on or prior to the date of this deed.

Merger Proposal Change Notice has the meaning given in clause 3.6(a).

Proposed Transaction means the proposed acquisition by IDX of all of the ordinary shares in Capitol in exchange for new ordinary shares in IDX, by scheme of arrangement.

Related Entity means, in respect of an entity (the first entity):

- 1 a subsidiary of the first entity;
- 2 an entity of which the first entity is a subsidiary; or
- 3 a subsidiary of another entity of which the first entity is also a subsidiary.

Related Person means:



- 1 a Related Entity of a party;
- 2 in respect of a party or its Related Entity, each director, officer, employee, advisor, agent or representative of that party or of its Related Entity; and
- 3 in respect of an adviser, each director, officer, employee or contractor of that adviser.

Relevant Interest has the meaning given in the Corporations Act.

Superior Proposal in relation to a party, means a bona fide Competing Proposal:

- 1 of the kind referred to in any of paragraphs 2, 3 or 4 of the definition of Competing Proposal; and
- 2 not resulting from a breach by that party or any of its Related Persons of any of its obligations under clause 4 of this deed,

that the board of directors of that party, acting in good faith, and after receiving advice from its financial and legal advisers, determines:

- 3 is reasonably capable of being valued and completed in a reasonable timeframe in accordance with its terms; and
- 4 would, if completed substantially in accordance with its terms, be more favourable to the shareholders of that party (as a whole) than the Proposed Transaction,

in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent or other matters affecting the probability of the Competing Proposal being completed) and of the Proposed Transaction.

Termination Notice has the meaning given in clause 3.6(b).

Third Party means a person other than IDX or Capitol (or a Related Entity of IDX or Capitol).

- (b) In this deed:
- (1) a reference to a clause is a reference to a clause in this deed;
 - (2) the singular includes the plural and the plural includes the singular; and
 - (3) specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.
- (c) Terms defined in the Corporations Act shall have the same meaning in this deed, unless the context requires otherwise.

2 Confidentiality Deed

The parties acknowledge and agree that the Confidentiality Deed continues to have full force and effect and that all information provided pursuant to this deed will be provided on, and subject to, the terms of the Confidentiality Deed.



3 Proposed Transaction

3.1 Intention to recommend

Capitol represents and warrants to IDX that each Capitol director has confirmed that he or she intends as at the date of this deed, and subject to entry into the Implementation Deed, to:

- (a) recommend to each Capitol shareholder to vote; and
- (b) vote, or cause to be voted, all ordinary shares in Capitol which he or she holds or controls,

in favour of the Proposed Transaction, in the absence of a Superior Proposal and subject to an independent expert concluding (and continuing to conclude) that the Proposed Transaction is in the best interests of Capitol shareholders.

3.2 Due diligence and Implementation Deed

- (a) The parties agree to negotiate in good faith an Implementation Deed (and any other transaction documentation required to implement the Proposed Transaction) to enable an Implementation Deed to be finalised and signed before the expiry of the Exclusivity Period.
- (b) Each party agrees that it will commit all reasonably necessary resources (including management and financial, legal and other professional advisory resources) to enable:
 - (1) the other party to complete its due diligence investigations in relation to the first party; and
 - (2) an Implementation Deed (and any other transaction documentation required to implement the Proposed Transaction) to be prepared, negotiated, finalised and signed, before the expiry of the Exclusivity Period.
- (c) Each party warrants that, as at the date of this deed, as far as it is aware:
 - (1) all information made available to the other party in response to the other party's enquiries has been collated with all reasonable care and skill and is accurate in all material respects and not materially misleading (including by omission); and
 - (2) other than in accordance with the terms of the Confidentiality Deed, it has not withheld information from the other party in relation to the matters or areas of enquiry described in the phase 1 RFI register initialled for identification by the parties at the time of execution of this deed which would, or could reasonably be expected to be, material to the other party's assessment of whether to proceed with the Proposed Transaction on the terms set out in the Merger Proposal.

