CAPITOL HEALTH
LIMITED

Capitol Health Limited

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ASX ANNOUNCEMENT **22 August 2024**

Results for the Year Ended 30 June 2024

Capitol Health Limited (**Capitol** or the **Company**) (ASX: CAJ) is pleased to announce its results for the financial year ended 30 June 2024.

FY24 highlights

- Revenue of $234.8, an increase of $25.2 million or 12.0% on previous corresponding period (pcp)
- Organic revenue growth of 8.0% (excluding FMIG contribution in FY24)
- Operating EBITDA of $49.3m, an increase of $9.1m or 22.6% on pcp
- Operating Margin of 21.0% up from 19.2% for pcp
- Statutory net loss after tax of $14.8 million ($11.6 million loss pcp) after material non-cash fair value adjustments of $20.6 million[1]
- Underlying NPAT of $11.0 million, an increase of $2.2 million or 25.0% on pcp
- Net Debt of 1.87x last 12 months Operating EBITDA
- Announced proposed merger with Integral Diagnostics

[1] Predominantly relating to the proposed merger with Integral

Capitol Health has delivered strong revenue growth driven by the full year contribution of Future Medical Imaging Group (acquired November 2022), Medicare bulk bill fee indexation, organic growth through volume, expansion of services and changes in modality mix. The improved operating EBITDA and margin performance was driven by increased scale, continued management of the cost base, and delivery of strategic plan initiatives to enhance operational efficiencies. The FY24 final dividend is expected to be declared in line with the proposed merger ratio as set out in the Merger Implementation Deed.

FY24 marked the final year of the Company's strategic plan launched in FY20, and through this plan the Company has transformed its operations, in particular enhancing clinical governance and excellence, improved talent acquisition and retention, investing in operating systems and new comprehensive clinics, and gained market share creating value for all shareholders. Our strategic planning for the next 4 years is well advanced.

Capitol has entered into a binding merger implementation deed (MID) with Integral in relation to the proposal for Integral to acquire 100% of Capitol's issued shares via a scheme of arrangement (proposed merger). The proposed merger with Integral remains subject to regulatory, court and shareholder approval. Under the terms of the MID, Capitol shareholders will, if the proposed merger is approved, receive 0.12849 Integral shares for every one Capitol share, which at the date of announcement on 17 June 2024, represented a 33% premium to the last close price of Capitol of $0.245 (as at 14 June 2024).

Mr. Justin Walter, Chief Executive Officer and Managing Director, commented "*It is a pleasure to present this strong FY24 result, which has been built on the foundations of the FY20 strategic plan, including investment in our talented workforce, attracting highly-credentialled Radiologists and clinical specialists, and expanding services and clinics to provide comprehensive diagnostic imaging services to our communities. We closed the year with the announcement of the proposed merger with Integral. This is an exciting next phase for Capitol with the merger entity being the Australia's largest pure-play publicly listed imaging company. The merger will create further career opportunities for our staff, and realise value for our shareholders through scale, enhanced internal capability, and organic growth.*"

Outlook for FY25

- The proposed merger with Integral is expected to complete this calendar year, subject to regulatory, court and shareholder approval
- Strong commitment to grow revenue and operating EBITDA driven by organic and inorganic initiatives and operating model enhancements
- Destination employer in medical imaging sector, with continuation of recruitment, retention and development programs

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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, 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 patients.

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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