

ASX ANNOUNCEMENT

2 December 2024

Scheme Meeting – Chair Address

Capitol Health Limited ACN 117 391 812 (ASX: CAJ) (**Capitol**) refers to the proposed merger with Integral Diagnostics Limited ACN 130 832 816 (ASX: IDX) (**IDX**) by way of a scheme of arrangement (**Scheme**).

In accordance with ASX Listing Rule 3.13.3, attached to this announcement are the following documents to be presented at Capitol's Scheme Meeting (to be held in person at **11.00am** (AEDT) today, being **Monday, 2 December 2024**):

- a copy of the address to be delivered by the Chair at the Scheme Meeting; and
- the Scheme Meeting presentation slides.

Capitol Shareholders (or their proxies, attorneys or corporate representatives) will be able to attend and vote at the Scheme Meeting in person at Maddocks, Level 25, Tower Two, 727 Collins Street, Melbourne 3008.

Further information in relation to the Scheme and how to participate and vote at the Scheme Meeting is set out in the Scheme Booklet released to the ASX on 24 September 2024 (which includes the Notice of Scheme Meeting). Capitol Shareholders are encouraged to read the Scheme Booklet (including the Independent Expert's Report) in full before making a decision on how to vote at the Scheme Meeting.

The voting results of the Scheme Meeting will be communicated to the ASX shortly after the conclusion of the Scheme Meeting.

Shareholder Information Line

If Capitol Shareholders have any questions in relation to the Scheme Booklet, the Scheme or their shareholding, they are encouraged to contact Capitol's Scheme Information Line on 1300 441 601 (within Australia) or +61 2 9698 7164 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 7.00pm (AEDT).

Capitalised terms used but not defined in this letter have the defined meanings set out in the Scheme Booklet, unless the context otherwise requires.

For further information, please contact:

Melanie Leydin
Company Secretary
T: (03) 9692 7222
E: Melanie.leydin@vistra.com

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

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, South Australia 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 its patients.

2024 SCHEME MEETING – CHAIR ADDRESS

SCHEME MEETING OF SHAREHOLDERS**to be held at 11.00AM (Melbourne time) on Monday, 2 December 2024****at the offices of Maddocks, Level 25, Tower 2, 727 Collins Street, Melbourne Victoria*****Overview of the Scheme***

As you know, the Company announced on 18 July 2024 that it had entered into a merger implementation deed with IDX under which, it is proposed that IDX will acquire all of the Capitol Shares on issue by way of a scheme of arrangement.

The Scheme Booklet, which was sent to Capitol Shareholders includes, among other things, an overview of the Scheme and the key considerations relevant to each shareholder's vote, including reasons to vote in favour of, or against, the Scheme, as well as the risks associated with the Scheme, a summary of Australian tax implications and a notice convening today's meeting. The Scheme Booklet, including its annexures, will be taken as read.

If the Scheme is approved and implemented, Capitol Shareholders (other than Ineligible Shareholders) will receive 0.12849 New IDX Shares for each Capitol Share held at the Scheme Record Date.

As explained in Section 7.5 of the Scheme Booklet, Ineligible Shareholders (being Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders) will receive either the Net Proceeds of the sale by the Sale Agent of, or a cash amount based on the market value of, the New IDX Shares to which they would have otherwise been entitled.

A Capitol Shareholder will be an Ineligible Foreign Shareholder if their registered address as shown in Capitol's Share Register at the Scheme Record Date is outside of Australia (or its external territories) or New Zealand (unless IDX determines that it is lawful and not unduly onerous or impracticable to issue them with New IDX Shares).

A Capitol Shareholder will be an Unmarketable Parcel Shareholder if, based on their holding of Scheme Shares, they would on implementation of the Scheme be issued with less than \$500 worth of New IDX Shares under the Scheme (assessed by reference to the price of IDX Shares on ASX at the close of trade on the trading day prior to the Scheme Record Date) as Scheme Consideration.

