

ASX ANNOUNCEMENT

16 June 2020

Correction of Accounting Treatment of Contingent Consideration

Capitol Health Limited (Company) (ASX: CAJ) advises that arising from the Australian Securities and Investments Commission annual inspection program of audit firms, contingent consideration relating to businesses acquired in FY18 and FY19 has been identified as being incorrectly treated in the Group's 2019 Annual Report.

The impact of this treatment on the 30 June 2019 results is an overstatement of goodwill of \$5.3m, an overstatement of deferred consideration of \$0.9m and the overstatement of profit before tax of \$4.4m.

The revised accounting treatment of the contingent consideration will be restated in the Group's 30 June 2020 Annual Report which is expected to be issued in August 2020.

The adjustment did not have a material impact on the Group's reported profit for the year ended 30 June 2018.

There is no impact on the cash flow position of the Group reported at 30 June 2019 as the adjustment represents a non-cash entry.

This matter has no material impact on the current year financial performance of the Company.

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.