

ASX ANNOUNCEMENT

22 September 2016

**CAPITOL HEALTH ENTERS COLLABORATION AGREEMENT WITH ENLITIC TO
DEPLOY ENLITIC'S DEEP LEARNING SOLUTION FOR DIAGNOSTIC IMAGING IN CHINA**

The Board of Capitol Health Limited ("Capitol" or "the Company") is pleased to announce that Capitol has today entered into a Collaboration Agreement with Enlitic Inc regarding a revenue share from the sale of Enlitic Deep Learning Services in the radiology field in China.

The agreement is for a 5-year term from the date that the technology has obtained any required regulatory approvals and is made generally available for use by customers. Capitol will receive an agreed percentage of net revenue from Enlitic sales referred by leads generated by Capitol and a smaller agreed percentage of net revenue from all other Enlitic sales in China in the radiology field. Capitol will also provide support services such as customer engagement and training and any other services mutually agreed. The agreement also provides an opportunity for the parties to negotiate in good faith regarding leads generated by Capitol in other Asia Pacific countries.

This agreement underpins Capitol's broader strategy of employing data driven medicine to both increase efficiencies in our Australian business and participate in the fast growing Chinese diagnostic imaging market. Given the scale of the Chinese opportunity, China will be the near term focus for Enlitic deployment. The recent Chinese Government healthcare reform has resulted in substantial growth in the private healthcare industry in China. It has seen growth in private hospitals (many that are now foreign owned), private pathology operations, private health check networks, and more recently the approval of private independent diagnostic imaging centers. There has also been substantial growth in public healthcare spending resulting in wider public access to more advanced diagnostic imaging modalities.

Managing Director, John Conidi said: "The scale of the Chinese healthcare market lends itself to the deployment of the Enlitic technology due to very large patient volumes and the shortage of supply of radiologists. I believe Enlitic technology will drastically change the economics of this market and provide its users with a significant competitive advantage."

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About Capitol

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 throughout Victoria and New South Wales. 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.

About Enlitic

Enlitic Inc is a modern machine learning company dedicated to revolutionizing diagnostic healthcare. Enlitic's deep learning algorithms were engineered from the ground up over the last two years by a multidisciplinary team of renowned data scientists, machine learning practitioners, and medical experts. The Company was named one of the "50 Smartest Companies" in 2015 and 2016 by MIT Tech Review. Enlitic is headquartered in San Francisco.