

Singular Health Group Ltd: SHG  
ACN 639 242 765

31 August 2022

## Appendix 4E

Given to The ASX Under Listing Rule 4.3A

This information should be read in conjunction with Singular Health Group's Annual Report for the year ended 30 June 2022.

### Reporting Period

Financial year end	30 June 2022
Previous corresponding reporting period	30 June 2021

### Results for announcement to the market

	30 June 2022 \$	30 June 2021 \$	% increase/(decrease)
2.1 Revenue from ordinary activities	54,034	193,643	(72%)
2.2 Loss from ordinary activities after tax attributable to members	(5,986,020)	(4,456,097)	34%
2.3 Net loss for the period attributable to members	(5,989,623)	(4,451,047)	35%

### Dividends

No dividends have been declared or paid during the year ended 30 June 2022. The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2022.

The Company does not have any dividend reinvestment plan in operation.

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### Net tangible assets per share

	30 June 2022	30 June 2021
	\$	\$
Net tangible asset per share (cents per share)	1.27	4.24

### Controlled entities

The Group did not gain or lose control over any entities during the financial year. The Group's controlled entities as at 30 June 2022 are outlined below:

Controlled entities	Country of Incorporation	Date of incorporation / acquisition
Singular Health Group Pte. Ltd.	Singapore	12 September 2019
Singular Health Pty Ltd	Australia	18 September 2019

The Group acquired interests in joint arrangements during the year. Refer to note 18 of the 2022 Annual Report that follows for further details on the Group's interests in associates and joint arrangements.

### Audit

This Appendix 4E is based on the consolidated financial statements of the Group which have been audited by the Group's auditors, Moore Australia Audit (WA). A copy of Moore's unmodified audit report can be found in the 2022 Annual Report that follows.

### Commentary on Results for the Period

A commentary on the results for the period is contained within the 2022 Annual Report, including the Financial Report announced to ASX on 31 August 2022.

### Attachments

In accordance with ASX Listing Rules, please find attached Singular Health Group's Appendix 4E and 2022 Annual Report.

The associated year end reporting documents will be provided separately as follows:

- 2022 Corporate Governance Statement and Appendix 4G.

### Other information

Disclosure requirements of ASX Listing Rule 4.3A not contained in this Appendix 4E are included in the attached 2022 Annual Report and accompanying ASX Release.

This announcement is authorised for release by the Board of Directors of the Company.

### Ends

For further information contact

Investors	Corporate	Media
James Hill +61 413 825 646 jhill@singular.health	Steven Wood Company Secretary sw@grangeconsulting.com.au	Julia Maguire The Capital Network julia@thecapitalnetwork.com.au

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SINGULAR HEALTH GROUP  
LIMITED  
ACN 639 242 765  
AND ITS CONTROLLED ENTITIES

# ANNUAL REPORT

For the year ended 30 June 2022

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# CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Singular Health Group Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

## Directors

Mr Howard Digby – Chairman and Non-Executive Director  
Mr Thomas Hanly – Managing Director  
Prof. Kwang Guan Tay PhD – Executive Director – Innovation and Research  
Mr Denning Chong – Non-Executive Director  
Mr Andrew Just – Non-Executive Director

## Chief Executive Officer

Mr Thomas Hanly

## Company Secretary

Mr Steven Wood

## Registered Office & Principal Place of Business

Unit 3/26 Railway Road, Subiaco WA 6008  
Postal Address: PO Box 558, West Perth WA 6872  
Telephone: 1300 167 975  
E-mail: [support@singular.health](mailto:support@singular.health)  
Website: <http://singular.health>

## Share Registry

Automic Registry Services  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Telephone: +1300 288 664

## Auditors

Moore Australia Audit (WA)  
Level 15, Exchange Tower  
2 The Esplanade  
Perth WA 6000

## Bankers

Australian and New Zealand Banking Group Limited (ANZ)  
Level 5  
240 St Georges Terrace  
Perth WA 6000

## Solicitors

Squire Paton Boggs (AU)  
Level 21  
300 Murray Street  
Perth WA 6000

## Stock Exchange

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

ASX Code: SHG

# CHAIRMAN'S LETTER

31 August 2022

Dear Shareholders,

On behalf of the Board of Singular Health Group Limited, it is our pleasure to present the 2022 Annual Report.

Singular Health's core technology, the Volumetric Rendering Platform ("VRP"), enables the rapid conversion of 2-dimensional medical imaging data into fully interactive 3D anatomical models of patient's anatomy which can be viewed in 3D and/or Virtual Reality for surgical planning, patient education, and surgical implant design. Our software, 3Dicom Viewer, is available in 4 tiers, Patient, R&D, MD and Surgical with the MD tier intended for sale as a Software as a Medical Device or SAMD.

Despite the ongoing coronavirus situation and restrictions on interstate and international travel, the entire team at Singular Health have worked exceptionally hard over the period to build on 2021's transition to 3Dicom Viewer based on our core technology and the development of new tools to accelerate the design of patient-specific implants and segment specific anatomy. This accentuates our Scan to Surgery™ model, which aims to provide a vertically integrated process from the initial patient scan through to surgical planning and implant design, and ultimately the 3D printing of implants and surgical guides.

The year saw numerous achievements from our team which sought to cement the Company and its core software product into the clinical workspace and the addition of key decision makers onto our advisory board including Jonathan Clark AM as the inaugural member of the advisory board. Dr Clarke has over 280 peer-reviewed academic publications, covering facial construction, oral cancers, in addition to his roles as a consultant reconstructive surgeon at Chris O'Brien Lifehouse and Royal Prince Alfred Hospital.

Singular Health was also successful in achieving several grants through CSIRO and the IMCRC which led to ongoing collaborations with ASX-listed Osteopore, and medical start-up, Customa Pty Ltd. These collaborations seek to combine Singular's software with new materials and processes in the development of implants and customer care. A key element in our ongoing realisation of the Scan to Surgery™ model was our investment in Australia's leading medical 3D printing company, Australian Additive Engineering. In the March Quarter of 2022, less than 12 months after the initial announcement, and despite delays associated with COVID 19, this facility was successfully commissioned and commenced revenue-generating operations.

With national borders opening to travel, the Company's focus in the second half of the year was on renewing commercial and clinical relationships with companies and doctors in Europe, Singapore, the United States, and China. We attended a number of tradeshows and assessed various opportunities leading to the formation of our Joint Venture in Macau as a launch pad into the South-East Asian market.

The June quarter also saw an intense cycle of software development and the implementation of our ISO 13485 Quality Management System and the preparation for submission of our FDA 510k application for 3Dicom MD. The FDA 510k submission and certification is a key stepping stone for our clinical applications and was a testament to our team that the Company was able to submit the application in August.

The Company looks to 2023 with great anticipation as we seek to leverage our certification with open borders and building our sales and marketing team and partnerships globally.

We would like to thank Shareholders for their ongoing support, the Board for their guidance, as we look forward to an exciting year ahead.

Yours faithfully,



Howard Digby  
Chairman



Thomas Hanly  
CEO & Managing Director

# REVIEW OF OPERATIONS

The Board is pleased to provide a review of operations for Singular Health Group Limited and its subsidiaries.

The year was marked by steady progress in the development and commercialisation of our core 3Dicom Software, collaborating with industry and research organisations to develop new artificial intelligence tools, re-engaging with global markets with the easing of international travel, designing and implementing our ISO 13485 QMS and lodging our first application for FDA 510k certification for 3Dicom MD. The following are some of the year's highlights:

## Formation of Clinical Advisory Board

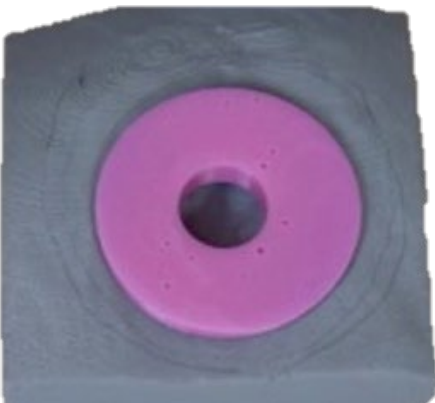
Singular Health appointed Professor Jonathan Clark AM as the inaugural member of the Advisory Board during the quarter. With over 280 peer-reviewed academic publications, covering facial reconstruction, oral cancers, and patient education, in addition to his roles as a consultant reconstructive surgeon at Chris O'Brien Lifehouse and Royal Prince Alfred Hospital, Prof. Clark was the ideal candidate as the inaugural Advisory Board Member.

Awarded a Member of the Order of Australia (AM) in 2019 for his contribution to head and neck surgery, Professor Clark is the Chair of Head and Neck Cancer Reconstruction at the University of Sydney, Director of Translational Research at the Royal Prince Alfred Institute of Academic Surgery, a founding member of the Sydney Facial Nerve Service and former chair of Head and Neck Cancer Australia, a patient education website for head and neck patients.

Professor Clark's appointment was followed by Dr Bradley Moore. Dr Bradley Moore BDS has more than 20 years' experience in the dental industry across a wide range of roles from owning and operating his own private dental practice and dental manufacturing business in Sydney, to corporate level dental advisory and clinical governance. His particular interest is the use of innovative and evolving technologies in digital dentistry and manufacturing to provide an optimal patient experience.

From 2016 to 2020, Dr Moore sat on the Dental Advisory Committee for Pacific Smiles Group (ASX:PSQ), providing clinical governance to the 600+ dentists within the group. During this time, he oversaw product trials for implementation into the business and researching and implementing digital dentistry services into clinical practice.

## 3Dicom Surface Scan and Customa Collaboration



*A Custom Stoma Seal manually designed to be patient-specific and fit to skin.*

Singular Health was awarded a grant from the Innovative Manufacturing Cooperative Research Centre (IMCRC) to develop a Surface Scan module and integrate it into 3Dicom. Singular Health has partnered with Customa Pty Ltd to tailor this new 3Dicom Surface Scan module to create a process by which to scan and generate a patient specific 3D printable mould. Silicone seals are then cast in these moulds to produce a bespoke stoma seal which is intended to reduce leakage of colostomies. These customised stomal seals, which are unique for each patient, is the patented technology of Customa Pty Ltd.

