

ASX ANNOUNCEMENT

14 April 2020

Capitol Health announces Equity Raising for Future Strength

Capitol Health Limited (Capitol or Company) (ASX: CAJ) advises that it will be undertaking a capital raising.

Key Highlights:

- **Proceeds from the Offer will be used to strengthen balance sheet flexibility, support the business during the current macroeconomic uncertainty, increase liquidity and reduce net debt.**
- **In light of the Victorian Government announcement on 12 April 2020 to extend stage 3 restrictions until 11 May 2020, the Board has determined a capital raising is the prudent course of action to mitigate current uncertainty, and emerge with a strong balance sheet.**
- **The Company has performed to expectations YTD March 2020, with organic growth complemented by targeted and disciplined acquisition of Fowler Simmons Radiology.**
- **Capital raising comprises a \$29.8m institutional placement and a share purchase plan ("SPP") of up to \$10m.**
- **Issue Price of \$0.16 (16 cents) per fully paid ordinary share ("Shares").**

Capitol is pleased to announce it is undertaking a capital raising of approximately \$29.8m via an institutional placement and up to a further \$10m via a SPP at an issue price of \$0.16 (16 cents) per Share ("Issue Price").

The Offer launches today and when complete will ensure Capitol is well positioned to manage the current challenging environment and continue its growth trajectory when conditions allow.

Managing Director Justin Walter commented "Over the Easter weekend the Victorian Government took the decision to extend Stage 3 pandemic restrictions until 11 May 2020. In response to these ongoing challenging times we continue to take action to ensure our Company's long-term performance. To this end the Board has determined a capital raise to increase liquidity and provide for balance sheet flexibility is a prudent course of action. This capital raise will position us to capitalise on current identified opportunities as well as additional growth initiatives in line with our three-year strategic plan."

Participation in the SPP is optional and will be opened to shareholders who are 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 dispatched to eligible shareholders on Wednesday 22 April 2020.

New shares issued under the Capital Raising ("New Shares") will rank equally with existing Shares. Shaw and Partners is acting as lead manager to the Capital Raising.

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.