As was set out in Capitol's announcement to the ASX on 29 November 2024, Capitol and IDX have agreed amendments to the Scheme to provide adequate time for Capitol's share registry to process and pay to Unmarketable Parcel Shareholders who have not validly elected to receive New IDX Shares, a cash amount equal to the market value of the New IDX Shares that would have otherwise been issued to those shareholders. Court approval of these amendments will be sought at the Second Court Hearing.

Under the proposed amendments to the Scheme, the market value of the New IDX Shares will be calculated using the VWAP of IDX Shares for the 5 trading days from the Second Court Date (rather than the VWAP of IDX Shares for the 5 trading days before the Implementation Date as is currently the case). It is also proposed that payment to the relevant Unmarketable Parcel Shareholders will not take place on the Implementation Date and prior to the transfer of the Capitol Shares to IDX (as currently provided under the Scheme) but will now take place as soon as practicable after the Implementation Date but no later than 3 Business Days after the Implementation Date.

On implementation of the Scheme, Capitol Shareholders will own approximately 37% of the Merged Group (assuming there are no Ineligible Shareholders).

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2024 SCHEME MEETING – CHAIR ADDRESS

Conditions Precedent

Implementation of the Scheme is subject to certain conditions precedent, details of which are set out in Section 13.4 of the Scheme Booklet.

As at the date of this Scheme Meeting, the Conditions that remain outstanding are:

- Shareholder approval of the scheme at today's Scheme Meeting by the Requisite Majorities;
- Approval of the Scheme by the Federal Court of Australia;
- Informal merger clearance from the Australian Competition and Consumer Commission (ACCC); and
- Certain other customary conditions precedent, such as there being no Material Adverse Change and no Prescribed Occurrence in respect of Capitol or IDX.

If the outstanding Conditions are not satisfied, or waived (where capable of waiver), the Scheme will not proceed, and Capitol will continue as a standalone entity listed on the ASX.

Subject to my next point, the Capitol Board is not aware of any circumstances to date that would prevent any of the outstanding Conditions being satisfied.

At the date of this Scheme Meeting, ACCC approval has not been received. Capitol has been informed by IDX that IDX is continuing to consult with the ACCC in relation to the proposed divestment of Capitol's Melton clinic to address concerns raised by the ACCC.

The ACCC has not provided a date on which it will provide its decision, but Capitol anticipates that this will be in December. Once the ACCC approval is obtained, and subject to the shareholders approving the Scheme at this meeting, Capitol will approach the Court for its approval of the Scheme.

Although shareholder approval is a Condition to the Scheme, it does not need to be the final Condition to be satisfied. Accordingly, the Board considered it was in the interests of shareholders to proceed with the vote today to reduce any potential delays between receipt of the outstanding ACCC approval and the completion of the transaction, including the issue of the New IDX Shares to shareholders.

Independent Expert's Conclusion

Capitol appointed KPMG Financial Advisory Services (Australia) Pty Ltd as the Independent Expert to assess the merits of the Scheme, and to provide an opinion as to whether the Scheme is in the best interests of Capitol Shareholders.

The Independent Expert has concluded that the Scheme is 'fair' and 'reasonable', and that the Scheme is therefore in the best interests of Capitol Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the fully diluted value of a Capitol Share at between \$0.278 and \$0.325 and an IDX Share at between \$2.50 and \$2.70.

The Independent Expert has assessed the value of the Scheme Consideration to be in the range of \$0.321 to \$0.347. The Scheme Consideration falls within or above the value range of a Capitol Share assessed by the Independent Expert.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1 of the Scheme Booklet.

Reasons to vote in favour / against the Scheme

Key considerations relevant to your vote have been outlined in Section 4 of the Scheme Booklet including a summary of reasons why you might vote in favour of or against the Scheme. The summary is set out in the slide currently shown and I will give you a moment to go through.