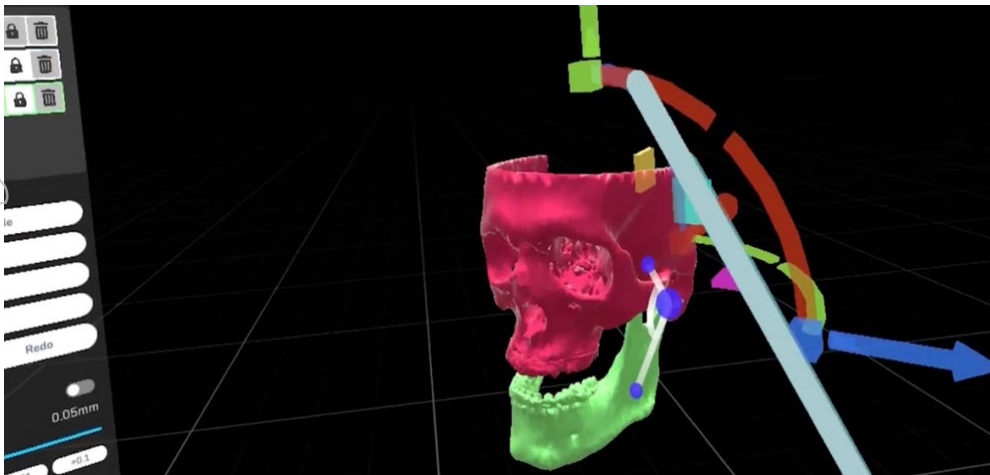
Singular Health is focused on commercialising the 3Dicom software not only as the core platform for the Scan to Surgery™ workflow but also as a key element in our new surface scan application.

On the back of this collaboration, other surface scan medical applications are being assessed.

## Product Development - The Release of the Medical Metaverse.

Since inception in 2017, the Company has focused on the use of Virtual Reality (VR) in its software, MedVR. The announcement of the Metaverse by Meta Systems (previously Facebook) during the year brought a focus to the scalable, globally accessible telemedicine and tele-consultation applications being developed by Singular Health. Along with the possibility for patient-practitioner consults looking at a virtual twin of the patient's anatomy, clinicians may be able to collaboratively plan cases and design patient specific parts in the Mediverse™.

# REVIEW OF OPERATIONS



Visualisation of Craniomaxillofacial (CMF) models in 3Dicom VR

## Product Development- Colourisation

The development team has continued to build new features during the year including a highly advanced 3D colour rendering feature for CT images (illustrated below), and improvements to the software's export feature to simplify transfer to 3D printers.



Colourised 3D CT Scan using 3Dicom Viewer.

## Commissioning of Additive Engineering Pty Ltd (AE) Medical 3D Printing Facility

One key element to the *production of bespoke solutions through additive manufacturing* is access to a commercial medical grade additive manufacturing facility.

In late March 2021, the Company entered into an agreement to acquire a 25% shareholding of a medical grade 3D printing facility in Melbourne with three titanium printers (see Figure 1) and two polymer-based printers for the manufacture of surgical guides and patient-specific implants.

During the March Quarter of 2022, less than 12 months after the initial announcement, this facility was successfully commissioned and commenced revenue-generating operations (see Additive Engineering Commissions Medical Manufacturing Facility and Completes Maiden 3D Print of Patient Specific Surgical Guide - ASX Announcement dated 16<sup>th</sup> March 2022).

## REVIEW OF OPERATIONS

Singular Health's 3Dicom software produces outputs that can be used by the 3D printers at the AE facility in Melbourne, and other 3D printing facilities, to manufacture anatomical models, surgical guides, and patient-specific implants.



*Three Titanium 3D printers installed at AE Medical Manufacturing facility in Melbourne*

### Successful Conclusion of CSIRO AI-Powered Cranial Implant Design Tool and collaboration with Osteopore Limited (ASX:OSX)

To enhance the Company's product offering and the applicability of its 3Dicom software, Singular Health partnered with computer scientists from CSIRO's Data61 on two Kick-Start programs to create two separate AI-powered segmentation algorithms: one for the spine and a second for the skull.

AI-powered algorithms are expected to substantially reduce the time taken to segment organs and design patient-specific implants. During the period, the cranial implant design tool was completed by the collaborative team involving data scientist and developers from CSIRO and Singular Health. The tool has been used to produce cranial implants from CT scan of skulls with head trauma for assessment purposes in a non-clinical setting at this time.

Since the completion of the first version of the AI powered algorithm for cranial implant design, the Company has collaborated with Osteopore Limited (ASX:OSX) to provide a specific tool to design a patient specific cranial implant using their bio-resorbable material.



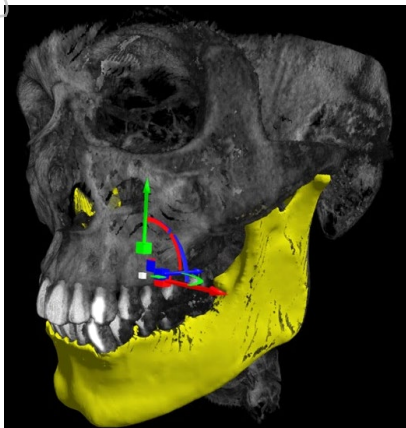
*3D Printed Cranial Implant designed by SHG AI Model*

With the conclusion of the two Kickstart projects with CSIRO, Singular Health's in-house data-scientist has been working on the standardisation of the process to integrate 3<sup>rd</sup> party AI models into the 3Dicom Surgical and 3Dicom R&D software.

# REVIEW OF OPERATIONS

This standardised integration should allow the Company to integrate third party AI models with regulatory clearance into the software and provide them to end-users on a pay-per-use model or other commercial arrangements without the large capital expenditure involved in the development, validation, regulatory approvals, and commercialisation of internally developed AI models.

## 3<sup>rd</sup> Party Artificial Intelligence (AI) Model Marketplace Launch & Research Agreement with ReLu AI



*Segmented mandible using the ReLu AI segmentation algorithm.*

Following the successful Kickstart 1 and 2 AI projects with CSIRO, which focused on semi-automatic segmentation and 3D visualisation of specific anatomy in CT scans in the 3Dicom software, the Company has been evaluating further AI development opportunities both through internal programs, or through licensing arrangements.

During the year, Singular signed a research agreement with a Belgium-based start-up, ReLu, to licence their craniomaxillofacial segmentation model for research and evaluation purposes.

The model automatically segments individual teeth, mandible, and maxilla from CT scans within minutes and, subsequent to the period ending, has been provided to Singular and is being integrated into 3Dicom R&D.

With the 3Dicom software providing a central location for the visualisation of medical images, the ability for AI developers to market their models on a per-use basis right at the point of care, and the ability for practitioners to access

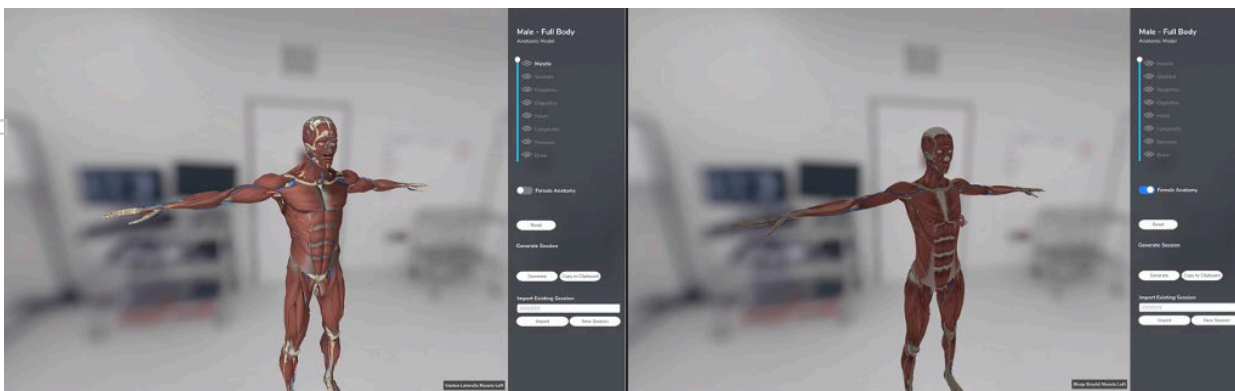
multiple AI models all in a single location, provides a compelling value proposition to both sides of the potential marketplace.

## Health Education Product Update

During the year, the Health Education product portfolio was expanded and had success with a number of schools signing on to in-school trials and a high school in Perth purchasing a subscription for the Health Academy product.

Lessons and assessments that are aligned with the Western Australian Human Biology curriculum for Year 11 (Unit 1 and Unit 2) and Year 12 (Unit 3 and Unit 4) were developed and uploaded on the Health Academy for School platform. The courses are offered in combination with a standalone virtual reality application on Meta Quest 2 headset.

In the last Quarter of the period, a web-based platform has been created to offer a cross-device exploration and manipulation of the anatomical models and create custom configurations for the virtual reality experience.



*New WebGL Virtual Anatomy Configurator*

# REVIEW OF OPERATIONS

## Formation of Joint Venture (JV) for Sales and Marketing in Macau

During the year, the Company worked with a group of strategic investors to establish a Sales and Marketing Joint Venture (JV) in Macau. The Company also took the opportunity to translate its suite of 3Dicom software and supporting documentation into Simplified Chinese and launched Chinese hosted versions of the Singular Health websites including singularhealth.cn and 3dicomviewer.cn.

This JV is primarily focused on marketing and sales within the East Asian region, commencing with Macau, Hong Kong, and the People's Republic of China (PRC).

