

ASX ANNOUNCEMENT

29 November 2024

Merger update

Capitol Health Limited ACN 117 391 812 (ASX: CAJ) (**Capitol**) provides the following update in relation to the proposed merger with Integral Diagnostics Limited (ASX: IDX) (**IDX**) by way of a scheme of arrangement (**Scheme**) as described in the Scheme Booklet in relation to the Scheme released to the ASX on 24 September 2024 (**Scheme Booklet**).

ACCC Update

As described in the Scheme Booklet and in Capitol's announcement of 25 November 2024, the Scheme is subject to a number of conditions precedent, including that IDX has received informal merger clearance from the Australian Competition and Consumer Commission (**ACCC**) (**Competition Approval**).

As announced to the market on 25 November 2024, IDX is engaging with the ACCC in relation to a possible divestment of Capitol's Melton clinic as part of its application for Competition Approval.

The financial contribution of the Melton clinic is not material to Capitol.¹

As was also announced by Capitol on 25 November 2024, any agreement by IDX to divest the Melton clinic after implementation of the Scheme will not affect the merger ratio of 0.12849 New IDX Shares for each Capitol Share held at the Scheme Record Date.

The ACCC has delayed its proposed decision date in relation to the Competition Approval (formerly 28 November 2024) to allow the ACCC to consider the divestment. The ACCC has not yet announced a new proposed date of its decision in relation to the Competition Approval (although Capitol anticipates that the decision date will occur in December 2024).

The Scheme Meeting will proceed on Monday, 2 December 2024 at 11.00 am (AEDT) at the offices of Maddocks, Level 25, Tower 2, 727 Collins Street, Melbourne, Victoria, 3000.

Proposed amendments to the Scheme

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' (**Market Value**) of the New IDX Shares that would otherwise be issued to those shareholders. Court approval of these amendments will be sought at the Second Court Hearing.

The amendments will be relevant if IDX determines that there are no Ineligible Foreign Shareholders and no Sale Agent is appointed.

¹ FY24 revenue of \$1.5m (FY24 pro forma historical revenue of the Merged Group was \$705m) and FY24 operating EBITDA of \$0.6m (FY24 pro forma operating EBITDA of the Merged Group was \$141m). See Capitol's Scheme Booklet for information on the basis of preparation of the Merged Group's pro forma historical financial information.

Under the proposed amendments to the Scheme:

- The Market Value of the New IDX Shares will be calculated using the volume weighted average price of IDX Shares during the 5 trading days after the Second Court Date rather than the 5 trading days before the Implementation Date (as is currently provided);
- IDX will still pay into a trust account maintained by Capitol (on the day before the Implementation Date) an amount equal to the Market Value multiplied by the number of Capitol Shares held by Unmarketable Parcel Shareholders who have not elected to receive New IDX Shares; and
- 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.

The amendments to the Scheme are being proposed as Computershare, IDX's and Capitol's share registry, has informed IDX that it will not be able to undertake the required logistical steps to enable payment to be made out of the trust account on the Implementation Date to the unmarketable parcel shareholders in the manner currently contemplated by the Scheme.

Capitol Shareholders should be aware that at the Scheme Meeting they will be voting on the Scheme in its current form but on the basis that Capitol at the Second Court Hearing will seek the Court's approval to make the proposed amendments to the Scheme as set out above.

Proxy Forms and voting

If a Capitol Shareholder has already lodged their Proxy Form and does not wish to change their voting direction, they do not need to take any action and their Proxy Form will remain valid for the Scheme Meeting.

If a Capitol Shareholder has already submitted a Proxy Form but wishes to change their voting direction, vary or revoke the proxy appointment (which can be done up to 48 hours prior to the Scheme Meeting) or would like a new Proxy Form, then they can request one by calling the 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 (Melbourne Time) on Business Days.

If a Capitol Shareholder has not yet lodged their Proxy Form, but would like to appoint a proxy, they can complete and return the Proxy Form that accompanied the Scheme Booklet.

To be effective Proxy Forms must be received by the Capitol Registry by 11.00am (Melbourne Time) on Saturday, 30 November 2024.

Unmarketable Parcel Shareholder Election Form and Withdrawal Form

If a Capitol Shareholder will, on implementation of the Scheme, be an Unmarketable Parcel Shareholder and they have not yet lodged an Unmarketable Parcel Shareholder Election Form but would like to, or has lodged an Election Form but would like to withdraw it, they can request a copy of the relevant form by contacting the 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 (Melbourne Time) on Business Days.

To be effective Unmarketable Parcel Shareholder Election Forms and Withdrawal Forms must be received by the Capitol Registry before the Effective Date.

Further information

For more information, please refer to the Scheme Booklet. 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 (Melbourne Time) on Business Days.

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:

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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.