2024 SCHEME MEETING – CHAIR ADDRESS

Board Recommendation

The Capitol Directors have carefully considered the reasons to vote in favour of and against the Scheme and have unanimously recommended that Capitol Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Capitol Shareholders. Subject to these same qualifications, the Capitol Directors will vote all of the Capitol Shares held or controlled by them in favour of the Scheme.

As at the date of this Scheme Meeting, the Capitol directors confirm that they are not aware of any Superior Proposal and the Independent Expert has not amended or withdrawn its report which concludes that the Scheme is in the best interests of Capitol Shareholders.

When considering this recommendation, Capitol Shareholders should note the interests of Capitol Directors details of which are set out in my letter and in Section 13.2 of the Scheme Booklet. If the Scheme is implemented Capitol's Managing Director and CEO, Mr Justin Walter will receive 1,244,382 New IDX Shares in relation to his existing Performance Rights and Capitol Shares and a cash payment of approximately \$547,500 in relation to his short-term incentives.

The Capitol Directors (including Mr Walter) consider that, despite these interests, it is important and appropriate for each of them to make a recommendation to Capitol Shareholders about how to vote at the Scheme Meeting.

Implementation Timetable

If the Scheme is approved by Capitol Shareholders today by the requisite majorities, and the Conditions are satisfied, Capitol will seek Court orders approving the Scheme.

The Second Court Hearing has been scheduled for 4 December 2024 at 2.15pm. Given the ACCC informal merger clearance is not expected to be obtained by that time, at the hearing, Capitol intends to present the substantive matters relating to the Scheme for the Court's consideration, but will request that the Court make a short adjournment and delay making formal orders until the ACCC informal merger clearance condition is satisfied.

Capitol will continue to assist IDX as it works with the ACCC. Capitol will announce to the ASX any material developments in relation to the ACCC and the date for the adjourned hearing.

If the Court approves the Scheme, a copy of the court orders will be lodged with the Australian Securities and Investments Commission, following which the Scheme will become legally effective, and Capitol Shares will be suspended from trading on the ASX.

The "Implementation Date", being the date on which Capitol shareholders will be entitled to receive the Scheme Consideration for their Capitol Shares, is subject to satisfaction (or waiver where applicable) of the outstanding Conditions. It is currently expected Implementation will occur before 31 December 2024 but there can be no guarantee.

Capitol will announce to the ASX any expected changes to the timing of the court hearing, and subsequent timing to implementation.

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Scheme Meeting

2 December 2024

CAPITOLHEALTH
LIMITED



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Scheme Meeting

2 December 2024

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WELCOME & OPENING



Scheme Meeting

2 December 2024

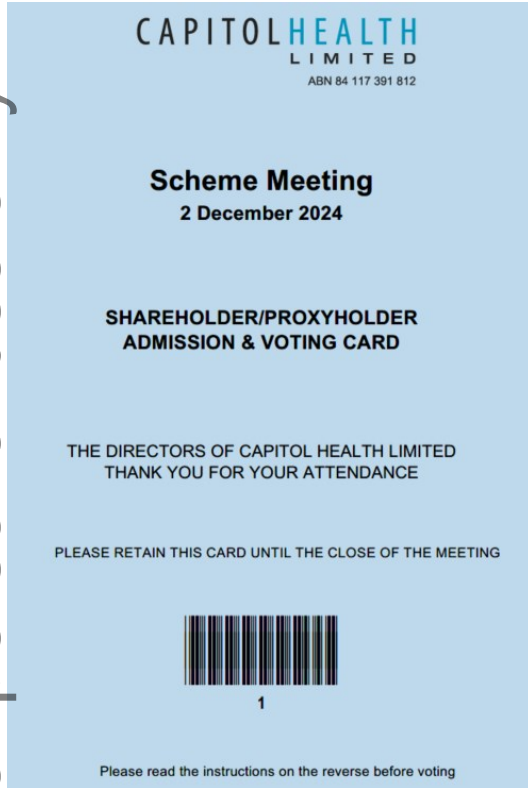
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MEETING PROCEDURES