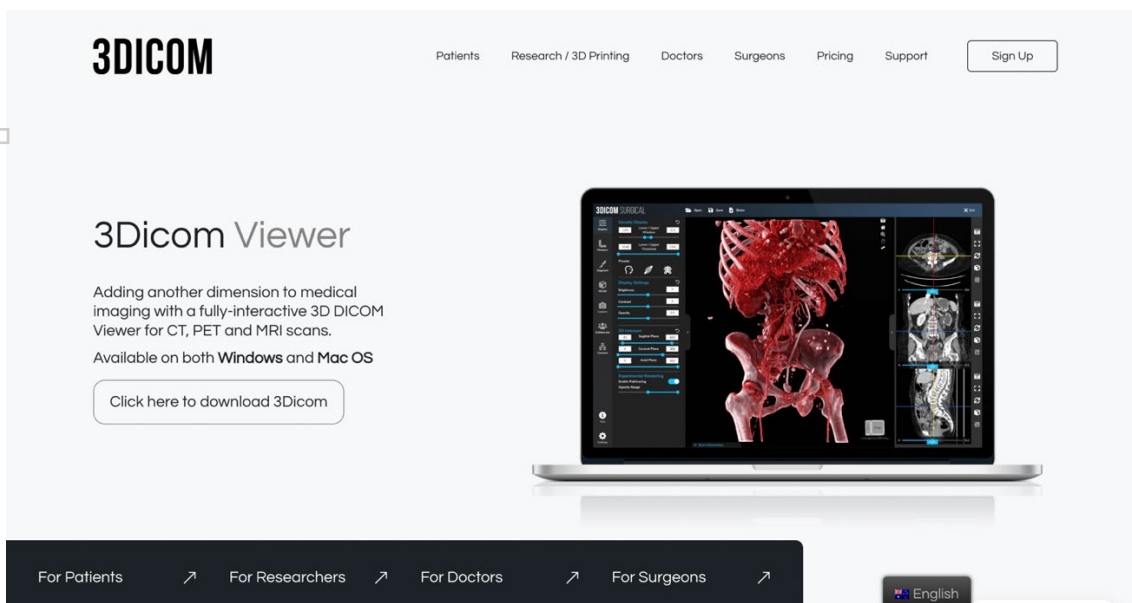


The Conde S. Januário Hospital in Macau agreed to trial the Company's 3Dicom software, and Virtual Surgical Planning (VSP) on the Oculus Quest 2, in order to target the larger mainland market, where it is estimated that the Medical Imaging is forecast to reach US\$10.1B per annum by 2027.

## Launch of new 3Dicom Website and commercialisation of 3Dicom Patient & R&D

After 8 months of development work by our talented, in-house technical team, 3Dicom 3.1.0, the penultimate version of 3Dicom prior to USFDA submission, was released in late May.

Not only did this update bring many new features requested by initial users that were required for the substantial equivalence determination for USFDA 510k for 3Dicom MD, but also a new streamlined account management and billing system, and the commercialisation of 3Dicom Patient and release of non-diagnostic software, 3Dicom R&D.



*The new 3Dicom Website*

# REVIEW OF OPERATIONS

Singular also launched a new 3Dicom website allowing users to fully explore the innovative capabilities of the different tiers of 3Dicom, namely “Patient”, “MD”, “Surgical” and “R&D” tiers, which are now available to download on both Mac and Windows.

Some notable features of 3Dicom 3.1.0 include, but are not limited to:

- Adding hyper-realistic colour rendering of the 3D models of patient-specific anatomy from standard scans using advanced raytracing.
- Hosting collaborative calls in 3Dicom MD and Surgical with inbuilt voice and text chat functionality to collaboratively interact with the 3D model in real-time from anywhere.
- Adding the ability to import medical Computer Aided Design (CAD) files of implants, guides and segmented anatomy/pathologies and superimpose them on the actual anatomy in 3D.
- 2D to 3D annotation tool allows radiologists and medical practitioners to add annotations in familiar, traditional 2D views and immediately see it in the 3D view too.
- A fast and secure medical file sharing system developed in-house and known as Medical File Transfer Protocol (MFTP) that enables wireless transfer of scans.

3Dicom Patient and 3Dicom R&D tiers are clearly labelled and marketed for non-diagnostic use and have been purchased in more than 30 countries by patients, academics, and medical device developers as an educational and scientific software.

With the ability to leverage in-built segmentation tools to label medical images in 2D and 3D, create binary masks for AI training datasets, and export 3D printable anatomical models, 3Dicom R&D has been popular with medical AI developers & anatomy educators. By the end of period, the Company had acquired over 100 new paying subscribers.

## Attendance at American Association of Neurological Surgeons Annual Conference

In May, our Chief Operating Officer, James Hill (pictured in middle below) attended the American Association of Neurological Surgeons (AANS) Annual Conference in Philadelphia. As the largest neurosurgical event in the United States, AANS presented a great opportunity to showcase Singular’s 3Dicom software on both desktop and virtual reality to a global audience and gain valuable feedback for the cranial implant AI model.

The conference was a success with a large amount of interest shown by surgeons and various medical device manufacturers, who will be able to officially use the 3Dicom MD software once the USFDA certification through the 510K process is granted. The trip to the US was also an opportunity to identify and explore synergies with companies that may contribute to Singular Health’s effort in sales and marketing of 3Dicom software both in its current form and as a diagnostic tool post-USFDA certification.



*Basiru Sumbundu, Marketing Manager at Kelyniam Global, James Hill, COO at Singular Health, and Ross Bjella, CEO of Kelyniam Global, a patient-specific cranial implant manufacturer.*

# DIRECTORS' REPORT

Your Directors present the following report on Singular Health Group Limited and its controlled entities (referred to hereafter as “the Group”) for the year ended 30 June 2022.

## Directors

The persons who were Directors of Singular Health Group Limited during the reporting period and up to the date of this report are:

NAME	
Mr Howard Digby	Chairman and Non-Executive Director
Mr Thomas Hanly	Managing Director
Prof. Kwang Guan Tay Phd	Executive Director – Innovation and Research
Mr Denning Chong	Non-Executive Director
Mr Andrew Just	Non-Executive Director

## Chief Executive Officer

Mr Thomas Hanly

## Company Secretary

Mr Steven Wood

## Principal Activities

During the year the principal activities of the Group consisted of:

- Core Software Development on 3Dicom, VSP and Health Academy;
- Research and Development;
- Sales and Marketing;
- Appointment and ongoing engagement with Advisory Board; and
- Regulatory Approvals and Quality Management System.

There were no significant changes in the nature of the activities of the Group during the year.

## Dividends

There were no dividends paid or proposed during the year.

# DIRECTORS' REPORT

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net comprehensive loss from continuing operations attributable to owners of \$5,989,623 for the financial year ended 30 June 2022.

## Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

## Matters Subsequent to Reporting Date

DATE	DETAILS
1 Aug 2022	<p><b>Collaborative Agreement signed with Osteopore Limited (ASX: OSX):</b></p> <p>The Company signed a collaborative agreement to procure four enterprise licences for 3Dicom, promote the Company's software, jointly assess M&amp;A opportunities, and collaborate on business activities in the USA and Australia.</p> <p>The four licences purchased by OSX will be used for a period of eighteen months from the effective date of the agreement. OSX will be provided with software upgrades for 3Dicom for a period of three years from the effective date of the agreement.</p> <p>Singular will undertake the technical task of designing the additional algorithm from the cranial implant skirt (with the IP belonging to Singular). OSX shall have an exclusive period of three years from the date of the delivery of this AI cranial implant within the skirt by Singular to OSX.</p> <p>Each party will make its own contributions in terms of manpower, equipment, facilities, cash funding and other contributions to advance the achievements of the agreement described above.</p> <p>Either party shall be entitled to terminate the agreement immediately by notice in writing to the terminated party if any of the below events occur. The events are:</p> <p>If the terminated party commits any material breach of any of its obligations under the agreement and shall fail to remedy such breach within thirty days after being given notice by the terminating party to do so; or</p> <p>If the terminated party shall go into liquidation, whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the consent of all other parties, such consent not to be unreasonably withheld) or if the terminated party shall have an administrator appointed or if a receiver, administrative receiver or manager shall be appointed over any part of its asset or undertaking.</p>
8 Aug 2022	<p><b>Singular Health announces Planned Divestment of GeoVR Asset:</b></p> <p>The Company signed a share sale agreement with its joint venture partner, TerraCentric Pty Ltd ("TerraCentric") to divest its 50% shareholding in GeoVR Pty Ltd. The agreement is for an indicative purchase price of AUD\$500,000 and a proposed ongoing licence fee or royalty.</p> <p>There is no guarantee a binding share sale agreement will be reached between the parties at the date of this report, as the share sale agreement is subject to a 90-day due diligence period.</p>
10 Aug 2022	<p><b>Singular Health secures \$800,000 Convertible Note Investment:</b></p> <p>The Company has raised \$800,000 through the issuance of unsecured convertible notes issued to Sophisticated Investors. The convertible notes have a face value of \$10,000 per note, totalling \$800,000 across 80 notes. The convertible notes are non-redeemable and may not be converted until their maturity date, one year from the date of issue. The convertible notes are issued with a 15% coupon rate that accrues annually on the maturity date. The convertible notes (plus outstanding interest) may be converted into ordinary shares in the Company at a conversion price equal to 75% to the five trading day VWAP on the business day immediately before the maturity date.</p> <p>Arranger fees of \$48,000 are payable by the Company to referrers in connection with the issue of the Convertible Notes. In addition to these arranger fees, the referrers will be issued 400,000 options each (800,000 in total) ("Referrer Options"), exercisable at \$0.24 per option, with an expiration date two years from date of issue. The shares issued on exercise of each referrer option are subject to a one-year escrow period from the date of issue of any shares.</p>

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

## Likely developments and expected results of operations

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report.

## Environmental Regulation

The Group is not subject to significant environmental regulation under Australian Commonwealth or State law.

# DIRECTORS' REPORT

## Information on Directors

The names of the Directors of Singular who held office during the financial year and at the date of this report are:

### Mr Howard Digby

Chairman and Non-Executive Director

#### Qualifications

BEng (Hons)

#### Experience

Howard Digby began his career at IBM and has spent over 25 years managing technology-related businesses in the Asia Pacific region, of which 11 years were spent in Hong Kong. Prior to returning to Perth, Howard was with The Economist Group as Regional Managing Director. He has also held senior regional management roles at Adobe and Gartner

Howard Holds a Bachelor of Engineering (Hons) from the University of Western Australia

#### Interest in Shares, Options and Performance Rights

85,000 Ordinary fully paid shares  
1,000,000 Options

#### Other current directorships

Non-Executive Director: 4DS Memory Limited (ASX: 4DS)

Non-Executive Director: Elsie Limited (ASX: ELS)

Non-Executive Director: Spenda Limited (formerly Cirralto Limited) (ASX: SPX)

#### Former directorships held in past three years

Non-Executive Director: IMEHXS Limited (ASX: IME) resigned 30/04/20

Non-Executive Director: Vortiv Limited (ASX: VOR) resigned 19/04/21

### Mr Thomas Hanly

Managing Director and CEO

#### Qualifications

BSc, BA, MBA

#### Board Committees

Member of the Risk & Audit Committee

#### Experience

Holding a Bachelor's degree in resource and environmental economics, Thomas' early career saw him work as an economic analyst for AgricultureNZ before moving to the United States where he obtained his Series 7 and was employed in private banking with Merrill Lynch.

