

ASX ANNOUNCEMENT

26th May 2020

COVID-19 Update

Capitol Health Limited (Capitol or Company) (ASX: CAJ) provides the following update relating to the COVID-19 Pandemic. Capitol continues to monitor the Covid-19 Pandemic impact closely, complying with all Government recommendations and directives, and responding rapidly as circumstances change.

Our People and Patients

The well-being of our staff and patients remains our highest priority as we continue to provide much needed imaging services to our communities. We are pleased to advise that to date none of our valued staff contracted the virus through their workplace. Importantly, in order for the Company to rebound post this pandemic, retaining our valued clinic staff and imaging capacity during the downturn remains a priority. Our equipment and staffing infrastructure pre-pandemic remains in place.

Trading

Recent weeks have shown a material increase in patient attendance in line with our GP referrer attendance rates. To this end, we have re-opened seven smaller clinic locations across the network earlier than planned. We continue to monitor activity daily to ensure we optimise revenue and match our cost base to this activity as it returns. We expect all sites to be opened in June 2020 if this positive trend continues.

The Company implemented a number of management initiatives to align costs with expected activity for the last quarter of FY20 due to the impact of the pandemic. These initiatives outlined in our ASX Announcement dated 9th April 2020 have been successful in assisting the Company to navigate the pandemic to date. In light of this, the Company has performed above management expectations during this difficult time.

Following the recent strongly supported capital raise, the Company expects a net debt position at the end of May 2020 of \$14.7m.

CAJ's Managing Director, Justin Walter, commented: "Capitol Health's team of radiologists and clinic staff have navigated this pandemic calmly and successfully to date, and will remain vigilant in the months to come. We thank them for the sacrifices they all made to keep our Company strong during these tough times. Also, we are pleased to have kept every staff member in gainful employment due to our one team approach. Our key referrers, facing their own challenges, have stayed the course with Capitol and I acknowledge their support as well."

For further information, please contact:

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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.

Forward-Looking Statements

Certain statements in this announcement are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

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