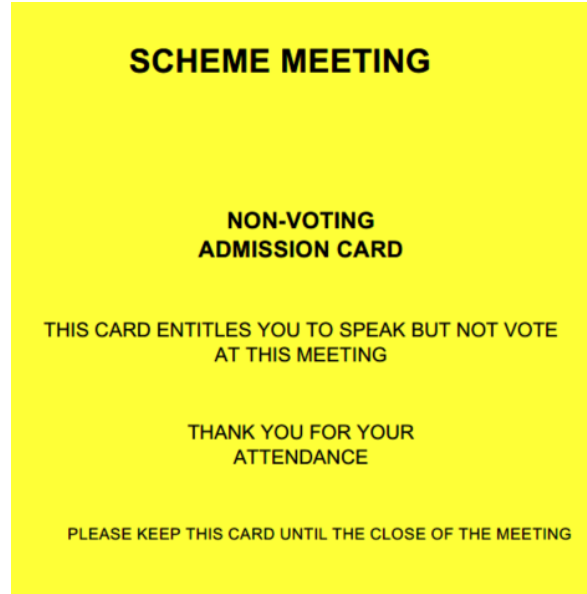


VOTING / QUESTIONS PROCEDURES

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Entitles you to vote, comment and ask questions



Entitles you to comment and ask questions

VISITOR ADMISSION CARD

THANK YOU FOR YOUR ATTENDANCE

THIS CARD DOES NOT ENTITLE YOU TO SPEAK OR VOTE AT THE MEETING

PLEASE KEEP THIS CARD UNTIL THE CLOSE OF THE MEETING

Cannot vote, comment or ask questions

If you have a question, please raise your **blue** or **yellow** card prior to speaking to identify yourself as a Shareholder. If you are acting as a proxy, please state clearly who you are appointed to represent when introducing yourself to the meeting.

Scheme Meeting

2 December 2024

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Scheme Overview



Scheme Overview

- The Company announced on 18 July 2024 that it had entered into a merger implementation deed with IDX under which, it is proposed that IDX will acquire all of the Capitol Shares on issue by way of a scheme of arrangement (“Scheme”).

If the Scheme is approved and implemented, Capitol Shareholders (other than Ineligible Shareholders) will receive 0.12849 New IDX Shares for each Capitol Share held at the Scheme Record Date.

As explained in Section 7.5 of the Scheme Booklet, Ineligible Shareholders (being Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders) will receive either the Net Proceeds of the sale by the Sale Agent of, or a cash amount based on the market value of, the New IDX Shares to which they would have otherwise been entitled.

A Capitol Shareholder will be an Ineligible Foreign Shareholder if their registered address as shown in Capitol’s Share Register at the Scheme Record Date is outside of Australia (or its external territories) or New Zealand (unless IDX determines that it is lawful and not unduly onerous or impracticable to issue them with New IDX Shares).

A Capitol Shareholder will be an Unmarketable Parcel Shareholder if, based on their holding of Scheme Shares, they would on implementation of the Scheme be issued with less than \$500 worth of New IDX Shares under the Scheme (assessed by reference to the price of IDX Shares on ASX at the close of trade on the trading day prior to the Scheme Record Date) as Scheme Consideration.

Capitol and IDX have agreed amendments to the Scheme to provide adequate time for Capitol’s share registry to process and pay to Unmarketable Parcel Shareholders who have not validly elected to receive New IDX Shares, a cash amount equal to the market value of the New IDX Shares that would have otherwise been issued to those shareholders. Court approval of these amendments will be sought at the Second Court Hearing.

- Under the proposed amendments to the Scheme, the market value of the New IDX Shares will be calculated using the VWAP of IDX Shares for the 5 trading days from the Second Court Date (rather than the VWAP of IDX Shares for the 5 trading days before the Implementation Date as is currently the case). It is also proposed that payment to the relevant Unmarketable Parcel Shareholders will not take place on the Implementation Date and prior to the transfer of the Capitol Shares to IDX (as currently provided under the Scheme) but will now take place as soon as practicable after the Implementation Date but no later than 3 Business Days after the Implementation Date.
- On implementation of the Scheme, Capitol Shareholders will own approximately 37% of the Merged Group (assuming there are no Ineligible Shareholders).