With a strong understanding of capital markets and an interest in technology, he was heavily involved in the early 2000's driving the development and commercialisation of a financial services start-up in the United States before returning to Australia.

Prior to joining Singular Health, Thomas has held a number of board positions of privately held companies in Australia and Singapore and has acted as an independent consultant assisting with the funding and commercialisation of innovative technologies. Recently, Thomas provided strategic technology transfer advice for the development of new acid leach membrane technology from Monash University and helped to develop carbon tax offset strategies with Calibre Group in Perth.

#### Interest in Shares, Options and Performance Rights

3,516,065 Ordinary fully paid shares  
6,000,000 Options  
3,000,000 Performance Rights

#### Other current directorships

N/A

#### Former directorships held in past three years

N/A

# DIRECTORS' REPORT

## Prof. Kwang Guan Tay PhD

Executive Director of Innovation and Research

### Qualifications

Dr, Bsc MBus, PhD

### Experience

Holding a PhD from the Centre for Molecular Immunology and Instrumentation at the University of Western Australia for work completed at the Department of Clinical Immunology, Royal Perth Hospital, an MBA and Bachelor of Science (Biotechnology and Biological Sciences Double Major) with Honours (BSc(Hons)) from Murdoch University, Guan is highly respected in the medical and educational sectors.

Currently an Adjunct Associate Professor at the Faculty of Health and Medical Sciences at the University of Western Australia, Dr Tay has held various academic positions over the past 20 years (primarily in an adjunct or visiting capacity) at the University of Western Australia, as well as Edith Cowan University. Dr Tay has also managed significant projects at Khalifa University, the premier research-intensive university in Abu Dhabi, the United Arab Emirates.

### Interest in Shares, Options and Performance Rights

157,398 Ordinary fully paid shares

3,000,000 Options

300,000 Performance Rights

### Other current directorships

N/A

### Former directorships held in past three years

N/A

## Mr Denning Chong

Non-Executive Director

### Qualifications

LLB. Dist., B. Com

### Board Committees

Member of the Risk & Audit Committee

### Experience

Denning Chong has been the principal of James Chong Lawyers since 2004. Denning has had the opportunity to assist across a broad spectrum of the community - from ASX listed companies and cross border type transactions, to local communities.

Denning holds positions with various prominent property development companies, including currently being a director of the Australian subsidiaries of a prominent SGX listed property developer, with a significant property portfolio. He is also a director of a boutique venture capital business focusing on property, financial and medical technology sectors.

Denning is one of the founders of Singular Health and was involved in the early stage funding and governance of Singular Health since its incorporation.

### Interest in Shares, Options and Performance Rights

4,380,000 Ordinary fully paid shares

4,500,000 Options

2,400,000 Performance Rights

### Other current directorships

N/A

### Former directorships held in past three years

N/A

# DIRECTORS' REPORT

## Mr Andrew Just

Non-Executive Director

### Qualifications

BE, MBA

### Board Committees

Member of the Risk & Audit Committee

### Experience

Graduating from Macquarie University with a Bachelor of Economics (Economics & Business Law) and Monash University with a Bachelor's degree in health economics, Andrew Just was employed by Roche Pharmaceuticals as a Health Economist. He built economic models for inclusion of Roche products on the Australian Medical Benefits Scheme and then in GE Healthcare where he ultimately was appointed General Manager of Services for Australia and New Zealand leading a team of 152 staff.

He gained his MBA from the University of New South Wales and has since gained over 25 years of highly relevant global senior executive experience in the healthcare industry at Fortune 500 and ASX listed companies including Stryker, Cochlear, GE Healthcare, Radiometer, Roche, and Novartis.

Andrew has prior ASX experience having previously been the Chief Executive Officer and Managing Director of ASX listed group Paragon Care Limited (ASX:PGC) and strong governance experience from previous roles and as a Graduate of the Australian Institute of Group Directors.

### Interest in Shares, Options and Performance Rights

1,000,000 Options

### Other current directorships

N/A

### Former directorships held in past three years

N/A

# DIRECTORS' REPORT

## Director Meetings

The number of Directors' meetings and number of meetings attended by each of the directors of the Company during the period are:

	Number of Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended	Number of Risk & Audit Committee Meetings Eligible to Attend	Number of Risk & Audit Committee Meetings Attended
<b>Director</b>				
Mr Howard Digby	7	7	-	-
Mr Thomas Hanly	7	7	1	1
Prof. Kwang Guan Tay Phd	7	7	-	-
Mr Denning Chong	7	7	1	1
Mr Andrew Just	7	7	1	1

## Company Secretary

Mr Steven Wood is a Director of Grange Consulting Group, having joined Grange in October 2011, where he specialises in corporate advisory, company secretarial and financial management services. Mr Wood is a Chartered Accountant, and since joining Grange he has been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

## Financial Position

The net assets of the consolidated Group have decreased to \$1,748,703 (2021: \$5,082,270) as at 30 June 2022. The Group's working capital, being current asset less current liabilities was \$936,739 at 30 June 2022 (2021: \$4,036,431).

## Shares under option and performance rights

Unissued ordinary shares of Singular Health Group Limited under option and performance rights at the date of this report are as follows:

Security Code	Date Options Issued	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
SHGOPT01 UNLISTED OPTIONS @ \$0.30 ESC 24M	12-Feb-21	12-Feb-25	\$0.30	19,250,000	-
SHGOPT01 UNLISTED OPTIONS @ \$0.30 ADVISORY BOARD	23-Nov-21	30-Nov-25	\$0.30	500,000	-
SHGOPT02 UNLISTED OPTIONS @ \$0.30 EXP 20/12/25	23-Nov-21	20-Dec-25	\$0.30	2,070,000	-
SHGOPT03 UNL OPTIONS @ \$0.40 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.40	300,000	-
SHGOPT04 UNL OPTIONS @ \$0.50 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.50	300,000	-
SHGOPT05 UNL OPTIONS @ \$0.60 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.60	400,000	-
SHGOPT06 UNL OPTIONS @ 0.24 EXP 19/08/2024	19-Aug-22	19-Aug-24	\$0.24	800,000 <sup>1</sup>	-
SHGPERFA12 PERFORMANCE RIGHTS - CLASS A	12-Feb-21	31-Dec-23	\$0.00	-	150,000
SHGPERFA24 PERFORMANCE RIGHTS - CLASS A (ESC 24M)	12-Feb-21	31-Dec-23	\$0.00	-	4,850,000
SHGPERFB12 PERFORMANCE RIGHTS - CLASS B	12-Feb-21	31-Dec-24	\$0.00	-	150,000
SHGPERFB24 PERFORMANCE RIGHTS - CLASS B (ESC 24M)	12-Feb-21	31-Dec-24	\$0.00	-	4,850,000
			<b>Total</b>	<b>23,620,000</b>	<b>10,000,000</b>

1. 800,000 issued as per ASX announcement 10 August 2022, refer to note 26 for further details.

# DIRECTORS' REPORT

## Securities granted during the year

Unlisted options granted during the year as share based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Corporate Advisor Options <sup>1,2</sup>	1-Oct-21	5,000,000	\$0.40	3 years from issue date	1-Oct-21	N/A
Employee Share Plan Options <sup>2</sup>	23-Nov-21	1,710,000	\$0.30	4 years from issue date	1-Jun-23	N/A
Employee Share Plan Options <sup>2</sup>	23-Nov-21	20,000	\$0.30	4 years from issue date	1-Sep-23	N/A
Employee Share Plan Options <sup>2</sup>	23-Nov-21	300,000	\$0.30	4 years from issue date	1-Nov-23	N/A
Employee Share Plan Options <sup>2</sup>	23-Nov-21	40,000	\$0.30	4 years from issue date	1-Dec-23	N/A
Advisor Options - Jonathan Clarke <sup>2</sup>	23-Nov-21	250,000	\$0.30	4 years from issue date	1-Sep-22	N/A
Advisor Options - Bradley Moore <sup>2</sup>	23-Nov-21	250,000	\$0.30	4 years from issue date	4-Oct-22	N/A
Tranche A: Research and Promotional Activities Options <sup>2</sup>	22-Dec-21	300,000	\$0.40	2 years from issue date	22-Dec-21	N/A
Tranche B: Research and Promotional Activities Options <sup>2</sup>	22-Dec-21	300,000	\$0.50	2 years from issue date	22-Dec-21	N/A
Tranche C: Research and Promotional Activities Options <sup>2</sup>	22-Dec-21	400,000	\$0.60	2 years from issue date	22-Dec-21	N/A

1. 5,000,000 options to be issued as per ASX announcement 1 October 2021.

2. Refer to notes 15 and 16 for details of these options.

No performance rights were granted during the year as share-based payments.

### Insurance of Officers

During the year, Singular Health Group Limited paid a premium to insure the directors and secretary of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### Proceedings on behalf of the group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

# DIRECTORS' REPORT

## Non-audit services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided were disclosed in note 24 (2021: \$73,450). The Board of Directors has considered the position and is satisfied that the provision on non-audit services is compatible with the general standard of independence of auditors imposed by the Corporation Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, did not compromise the auditor independence requirements of the Corporation Act 2001.

## Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

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# DIRECTORS' REPORT

## REMUNERATION REPORT - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of Singular Health Group Limited who have the authority and responsibility of planning, directing and controlling activities of the Group either directly or indirectly.

