

**ASX ANNOUNCEMENT**

**15<sup>th</sup> November 2018**

**ENLITIC SERIES B FUNDING ROUND US\$10M FIRST CLOSE**

- Enlitic has raised US\$10m in series B funding
- Funds used to further develop technology, regulatory approvals and commercial deployments
- Several Australian blue-chip institutional funds lead the round
- Michael Sistenich to be appointed Chairman (representing series B investors)

Enlitic Inc. (Enlitic), a world leading company in medical artificial intelligence, has closed a US\$10m funding round which included significant investments from blue chip institutional and technology investors. The funds will be used for further development of Enlitic's technology, regulatory approvals, and commercial deployments.

Capitol Health Limited (Capitol or Company) is a major shareholder and clinical partner of Enlitic and disclosed in the FY18 full year accounts the holding value of Capitol's investment was fully impaired. At the time of the write down, Enlitic had not conducted an external fundraise for more than 2 years and thus could not assign a more recent value to Capitol's holdings. Together with its auditors, the Company decided the appropriate accounting treatment was to fully impair the investment until a financing round was completed.

Though Enlitic has called an initial close of their Series B so as to deploy the first US\$10m, they expect to fully close the round with US\$15m before the end of the year. Capitol is now in the process of determining a fair value of Enlitic post transaction, and as noted in its 2018 Annual Report, will recognise these changes in its 1H FY19 accounts following a full close of Enlitic's Series B. On the basis that Enlitic raises no further funds this round, Capitol's ownership in Enlitic will be 12.6% on a fully diluted basis and Capitol will continue to maintain one board seat.

As part of the transaction, Capitol has agreed with Enlitic that funds Capitol will have expended on securing TGA approval for clinical deployment in Australia will instead be undertaken via Enlitic. To fund this Capitol has contributed AU\$500,000 to the funding round to be used exclusively for this purpose. This expenditure will enhance the value of Capitol's exclusivity for Australia and provide for a tangible and competitive point of difference for clinicians, referrals and patients.

Mr. Michael Sistenich, a leading healthcare and biotech advisor and investor, will be joining as Chairman of Enlitic to represent Series B investors.

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For further information, please contact:

**Company**

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## **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 and a collaboration agreement with Enlitic regarding revenue share from the sale of Enlitic's Deep Learning Services in the radiology field in China.

Capitol also recently entered the Chinese diagnostic imaging market through a Joint Venture with CITIC Pharmaceutical (Shenzhen) Co., Ltd ("CITIC Pharmaceutical") to provide consulting and clinic management services to a network of independent imaging clinics to be created by CITIC and Zhouxin across mainland China.

## **About Enlitic**

Twice named one of MIT Technology Review's 50 Smartest Companies, Enlitic augments clinical workflows with artificial intelligence, enabling doctors to provide faster, earlier, and more accurate diagnoses.

Enlitic's platform can incorporate a wide range of unstructured medical data, including radiology and pathology images, laboratory results such as blood tests and EKGs, genomics, patient histories, and electronic health records (EHRs), enabling deeper insights for every patient. Their solutions integrate easily into existing health systems, offering seamless access to tools for patient triage and prioritization, population screening, retrospective analysis and quality assessment, and real-time clinical support.

## **About Michael Sistenich**

Michael is a cofounder of Aurenda Partners Pty Ltd and has over 20 years' experience in financial markets running the gamut of buy-side, sell-side, management and board member. He developed DWS Investments healthcare franchise and was the lead PM and manager running in excess of €6.5bn. He then founded the first healthcare hedge fund in Europe with Meditor running in excess of €500m. Michael transitioned to the sell-side heading Bell Potter's Life Science Investment Banking team after relocating to Australia. More recently Michael was the CEO of Nohla Therapeutics and successfully led two rounds of funding and remains a Non-Executive Director of Nohla Therapeutics. He is also a Board member of publicly listed Opthea Ltd and is also the head of their audit, remuneration and nomination committees. Michael holds a Master of Science in Biochemistry from University of Oxford and is also a Certified Financial Analyst.