Conditions Precedent

- The obligations of the parties to implement the Scheme are subject to a number of Conditions being satisfied or waived (where capable of waiver).

As at the date of this Scheme Meeting, the Conditions that remain outstanding are:

- Shareholder approval of the Scheme at today's Scheme Meeting by the Requisite Majorities;
- Approval of the Scheme by the Federal Court of Australia;
- Informal merger clearance from the Australian Competition and Consumer Commission ("ACCC");
- Certain other customary conditions precedent, such as there being no Material Adverse Change and no Prescribed Occurrence in respect of Capitol or IDX.

If the outstanding Conditions are not satisfied, or waived (where capable of waiver), the Scheme will not proceed and Capitol will continue as a standalone entity listed on the ASX.

Subject to the following, the Capitol Board is not aware of any circumstances to date that would prevent any of the outstanding conditions being satisfied:

- At the date of this Scheme Meeting, ACCC approval has not been received. Capitol has been informed by IDX that IDX is continuing to consult with the ACCC in relation to the proposed divestment of Capitol's Melton clinic to address concerns raised by the ACCC.
- The ACCC has not provided a date on which it will provide its decision, but Capitol anticipates that this will be in December. Once the ACCC approval is obtained, and subject to the shareholders approving the Scheme at this meeting, Capitol will approach the Court for its approval of the Scheme.

Independent Expert's Conclusion

- Capitol appointed KPMG Financial Advisory Services (Australia) Pty Ltd as the Independent Expert to assess the merits of the Scheme and to provide an opinion as to whether the Scheme is in the best interests of Capitol Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of Capitol Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the fully diluted value of a Capitol Share at between \$0.278 and \$0.325 and an IDX Share at between \$2.50 and \$2.70.

The Independent Expert has assessed the value of the Scheme Consideration to be in the range of \$0.321 to \$0.347. The Scheme Consideration falls within or above the value range of a Capitol Share assessed by the Independent Expert.

- The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1 of the Scheme Booklet.

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Reasons why you might vote in favor of or against the Scheme

SUMMARY OF REASONS WHY YOU MIGHT VOTE IN FAVOUR

- ✓ The Scheme will result in a Merged Group that provides significantly enhanced scale.
- ✓ The Scheme will result in a Merged Group that provides a platform to deliver improved outcomes for patients, doctors and referrers.
- ✓ The combination of the Capitol and IDX businesses as a result of the Scheme is expected to deliver \$10 million of anticipated annual pre-tax net cost synergies, provide opportunities for additional administrative and revenue synergies and improve ability to invest in growth.
- ✓ The Scheme Consideration represents an attractive premium to the recent undisturbed trading price of Capitol Shares.
- ✓ The Scheme Consideration means that Scheme Shareholders will be shareholders in the Merged Group and will access the benefits of combining with IDX while retaining exposure to Capitol's current business.
- ✓ The Capitol Directors unanimously recommend that Capitol Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Capitol Shareholders.
- ✓ The Independent Expert has concluded that the Scheme is in the best interests of Capitol Shareholders, in the absence of a Superior Proposal.
- ✓ No Competing Proposal has emerged since the announcement of the Process Deed.
- ✓ If the Scheme does not proceed, and no Superior Proposal emerges, the Capitol Share price may fall in the near-term.
- ✓ No brokerage charges on transfer of existing Capitol Shares under the Scheme.
- ✓ Scheme Shareholders that are residents of Australia for tax purposes may be eligible to claim CGT roll-over relief for gains made from the disposal of their Scheme Shares.