The key management personnel of the Group are detailed below:

Director	Role
Howard Digby	Chairman
	Non-Executive Director
Thomas Hanly	Managing Director
	Chief Executive Officer
Prof. Kwang Guan Tay Phd	Executive Director – Innovation and Research
Denning Chong	Non-Executive Director
Andrew Just	Non-Executive Director
<b>Key Management Personnel</b>	
James Hill	Chief Operating Officer
Steven Wood	Company Secretary

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Equity instruments held by key management personnel
- Loans to key management personnel
- Other transactions with key management personnel
- Additional information

### A. Principles used to determine the nature and amount of remuneration

The Board is of the opinion that the continued improved results will be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth over the coming years.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group.

The relative proportions of remuneration that are linked to performance and those that are fixed are disclosed in section B of the remuneration report. The proportion of remuneration that is linked to performance relates to the vesting of performance rights issued to key management personnel, the terms of which are disclosed in section D of this report.

The Directors assess performance of the Group with regard to the achievement of both operational and financial targets with a focus on sales revenues and share price. Directors and employees are issued performance rights to encourage the alignment of personal and shareholder interests.

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### A. Principles used to determine the nature and amount of remuneration (continued)

#### Non-Executive Directors

The Constitution and the ASX Listing Rules provides that the Non-Executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Group or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules).

Each Non-Executive Director receives a fee for being a Director of the Company. The remuneration of Non-Executive Directors for the period ended 30 June 2022 is detailed later in this report.

#### Executive Directors

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term employee benefits;
- other remuneration such as superannuation and long-service leave; and
- long-term incentives through participation in the Singular Employee Share Option Plan.

The combination of these comprises the executive's total remuneration.

#### Directors' fees

The amount of remuneration the directors receive must not exceed the sum determined by the Company in general meeting from time to time.

Remuneration of executives consists of an un-risked element (base pay) and performance-based bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. No performance-based bonuses were paid during the year ended 30 June 2022.

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the year to 30 June 2022:

	30 June 2022 \$
Revenue and other income	425,391
Net profit/(loss) before tax	(5,986,020)
Net profit/(loss) after tax	(5,986,020)

No dividends have been paid for the year to 30 June 2022.

	30 June 2022 \$
Share price at listing date (12 Feb 2021)	0.3800
Share price at end of year	0.0960
Basic earnings/(loss) per share (cents)	(5.83)
Diluted earnings/(loss) per share (cents)	(5.83)

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### A. Principles used to determine the nature and amount of remuneration (continued)

#### Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

#### Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.

#### Executive pay

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- other remuneration such as superannuation and long-service leave; and
- long-term incentives through participation in the Singular Employee Share Option Plan.

#### Base pay

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay is set to reflect the market for a comparable role.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

There are no short-term incentives outstanding.

#### Benefits

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

#### Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business.

#### Long term incentives

During the year, the Company issued unlisted options to the Chief Operating Officer. The details of the options issued are disclosed in section D of the remuneration report. The value of vested options granted in previous reporting periods was determined based on the intrinsic value of the options at the date of vesting, being the difference between the share price on that date and the exercise price payable by the KMP.

During previous reporting periods, the Company issued Performance rights to Directors and other Key Management Personnel. The performance rights have nil exercise prices and will expire between two to three years from the issue date. The Performance rights will convert to ordinary shares on achievement of performance conditions detailed later in this report.

#### Remuneration consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's KMP's.

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### B. Details of remuneration

#### Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

#### Key management personnel of the Group

30 June 2022	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options/Performance Rights
	Cash salary & fees	Other	Annual Leave	Long Service Leave	Super-annuation Pensions	Retirement benefits	Options/performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	%
<i>Non-Executive directors</i>									
Howard Digby	50,000 <sup>1</sup>	-	-	-	4,845 <sup>1</sup>	-	61,749	116,594	53%
Denning Chong	40,000	-	-	-	4,000	-	363,120	407,120	89%
Andrew Just	40,000	-	-	-	4,000	-	61,749	105,749	58%
<b>Sub-total Non-Executive directors</b>	<b>130,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,845</b>	<b>-</b>	<b>486,618</b>	<b>629,463</b>	<b>77%</b>
<i>Executive Directors</i>									
Thomas Hanly	212,462	433	10,260	-	21,246	-	477,056	721,457	66%
Prof. Kwang Guan Tay Phd	176,539	-	17,953	-	17,654	-	195,904	408,050	48%
<b>Sub-total Executive Directors</b>	<b>389,001</b>	<b>433</b>	<b>28,213</b>	<b>-</b>	<b>38,900</b>	<b>-</b>	<b>672,960</b>	<b>1,129,507</b>	<b>60%</b>
<i>Other key management personnel</i>									
James Hill	132,000	12,592	18,583	-	13,200	-	201,342	377,717	53%
Steven Wood	132,904 <sup>2</sup>	-	-	-	-	-	106,832	239,736	45%
<b>Sub-total Other key management personnel</b>	<b>264,904</b>	<b>12,592</b>	<b>18,583</b>	<b>-</b>	<b>13,200</b>	<b>-</b>	<b>308,174</b>	<b>617,453</b>	<b>50%</b>
<b>Total key management personnel compensation (Group)</b>	<b>783,905</b>	<b>13,025</b>	<b>46,796</b>	<b>-</b>	<b>64,945</b>	<b>-</b>	<b>1,467,752</b>	<b>2,376,423</b>	<b>62%</b>

1. This amount is invoiced to the Company by Banda Consulting Pty Ltd in relation to Mr Digby's remuneration in his capacity as Chairman.

2. This amount is invoiced to the Company by Grange Consulting Pty Ltd in relation to Mr Wood's services to the Company.

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### B. Details of remuneration (continued)

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options/Performance Rights
	Cash salary & fees	Cash Bonus	Non-Monetary	Long Service Leave	Super-annuation Pensions	Retirement benefits	Options/performance rights		
30 June 2021	\$	\$	\$	\$	\$	\$	\$	\$	%
Directors									
Non-Executive directors									
Howard Digby <sup>1</sup>	18,839	-	-	-	-	-	23,346	42,185	55%
Denning Chong <sup>1</sup>	57,558	-	-	-	1,462	-	170,055	229,075	74%
Andrew Just <sup>1</sup>	16,615	-	-	-	1,578	-	23,346	41,539	56%
<b>Sub-total Non-executive directors</b>	<b>93,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,040</b>	<b>-</b>	<b>216,747</b>	<b>312,799</b>	<b>69%</b>
Executive Directors									
Thomas Hanly <sup>2</sup>	283,495 <sup>4</sup>	-	-	-	7,892	-	221,323	512,710	43%
Prof. Kwang Guan Tay Phd	122,038	-	-	-	9,332	-	78,163	209,533	37%
<b>Sub-total Directors</b>	<b>405,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,224</b>	<b>-</b>	<b>299,486</b>	<b>722,243</b>	<b>41%</b>
Other key management personnel									
James Hill	127,500	-	21,395	-	12,112	-	85,027	246,034	35%
Steven Wood <sup>3</sup>	103,491	-	-	-	-	-	245,852	349,343	70%
<b>Sub-total Other key management personnel</b>	<b>230,991</b>	<b>-</b>	<b>21,395</b>	<b>-</b>	<b>12,112</b>	<b>-</b>	<b>330,879</b>	<b>595,377</b>	<b>56%</b>
<b>Total key management personnel compensation (Group)</b>	<b>729,536</b>	<b>-</b>	<b>21,395</b>	<b>-</b>	<b>32,376</b>	<b>-</b>	<b>847,112</b>	<b>1,630,419</b>	<b>52%</b>

1. Represents remuneration from 27 January 2021 to 30 June 2021.
2. Salary was partly invoiced to the Company by JDE Capital Pty Ltd in relation to Mr Hanly's role with the Company.
3. Fees were invoiced to the Company by Grange Consulting Pty Ltd in relation to Mr Wood's services to the Company.
4. Mr Hanly received additional amounts during the period due to reduced payments in the 2020 financial year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed remuneration 2022 %	Performance-based remuneration 2022 %	Fixed remuneration 2021 %	Performance-based remuneration 2021 %
Mr Thomas Hanly	85%	15%	84%	16%
Mr Howard Digby	100%	Nil	100%	Nil
Mr Denning Chong	79%	21%	72%	28%
Prof. Kwang Guan Tay Phd	97%	3%	96%	4%
Mr Andrew Just	100%	Nil	100%	Nil
Mr James Hill	89%	11%	87%	13%
Mr Steven Wood	94%	6%	97%	3%

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### C. Service agreements

#### Executive Services Agreements

The Group has entered into an executive services agreement with Mr Thomas Hanly in respect of his employment as Chief Executive Officer of the Company (Executive Services Agreement), Dr Kwang Guan Tay in respect of his employment as Executive Director – Innovation and Research of the Company, and Mr James Hill in respect of his employment as Chief Operating Officer of the Company.

Name	Base salary excluding superannuation	Termination benefit
<b>Executive</b>		
Mr Thomas Hanly (CEO)	AUD\$216,000	6 months' notice to Mr Hanly and paying any entitlements owing to Mr Hanly at termination date.
Mr James Hill (Chief Operating Officer)	AUD\$132,000	2 weeks' notice to Mr Hill and paying any entitlements owing to Mr Hill at termination date.
Prof. Kwang Guan Tay Phd (Executive Director)	AUD\$180,000	3 months' notice to Prof. Tay and paying any entitlements owing to Prof. Tay at termination date.

#### Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the directors duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

The following fees (exclusive of superannuation) applied during the year:

Name	Base salary
<b>Non-Executive</b>	
Mr Howard Digby (Chairman)	AUD\$50,000
Mr Denning Chong	AUD\$40,000
Mr Andrew Just	AUD\$40,000

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### D. Share-based compensation

#### Performance Rights

The terms and conditions of performance rights affecting remuneration in the current or a future reporting period are as follows:

Tranche	Class Of Securities	Grant Date	Exercise Price	Expiry Date	Vesting Date (Expected)	Disposal Restriction
1	Class A Performance Rights <sup>1</sup>	12 Feb 2021	Nil – convert to ordinary shares on achievement of performance conditions	31 Dec 2023	30 Jun 2023	N/A
2	Class B Performance Rights <sup>1</sup>	12 Feb 2021	Nil – convert to ordinary shares on achievement of performance conditions	31 Dec 2024	30 Jun 2024	N/A

1. Refer to notes 15 and 16 for details of these performance rights.

The performance conditions for the Performance Rights are set out below:

Tranche	Performance Milestones
1	The shares are admitted to the Official List of ASX; and the Company achieves a Gross Revenue of at least \$1.25m for the 2022-2023 financial year.
2	The shares are admitted to the Official List of the ASX; and the Company achieves a Gross Revenue of at least \$2.5m for the 2023-2024 financial year.