3.3 Conduct of business

Subject to clause 3.4, during the Exclusivity Period, each party:

- (a) must conduct its business and operations, and cause each of its Related Entities to conduct its respective business and operations, in the ordinary and usual course; and



- (b) must not:
- (1) issue shares or securities convertible into shares, other than an issue in the ordinary course and consistent with past practice under that party's equity incentive plan in place at the date of this deed;
 - (2) acquire or dispose of any business, assets, entity or undertaking, the value of which exceeds \$5 million (individually or in aggregate);
 - (3) enter into or vary any contract or commitment with a JV Partner or make any payment to a JV Partner, other than in accordance with the arrangements disclosed to the other party prior to the date of this deed; or
 - (4) agree to do any of the above.

3.4 Exceptions

Nothing in clause 3.3 restricts the ability of a party or its Related Entity to take any action which:

- (a) is required in order to comply with its obligations under this deed;
- (b) is expressly permitted by clause 4;
- (c) has been agreed to in writing by the other party;
- (d) is required by any applicable law, regulation or by a government agency; or
- (e) is required to reasonably and prudently respond to an emergency, cyberattack or disaster.

3.5 No restrictions on other arrangements

For the avoidance of doubt the parties acknowledge and agree that nothing in this deed constitutes an obligation or commitment on the part of either party to proceed with the Proposed Transaction, it being acknowledged and agreed that neither party will be obliged to commit to proceed with the Proposed Transaction until and unless an Implementation Deed is executed.

3.6 Merger Proposal

- (a) If, at any time during the Exclusivity Period, IDX:
- (1) determines that it will cease to pursue the Proposed Transaction; or
 - (2) determines that it will pursue the Proposed Transaction on terms that are less favourable to Capitol and / or Capitol shareholders than those set out in the Merger Proposal (or has made a proposal to Capitol to that effect),

it must notify Capitol in writing as soon as reasonably practicable and in any event within 48 hours of making such determination (such notice being a **Merger Proposal Change Notice**).

- (b) On receipt of a Merger Proposal Change Notice Capitol may, in its sole discretion, determine to terminate this deed by providing written confirmation of such termination to IDX (**Termination Notice**).



4 Exclusivity

4.1 No existing discussions

Each party represents and warrants to the other party that, as at the execution of this deed, neither it nor any of its Related Persons:

- (a) is party to any agreement, arrangement or understanding with a Third Party in relation to a Competing Proposal; or
- (b) is in any negotiations or discussions, and has terminated any existing negotiations or discussions, with a Third Party in relation to a Competing Proposal.

4.2 No shop

During the Exclusivity Period, each party must not, and must procure that each of its Related Persons do not, directly or indirectly, solicit, initiate or invite any inquiry, offer or proposal from a Third Party, in relation to, or which would reasonably be expected to lead to the making of, a Competing Proposal, or otherwise communicate any intention to do any of those things.

4.3 No talk

Subject to clause 4.5, during the Exclusivity Period, each party must not, and must procure that each of its Related Persons, do not, directly or indirectly:

- (a) participate in any negotiations or discussions with respect to any inquiry, offer or proposal by a Third Party, in relation to, or which would reasonably be expected to lead to the making of, a Competing Proposal; or
- (b) negotiate, accept or enter into any agreement, arrangement or understanding with a Third Party in relation to a Competing Proposal.

4.4 No due diligence

Subject to clause 4.5, during the Exclusivity Period, each party must not, and must procure that each of its Related Persons do not, directly or indirectly:

- (a) allow any Third Party to undertake due diligence investigations on the party or the operations or assets of the party and its Related Entities;
- (b) make available to any Third Party, or permit any Third Party to receive, any non-public information; or
- (c) make available to any Third Party, or permit any Third Party to have access to, any officers or employees of, or premises used, leased, licenced or owned by, the party or any of its Related Entities,

with a view to obtaining from a Third Party, or for the purposes of a Third Party developing, or assisting in the development of, a Competing Proposal.

4.5 Fiduciary exception

Clauses 4.3 and 4.4 do not prohibit any action or inaction taken by a party or any of its Related Persons in relation to a Competing Proposal where the board of directors of that party, acting in good faith, determines:



- (a) after consultation with its financial and legal advisers, that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving advice from its legal adviser, that the failure to take or not take such action would likely breach the fiduciary or statutory duties of the directors of that party,

provided that the Competing Proposal was not brought about by a breach of clause 4.2.