SUMMARY OF REASONS WHY YOU MIGHT VOTE AGAINST

- x Capitol Shareholders may disagree with the Capitol Directors' recommendation and the Independent Expert's conclusion.
- x The value of the Scheme Consideration is not certain.
- x Capitol Shareholders may wish to confine their investment and exposure to a business with Capitol's specific characteristics and not wish to have exposure to the Merged Group's business or risk profile.
- x Capitol Shareholders may consider that there is potential for a Superior Proposal to be made in the foreseeable future. However, since the announcement of the Process Deed on 17 June 2024, no Superior Proposal has emerged.
- x Capitol Shareholders may consider that there are risks associated with the integration of Capitol and IDX which exceed the benefits of the Scheme.
- x Capitol Shareholders may consider that the dividend income from the Merged Group may be lower than the dividend income that has historically been received by Capitol Shareholders.
- x The tax consequences of the Scheme may not be suitable to the financial circumstances or position of individual Capitol Shareholders.

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Board Recommendation

The Capitol Directors unanimously recommend that Capitol Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Capitol Shareholders. Subject to these same qualifications the Capitol Directors will vote all of the Capitol Shares held or controlled by them in favour of the Scheme.

As at the date of this Scheme Meeting, the Capitol directors are not aware of any Superior Proposal and the Independent Expert has not amended or withdrawn its report which concludes that the Scheme is in the best interests of Capitol shareholders.

When considering this recommendation Capitol Shareholders should note the interests of the Capitol Directors as set out in Section 13.2 of the Scheme Booklet. Capitol's Managing Director & CEO, Mr Justin Walter, will receive 1,244,382 New IDX Shares in relation to his Performance Rights and Capitol Shares and a cash payment of approximately \$547,500 in relation to his Short Term Incentives if the Scheme is implemented.

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Implementation Timetable

- If the Scheme is approved by Capitol Shareholders today by the requisite majorities, Capitol will file materials with the Federal Court of Australia ahead of the Second Court Hearing which is scheduled for 2.15pm (AEDT) on Wednesday 4 December 2024.
- Given the ACCC informal merger clearance condition is not expected to be satisfied by that time, at the scheduled Second Court Hearing, Capitol intends to present the substantive matters relating to the Scheme for the Court's consideration, but will request that the Court adjourn the hearing and delay making formal orders until the ACCC informal merger clearance condition is satisfied.
- If the Court approves the Scheme, a copy of the Court orders will be lodged with ASIC, following which the Scheme will become legally effective, and Capitol shares will be suspended from trading on the ASX.
- Subject to all conditions being satisfied, it is expected that the Scheme will be implemented on approximately the 7th business day following the date on which the Scheme becomes effective.
- Capitol will announce to the ASX any updates to timing for implementation of the Scheme.

Scheme Meeting

2 December 2024

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**FORMAL
BUSINESS**



SCHEME RESOLUTION

To consider and, if thought fit, to agree (with or without amendment) the following resolution:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Capitol Health Limited and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part, is agreed to (with any modifications, alterations or conditions required by the Federal Court of Australia to which Capitol Health Limited and Integral Diagnostics Limited agree in writing or any modifications, alterations or conditions agreed in writing by Capitol Health Limited and Integral Diagnostics Limited and approved by the Federal Court of Australia), and, subject to approval of the Scheme by the Federal Court of Australia, the board of directors of Capitol Health Limited be authorised to implement the Scheme with any such modifications, alterations or conditions.”

Vote Direction	Number of votes cast	% of votes cast	Number of CAJ Shareholders
In favour	574,314,267	99.47%	298
Open	2,596,295	0.45%	43
Against	486,795	0.08%	19
Total	577,397,357	100.00%	360
Abstain	176,138	-	9
Requisite Majorities for Scheme Resolution to be passed	At least 75%		More than 50%

Further information:

- The Chair will vote undirected proxies in favour of this Resolution. Directed proxies will be voted in accordance with that direction.

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Scheme Meeting

2 December 2024

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Q&A SESSION



Scheme Meeting

2 December 2024

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ROLL





**Thank you for your
attendance**

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