Management have valued Tranche 1 and Tranche 2 performance rights based on the share price at the grant date. A 100% probability of achieving the vesting condition has been applied to the expense in the current reporting period.

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
1	NIL	12 Feb 2021	100%	0.1%	31 Dec 2023	\$0.20	\$0.20	\$730,000
2	NIL	12 Feb 2021	100%	0.1%	31 Dec 2024	\$0.20	\$0.20	\$730,000

#### Options

The following options were granted to the Chief Operating Officer during the period:

Class Of Securities	Grant Date	Vesting Date (Expected)	Number Of Securities	Exercise Price	Expiry Date	Value Per Option At Grant Date	% Vested
Employee Share Plan Options	23 Nov 21	1 Jun 23	400,000	\$0.30	16 Dec 2025	\$0.1300	N/A

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Class Of Securities	Grant Date	Vesting Date (Expected)	Exercise Price	Expiry Date	Value Per Option At Grant Date	% Vested
KMP Incentive Options	12 Feb 21	12 Feb 23	\$0.30	12 Feb 2025	\$0.0124	N/A

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### E. Equity instruments held by key management personnel

#### Shareholdings

The numbers of shares in the Group held during the period by each director of Singular Health Group Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2022 Name	Balance at the start of the year	Movement during the period	Balance at the end of the year
<b>Directors</b>			
Thomas Hanly	3,500,001	16,064	3,516,065
Prof. Kwang Guan Tay Phd	157,398	-	157,398
Denning Chong	4,380,000	-	4,380,000
Andrew Just	-	-	-
Howard Digby	85,000	-	85,000
<b>Key Management Personnel</b>			
James Hill	830,000	-	830,000
Steven Wood <sup>1</sup>	1,025,000	-	1,025,000
<b>Total</b>	<b>9,977,399</b>	<b>16,064</b>	<b>9,993,463</b>

1. Includes 1,000,000 shares held in Grange Consulting Group Pty Ltd.

#### Performance Rights

The number of performance rights over ordinary shares in the Group held during the year by each director of Singular Health Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no performance rights granted during the reporting period as compensation.

2022 Name	Balance at the start of the year	Vested	Balance at end of the year	Vested and exercisable	Un-vested
<b>Directors</b>					
Thomas Hanly	3,000,000	-	3,000,000	-	3,000,000
Prof. Kwang Guan Tay Phd	300,000	-	300,000	-	300,000
Denning Chong	2,400,000	-	2,400,000	-	2,400,000
Andrew Just	-	-	-	-	-
Howard Digby	-	-	-	-	-
<b>Key Management Personnel</b>					
James Hill	1,200,000	-	1,200,000	-	1,200,000
Steven Wood	400,000	-	400,000	-	400,000
<b>Total</b>	<b>7,300,000</b>	<b>-</b>	<b>7,300,000</b>	<b>-</b>	<b>7,300,000</b>

# DIRECTORS' REPORT

## REMUNERATION REPORT – Audited (continued)

### E. Equity instruments held by key management personnel (continued)

#### Option holdings

The number of options over ordinary shares in the Group held during the year by each director of Singular Health Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. Unlisted options granted to the Chief Operating Officer during the year are disclosed in Section D of the Remuneration Report.

2022 Name	Balance at the start of the year	Granted	Vested	Balance at end of the year	Vested and exercisable	Un-vested
<b>Directors</b>						
Thomas Hanly	6,000,000	-	-	6,000,000	-	6,000,000
Prof. Kwang Guan Tay Phd	3,000,000	-	-	3,000,000	-	3,000,000
Denning Chong	4,500,000	-	-	4,500,000	-	4,500,000
Andrew Just	1,000,000	-	-	1,000,000	-	1,000,000
Howard Digby	1,000,000	-	-	1,000,000	-	1,000,000
<b>Key Management Personnel</b>						
James Hill	2,250,000	400,000	-	2,650,000	-	2,650,000
Steven Wood	1,500,000	-	-	1,500,000	-	1,500,000
<b>Total</b>	<b>19,250,000</b>	<b>400,000</b>	<b>-</b>	<b>19,650,000</b>	<b>-</b>	<b>19,650,000</b>

### F. Loans to key management personnel

No loans were provided to, made, guaranteed, or secured directly or indirectly to any KMP or their related entities during the financial year.

### G. Other transactions with key management personnel

Grange Consulting Group Pty Ltd, of which Steven Wood is a Director, received \$132,904 excluding GST (2021: \$103,491) during the year for financial services, company secretarial work. These services are provided on normal commercial terms and at arm's length, with \$12,705 balance payable as at 30 June 2022.

James Chong and Co Pty Ltd, a company associated with Denning Chong, received \$54,750 excluding GST in fees (2021: \$8,423) during the period for legal and marketing consulting provided to the Company, with \$nil payable as at 30 June 2022.

Re-Energise Digital, a company associated with James Hill, received \$24,633 excluding GST in fees (2021: \$57,680) during the period for marketing services provided to the Company, with \$363 payable at 30 June 2022.

Loans outstanding at the end of the current and prior year include an unsecured loan from Thomas Hanly of Singular Health Group Limited of \$1,123 (2021: \$1,545), with no fixed terms of repayment and no interest payable.

### H. Additional information

#### Voting and comments made at the Company Annual General Meeting

Singular Health Group Limited received more than 90% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Remuneration Report, which has been audited.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



**Thomas Hanly**  
Managing Director

Perth, Western Australia, 31 August 2022

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF SINGULAR HEALTH GROUP LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

SHAUN WILLIAMS  
PARTNERMOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 31<sup>st</sup> day of August 2022.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SINGULAR HEALTH GROUP LTD****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Singular Health Group Ltd (the "Company") and its controlled entities (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SINGULAR HEALTH GROUP LTD (CONTINUED)**

**Key Audit Matters (continued)**

<b>Related Party Transactions &amp; Share Based Payments to Key Management Personnel</b>	
<b>Refer to Remuneration Report, Note 16 Share Based Payments</b>	
<p>During the year ended 30 June 2022, the Group incurred share based payments expense of \$2,656,056.</p> <p>The value of share-based payments is a key audit matter due to it being a key material transaction with members of key management personnel, the valuation of which involved significant judgment and accounting estimation.</p> <p>Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Enquiring and obtained confirmations from Key Management Personnel regarding related party transactions occurring during the period.</li> <li>• Reviewing minutes of meetings, ASX announcements and agreements, relating to the approval of such arrangements undertaken during the financial year.</li> <li>• Assessing the valuation methodology used by management to estimate fair value of share options issues, including testing the integrity of the information provided, assessing the appropriateness of the key assumptions input into the valuation model and recalculating the valuation using the Black Scholes Model.</li> <li>• Assessing whether the share-based payments have been appropriately classified and accounted for in the financial statements.</li> <li>• Assessing the appropriateness of the relevant disclosures in the financial statements.</li> </ul>

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGULAR HEALTH GROUP LTD (CONTINUED)

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Singular Health Group Ltd, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SHAUN WILLIAMS  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 31<sup>st</sup> day of August 2022.

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
<b>Revenue from continuing operations</b>			
Revenue	4	54,034	193,643
Research and development grant income	4	363,742	262,700
Interest and other revenue	4	7,615	117,354
<b>Expenses</b>			
Selling and marketing expenses	5	(289,952)	(149,366)
Patent, research and development expenses	5	(598,038)	(189,768)
Consultancy and subcontractor fees		(181,627)	(801,539)
Employee and director benefits expense	5	(1,718,126)	(878,645)
Corporate, audit and legal expenses	5	(438,839)	(370,565)
Depreciation and amortisation		(259,835)	(130,691)
Administration expenses		(163,991)	(249,310)
Share based payments	16	(2,656,056)	(720,234)
Finance costs		(12,888)	(1,464,382)
Share of net loss in associates	18	(52,834)	(4,136)
Other expenses		(31,685)	(71,158)
Share of net loss of joint arrangements		(7,540)	-
<b>Profit/(Loss) before income tax</b>		<b>(5,986,020)</b>	<b>(4,456,097)</b>
Income tax expense	6	-	-
<b>Profit/(Loss) after income tax</b>		<b>(5,986,020)</b>	<b>(4,456,097)</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		(3,603)	5,050
<b>Other comprehensive loss for the period, net of tax</b>		<b>(3,603)</b>	<b>5,050</b>
<b>Total comprehensive profit/(loss) for the period</b>		<b>(5,989,623)</b>	<b>(4,451,047)</b>
<b>Total comprehensive profit/(loss) is attributable to:</b>			
Owners of Singular Health Group Limited		<b>(5,989,623)</b>	<b>(4,451,047)</b>
		<b>(5,989,623)</b>	<b>(4,451,047)</b>
<b>Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Singular Health Group Limited:</b>			
Basic and diluted profit/(loss) per share (cents)	17	(5.83)	(6.02)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,139,935	4,135,691
Trade and other receivables	8	141,487	152,119
Prepayments		29,288	9,181
<b>Total current assets</b>		<b>1,310,710</b>	<b>4,296,991</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	58,105	63,358
Right-of-use assets	11	73,902	133,265
Intangibles	9	454,456	637,893
Investments in associates and joint arrangements		243,030	295,864
<b>Total non-current assets</b>		<b>829,493</b>	<b>1,130,380</b>
<b>TOTAL ASSETS</b>		<b>2,140,203</b>	<b>5,427,371</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	220,166	148,328
Provisions	13	85,672	49,184
Borrowings		1,123	1,545
Lease liability	11	67,010	61,503
<b>Total current liabilities</b>		<b>373,971</b>	<b>260,560</b>
<b>Non-current liabilities</b>			
Lease liability	11	17,529	84,541
<b>Total non-current liabilities</b>		<b>17,529</b>	<b>84,541</b>
<b>TOTAL LIABILITIES</b>		<b>391,500</b>	<b>345,101</b>
<b>NET ASSETS</b>		<b>1,748,703</b>	<b>5,082,270</b>
<b>EQUITY</b>			
Issued capital	14	9,526,669	9,526,669
Reserves	15	3,371,739	719,286
Accumulated losses		(11,149,705)	(5,163,685)
<b>TOTAL EQUITY</b>		<b>1,748,703</b>	<b>5,082,270</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2021	9,526,669	720,234	(5,163,685)	(948)	5,082,270
<b>Total comprehensive income for the period</b>					
Loss for the year	-	-	(5,986,020)	-	(5,986,020)
Total other comprehensive income	-	-	-	(3,603)	(3,603)
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>(5,986,020)</b>	<b>(3,603)</b>	<b>(5,989,623)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Share based payments	-	2,656,056	-	-	2,656,056
<b>Balance at 30 June 2022</b>	<b>9,526,669</b>	<b>3,376,290</b>	<b>(11,149,705)</b>	<b>(4,551)</b>	<b>1,748,703</b>