4.6 Notification obligation

- (a) During the Exclusivity Period, each party must notify the other in writing as soon as reasonably practicable if it or any of its Related Persons becomes aware of any:
 - (1) approach or proposal made to the party in connection with a Competing Proposal; or
 - (2) negotiations, discussions or other communications occurring in relation to a Competing Proposal.
- (b) A notification given under clause 4.6(a) must include all material terms and conditions of the Competing Proposal (including details of the proposed price or implied value, timing and the identity of the Third Party making the Competing Proposal) to the extent known by the party or its Related Persons.

5 General

5.1 Acknowledgement

Each party acknowledges and agrees that this deed is not intended to constitute, and does not constitute, an offer capable of acceptance or to otherwise give rise to a binding contract to proceed with the Proposed Transaction.

5.2 Termination

- (a) This deed automatically terminates on the earlier of:
 - (1) the expiry of the Exclusivity Period;
 - (2) the execution of an Implementation Deed; and
 - (3) the date of a Termination Notice.
- (b) On termination of this deed, each party is released from its obligations under this deed, except:
 - (1) the rights and claims of the parties that accrued before termination; and
 - (2) clauses 1 and 5.

5.3 Compliance with law

- (a) If it is determined by a court, or the Takeovers Panel, that the agreement by the parties under clause 4 or any part of it:



- (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the IDX or Capitol board;
 - (2) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (3) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) the relevant party will not be obliged to comply with that provision of clause 4.
- (b) Each party must not make or cause to be made, any application to a court or the Takeovers Panel for, or in relation to a determination referred to in this clause 5.3.

5.4 Notices

- (a) Any notice or other communication, including any request, demand, consent or approval (**Notice**), to or by a party to this deed must be:
 - (1) in writing and in English and signed by or on behalf of the sending party; and
 - (2) addressed to the receiving party in accordance with the details set out below (or any alternative details nominated by the receiving party by Notice).

Party	Address	Addressees	Email
IDX	Suite 9.02, Level 9, 45 William Street, Melbourne VIC 3000	Ian Kadish	ikadish@idxgroup.com.au
Capitol	Level 2, 288 Victoria Parade, East Melbourne VIC 3002	Justin Walter	j.walter@capitolhealth.com.au

A Notice is regarded as being given by the sender and received by the addressee:

- (a) if by delivery in person, when delivered to the addressee;
- (b) if by post, on delivery to the addressee; or
- (c) if by email, when the email (including any attachment) has been sent to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been addressed to the addressee),

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is regarded as received at 9.00am on the following Business Day.

5.5 Variation

A variation of any term of this deed must be in writing and signed by the parties.



5.6 Entire agreement

This deed states all the express terms agreed by the parties in respect of its subject matter and supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

5.7 Governing law

This document is a deed and is governed by the laws of Victoria, Australia and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5.8 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument. Subject to applicable law, a counterpart may be signed electronically and may be in hard copy or electronic form.

For personal use only



Signing page

Executed as a deed

IDX

Signed sealed and delivered by
Integral Diagnostics Limited
by

sign here ▶ John James Merity
John James Merity (Jun 17, 2024 06:54 GMT+10)
Company Secretary/Director

sign here ▶ Ian Kadish
Ian Kadish (Jun 17, 2024 00:09 GMT+10)
Director

print name John James Merity

print name Ian Kadish

Capitol

Signed sealed and delivered by
Capitol Health Limited
by

sign here ▶ _____
Company Secretary/Director

sign here ▶ _____
Director

print name _____

print name _____

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Signing page

Executed as a deed

IDX

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Integral Diagnostics Limited
by

sign here ▶ _____
Company Secretary/Director

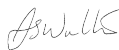
sign here ▶ _____
Director


print name _____

print name _____

Capitol

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Capitol Health Limited
by

sign here ▶ 
Director

sign here ▶ 
Director

print name Justin Walter

print name Andrew Demetriou

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