	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2020	500,000	-	(707,588)	(5,998)	(213,586)
<b>Total comprehensive income for the period</b>					
Loss for the year	-	-	(4,456,097)	-	(4,456,097)
Total other comprehensive income	-	-	-	5,050	5,050
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>(4,456,097)</b>	<b>5,050</b>	<b>(4,451,047)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Issue of shares, net of costs	5,330,592	-	-	-	5,330,592
Shares issued on conversion of convertible notes	2,486,077	-	-	-	2,486,077
Share based payments	850,000	720,234	-	-	1,570,234
<b>Balance at 30 June 2021</b>	<b>9,526,669</b>	<b>720,234</b>	<b>(5,163,685)</b>	<b>(948)</b>	<b>5,082,270</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		54,034	111,915
Payments to suppliers and employees		(3,336,241)	(2,399,133)
Government grants received		374,375	377,810
Interest received		2,056	2,244
<b>Net cash outflow from operating activities</b>	20	<b>(2,905,776)</b>	<b>(1,907,164)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant & equipment		(11,781)	(50,486)
Payments for intangible assets		-	(260,082)
Payments for acquisition of associates and joint ventures		(5,341)	(300,000)
<b>Net cash outflow from investing activities</b>		<b>(17,122)</b>	<b>(610,568)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue, net of issue costs		-	5,691,655
Proceeds from issue of convertible notes		-	1,025,000
Repayment of borrowings		(422)	(154,396)
Payment of principle portion of lease liabilities		(68,833)	(44,438)
<b>Net cash inflow from financing activities</b>		<b>(69,255)</b>	<b>6,517,821</b>
Net increase in cash and cash equivalents		4,135,691	4,000,089
Cash and cash equivalents at beginning of the financial period		(2,992,153)	130,552
Effects of exchange rate changes on cash and cash equivalents		(3,603)	5,050
<b>Cash and cash equivalents at end of the period</b>	7	<b>1,139,935</b>	<b>4,135,691</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies

### (a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company was incorporated on 20 February 2020.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sales financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes below.

### (b) New and amended standards adopted by the entity

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### (c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Singular Health Group Ltd ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Singular Health Group Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (c) Principles of Consolidation (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

### (d) Foreign currency translation

The financial statements are presented in Australian dollars, which is Singular Health Group Ltd's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### (e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognised in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably. The following criteria must also be met before turnover is recognised.

#### *Sale of goods*

Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred the significant risks and rewards of ownership to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the Group will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### *Rendering of services*

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Group will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be measured reliably

### (f) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (f) Income Tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### (g) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### (h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### (i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### (j) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (j) Associates (continued)

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### (k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### (l) Property Plant and equipment

Property, Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (l) Property Plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Plant and equipment under lease	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### (m) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### (n) Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### *Intellectual property and software development*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

#### *Research and development*

Research and development expenditure is recognised as an expense as incurred. Development costs recognised as an expense are not recognised as an asset in a subsequent period.

### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (p) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### (q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### (r) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### (s) Employee Benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### (t) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1. Summary of significant accounting policies (continued)

### (t) Fair value measurement (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### (u) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### *Basic loss per share*

Basic loss per share is calculated by dividing the loss attributable to the owners of Singular Health Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted loss per share*

Diluted earnings per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (v) Share Based Payments

#### *Equity-settled compensation*

The Group operates an employee option and performance rights plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date of the goods or services are received.

The corresponding amounts are recognised in the share-based payment reserve and statement of profit and loss and other comprehensive income respectively. The fair value of options and performance rights are determined using the Black-Scholes model. The number of performance rights and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

## 2. Segment reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated Group. The Group's primary business segment is the provision of Volume Rendering Platform (VRP) software. The Group operates in one segment, medical technology products.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated Group. The Group's primary business segment is the provision of Volume Rendering Platform (VRP) software. The Group operates in one segment, medical technology products.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 2. Segment reporting (continued)

Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”. The chief operating decision maker has been identified as the Board of Directors.

## 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 3. Critical accounting judgements, estimates and assumptions (continued)

### Share Based Payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model taking into account the assumptions detailed within note 16. Inputs to pricing models may require an estimation of reasonable expectations about achievement of future vesting conditions. Vesting conditions must be satisfied for the counterparty to become entitled to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement. Vesting conditions include service conditions, which require the other party to complete a specified period of service, and performance conditions, which require specified performance targets to be met (such as a specified increase in the entity's profit or revenues over a specified period of time) or completion of performance hurdles.

The Group recognises an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

## 4. Revenue & other income

	2022 \$	2021 \$
<b>Revenue:</b>		
Product sales	54,034	193,643
<b>Total revenue</b>	<b>54,034</b>	<b>193,643</b>
<b>Grant income:</b>		
Research and development grants	363,742	262,700
<b>Total grant income</b>	<b>363,742</b>	<b>262,700</b>
<b>Other revenue</b>		
Interest revenue	7,251	2,244
ATO jobkeeper and cashflow boost	-	113,032
Other revenue	364	2,078
<b>Total other revenue</b>	<b>7,615</b>	<b>117,354</b>

### Disaggregation of revenue from contracts with customers

Revenue is recognised when or as the Group transfer control of the goods or services to a customer at the amount which the Group expects to be entitled over time and at a point in time. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

	Product Revenue \$	Stripe Revenue \$
<b>Timing of revenue recognition – 30 June 2022</b>		
At a point in time	50,177	3,857
Over time	-	-
<b>Total</b>	<b>50,177</b>	<b>3,857</b>
	Product Revenue \$	Stripe Revenue \$
<b>Geographical Regions – 30 June 2022</b>		
Australia	50,177	1,095
Rest of the world	-	2,762
<b>Total</b>	<b>50,177</b>	<b>3,857</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 4. Revenue & other income (continued)

	Product Revenue \$	Stripe Revenue \$
<b>Timing of revenue recognition – 30 June 2021</b>		
At a point in time	191,841	1,802
Over time	-	-
<b>Total</b>	<b>191,841</b>	<b>1,802</b>
	Product Revenue \$	Stripe Revenue \$
<b>Geographical Regions – 30 June 2021</b>		
Australia	191,841	1,802
Rest of the world	-	-
<b>Total</b>	<b>191,841</b>	<b>1,802</b>

## 5. Material profit and loss items for the year

Profit/(Loss) for the year includes the following items:

	2022 \$	2021 \$
<b>Employee benefit expenses:</b>		
Employee wages and directors' fees	1,500,008	768,587
Other employee expenses (including superannuation)	218,118	110,058
<b>Total employee benefits expense</b>	<b>1,718,126</b>	<b>878,645</b>
<b>Patent, research and development expenses:</b>		
Research and development	495,264	121,046
Quality accreditation	75,892	-
Other expenses	26,882	68,722
<b>Total patent, research and development expenses</b>	<b>598,038</b>	<b>189,768</b>
<b>Corporate, audit and legal expenses:</b>		
Corporate expenses	347,531	202,154
Legal expenses	72,202	162,253
Other expenses	19,106	6,158
<b>Total corporate, audit and legal expenses</b>	<b>438,839</b>	<b>370,565</b>
<b>Selling and marketing expenses:</b>		
Advertising	16,542	54,882
Marketing	251,197	44,901
Investor relations	22,213	49,583
<b>Total selling and marketing expenses</b>	<b>289,952</b>	<b>149,366</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 6. Income tax

	2022 \$	2021 \$
<b>(a) Income tax expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Income tax reported in statement of comprehensive income	-	-
<b>(b) The prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 30% (2021: 30%)	(1,795,806)	(1,336,829)
Add tax effect of:		
Non-allowable items	958,665	716,134
Revenue losses and other deferred tax balances not recognised	913,405	694,067
	76,264	73,372
Less tax effect of:		
R&D tax incentive (Grants)	76,264	58,024
Other non-assessable income	-	15,348
Income tax reported in statement of comprehensive income	-	-
<b>(c) Unrecognised deferred tax assets at 30% (2021: 30%)<sup>1</sup></b>		
Revenue losses	1,469,474	721,425
Capital raising costs	166,156	209,547
Property, plant & equipment	38,821	6,918
Provisions and accruals	35,446	24,655
Other	2,660	4,691
	<b>1,712,557</b>	<b>967,236</b>
<b>(d) Current tax liabilities</b>		
Provision for tax	-	-
	-	-

The benefit for tax losses will only be obtained if:

The Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

- (i) the Company continues to comply with the conditions for deductibility imposed by law; and
- (ii) No changes in income tax legislation adversely affect the Company in utilising the benefits.

1. The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 7. Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	1,139,935	4,135,691
<b>Total cash and cash equivalents</b>	<b>1,139,935</b>	<b>4,135,691</b>

## 8. Trade and other receivables

	2022	2021
	\$	\$
<b>Trade receivables:</b>		
Trade receivables	88,500	88,300
Less: allowance for expected credit losses	-	-
<b>Total trade receivables</b>	<b>88,500</b>	<b>88,300</b>
<b>Other receivables:</b>		
GST receivable	44,470	56,092
Bonds and deposits	4,531	4,531
Other receivables	3,986	3,196
<b>Total other receivables</b>	<b>52,987</b>	<b>63,819</b>
<b>Total trade and other receivables</b>	<b>141,487</b>	<b>152,119</b>

### Allowance for expected credit losses

The Group has recognised a loss of \$nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2022 (2021: \$nil).

## 9. Intangibles

	2022	2021
	\$	\$
Intellectual property at cost	737,790	737,790
Less: accumulated amortisation	(283,334)	(99,897)
<b>Total intangibles</b>	<b>454,456</b>	<b>637,893</b>

### Reconciliation of movements in intangible assets

	\$
<b>Balance at 1 July 2020</b>	<b>199,245</b>
Additions	510,082
Impairment expense	-
Amortisation expense	(71,434)
<b>Balance at 30 June 2021</b>	<b>637,893</b>
<b>Balance at 1 July 2021</b>	<b>637,893</b>
Additions	-
Impairment expense	-
Amortisation expense	(183,437)
<b>Balance at 30 June 2022</b>	<b>454,456</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 10. Property, plant and equipment

	2022	2021
	\$	\$
Office equipment – at cost	47,190	41,482
Less: accumulated depreciation	(21,579)	(15,679)
Computer equipment – at cost	45,994	40,627
Less: accumulated depreciation	(13,500)	(3,072)
<b>Total property, plant and equipment</b>	<b>58,105</b>	<b>63,358</b>

### Reconciliation of movements in property, plant and equipment

	\$
<b>Balance at 1 July 2020</b>	<b>27,691</b>
Additions	50,486
Depreciation expense	(14,819)
<b>Balance at 30 June 2021</b>	<b>63,358</b>
<b>Balance at 1 July 2021</b>	<b>63,358</b>
Additions	11,783
Depreciation expense	(17,036)
<b>Balance at 30 June 2022</b>	<b>58,105</b>

## 11. Right-of-use assets and lease liabilities

	2022	2021
	\$	\$
<b>Right-of-use assets</b>		
Land and building-right of use asset	177,703	177,703
Less: accumulated amortisation	(103,801)	(44,438)
<b>Total right-of-use assets</b>	<b>73,902</b>	<b>133,265</b>
<b>Lease liabilities:</b>		
<b>Current</b>		
Lease liability	67,010	61,503
<b>Total current lease liability</b>	<b>67,010</b>	<b>61,503</b>
<b>Non-current</b>		
Lease liability	17,529	84,541
<b>Total non-current lease liability</b>	<b>17,529</b>	<b>84,541</b>
<b>Total lease liability</b>	<b>84,539</b>	<b>146,044</b>

Additions to the right-of-use assets during the year were \$nil (2021: \$177,703).

The Group leases land and buildings for its offices under agreements of between two to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 12. Trade and other payables

	2022	2021
	\$	\$
<b>Current</b>		
Trade payables <sup>1</sup>	120,603	50,715
Accruals and other payables	99,563	97,613
<b>Total trade and other payables</b>	<b>220,166</b>	<b>148,328</b>

1. Current trade payables are non-interest bearing and are normally settled on 30-day terms

## 13. Provisions

	2022	2021
	\$	\$
<b>Current</b>		
Provision for annual leave	85,672	49,184
<b>Total provisions</b>	<b>85,672</b>	<b>49,184</b>

## 14. Contributed equity

	2022	2022	2021	2021
	\$	No	\$	No
<b>Issued and fully paid</b>				
Ordinary shares	9,526,669	102,798,867	9,526,669	102,798,867
<b>Total contributed equity</b>	<b>9,526,669</b>	<b>102,798,867</b>	<b>9,526,669</b>	<b>102,798,867</b>

### Reconciliation of movements in ordinary shares

	No. of shares	\$
<b>Balance at 1 July 2020</b>	<b>55,000,001</b>	<b>500,000</b>
IPO placement shares – 02 February 2021	30,000,000	6,000,000
Shares issued upon conversion of existing convertible notes - 02 February 2021	14,230,384	2,846,077
Shares issued to lead manager and advisor - 02 February 2021	3,000,000	600,000
Shares issued for VR surgical acquisition - 27 May 2021	568,482	250,000
Share issue costs	-	(669,408)
<b>Balance at 30 June 2021</b>	<b>102,798,867</b>	<b>9,526,669</b>
<b>Balance at 1 July 2021</b>	<b>102,798,867</b>	<b>9,256,669</b>
<b>Balance at 30 June 2022</b>	<b>102,798,867</b>	<b>9,526,669</b>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 15. Reserves

### (a) Equity settled share-based payment reserve

	2022 \$	2022 No	2021 \$	2021 No
Option reserve	2,389,179	22,820,000	449,416	19,250,000
Performance rights reserve	987,111	10,000,000	270,818	10,000,000
<b>Total equity settled share-based payment reserve</b>	<b>3,376,290</b>	<b>32,820,000</b>	<b>720,234</b>	<b>29,250,000</b>

### (b) Foreign currency reserve

	2022 \$	2021 \$
Foreign currency translation reserve	(4,551)	(948)
<b>Total foreign currency translation reserve</b>	<b>(4,551)</b>	<b>(948)</b>

### (c) Total reserves

	2022 \$	2021 \$
<b>Total reserves</b>	<b>3,371,739</b>	<b>719,286</b>

#### Nature and purpose of equity settled share-based payment reserve

The share-based payment reserve records the value of options, performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the year reflects the value of options and performance shares issued by the Group.

#### Nature and purpose of foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

#### Movements in reserves

Movements in each class of reserve during the current and previous financial year are included in the Statement of Changes in Equity.

#### Reconciliation of movements in performance rights

	No. of performance rights	\$
<b>Balance at 1 July 2020</b>	-	-
Performance Rights granted during the year – 12 February 2021	10,000,000	270,818
<b>Balance at 30 June 2021</b>	<b>10,000,000</b>	<b>270,818</b>
<b>Balance at 1 July 2021</b>	<b>10,000,000</b>	<b>270,818</b>
Vesting of employee performance rights <sup>1</sup>	-	716,293
<b>Balance at 30 June 2022</b>	<b>10,000,000</b>	<b>987,111</b>

1. Expense of \$716,293 relates to performance rights issued to directors and key management personnel as security-based remuneration in a prior period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 15. Reserves (continued)

Performance rights outstanding at 30 June 2022

Class of Securities	Grant Date	Exercise Price	Expiry Date	Number Under Performance Rights
Class A Performance Rights	12 Feb 2021	Nil	31 Dec 2023	5,000,000
Class B Performance Rights	12 Feb 2021	Nil	31 Dec 2024	5,000,000
				<b>10,000,000</b>

Reconciliation of movements in options

	No. of options	\$
<b>Balance at 1 July 2020</b>	-	-
Options issued to directors and key management personal on IPO – 12 February 2021	19,250,000	449,416
<b>Balance at 30 June 2021</b>	<b>19,250,000</b>	<b>449,416</b>
<b>Balance at 1 July 2021</b>	<b>19,250,000</b>	<b>449,416</b>
Options granted to consultants in respect of corporate and financial advisory services – 1 October 2021 <sup>1,3</sup>	-	485,000
Options issued to Advisory Board under approved SHG Employee Share Option Plan – 23 November 2021 <sup>1</sup>	500,000	46,099
Options issued to Employees under approved SHG Employee Share Option Plan - 23 November 2021 <sup>1</sup>	2,270,000	100,238
Options issued to consultants in respect of research and promotional activities and associated activities – 22 December 2021 <sup>1</sup>	300,000	41,333
Options issued to consultants in respect of research and promotional activities and associated activities – 22 December 2021 <sup>1</sup>	300,000	36,541
Options issued to consultants in respect of research and promotional activities and associated activities – 22 December 2021 <sup>1</sup>	400,000	43,603
Vesting expense – Options issued to Directors as incentive-based remuneration <sup>2</sup>	-	957,113
Vesting expense – Options issued to other key management personnel as incentive-based remuneration <sup>2</sup>	-	231,560
Lapsing/cessation of options	(200,000)	(1,724)
<b>Balance at 30 June 2022</b>	<b>22,820,000</b>	<b>2,389,179</b>

1. Refer to note 16 for further details on options issued during the period.

2. Expenses of \$1,188,673 relate to incentive options issued to directors and key management personnel as security-based remuneration in a prior period.

3. 5,000,000 options to be issued as per ASX announcement 1 October 2021.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 15. Reserves (continued)

Unlisted options outstanding at 30 June 2022

Class of Options	Grant Date	Exercise Price	Expiry Date	Number under options
KMP Incentive Options	12-Feb-21	\$0.30	4 years from issue date	19,250,000
Employee Share Plan Options	23-Nov-21	\$0.30	4 years from issue date	1,710,000
Employee Share Plan Options	23-Nov-21	\$0.30	4 years from issue date	20,000
Employee Share Plan Options	23-Nov-21	\$0.30	4 years from issue date	300,000
Employee Share Plan Options	23-Nov-21	\$0.30	4 years from issue date	40,000
Advisor Options - Jonathan Clarke	23-Nov-21	\$0.30	4 years from issue date	250,000
Advisor Options - Bradley Moore	23-Nov-21	\$0.30	4 years from issue date	250,000
Tranche A: Research and Promotional Activities Options	22-Dec-21	\$0.40	2 years from issue date	300,000
Tranche B: Research and Promotional Activities Options	22-Dec-21	\$0.50	2 years from issue date	300,000
Tranche C: Research and Promotional Activities Options	22-Dec-21	\$0.60	2 years from issue date	400,000
				<b>22,820,000</b>

## 16. Share-based payments

Recognised share-based payment expense

	2022	2021
	\$	\$
<b>Total share-based payment expense</b>	<b>2,656,056</b>	<b>720,234</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 16. Share-based payments (continued)

*Options granted during the year*

Options granted during the year ended 30 June 2022 as share based payments are as follows

Class of Securities	Grant Date	Number Of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Corporate Advisor Options <sup>1</sup>	1-Oct-21	5,000,000	\$0.40	3 years from issue date	1-Oct-21	N/A
Employee Share Plan Options	23-Nov-21	1,710,000	\$0.30	4 years from issue date	1-Jun-23	N/A
Employee Share Plan Options	23-Nov-21	20,000	\$0.30	4 years from issue date	1-Sep-23	N/A
Employee Share Plan Options	23-Nov-21	300,000	\$0.30	4 years from issue date	1-Nov-23	N/A
Employee Share Plan Options	23-Nov-21	40,000	\$0.30	4 years from issue date	1-Dec-23	N/A
Advisor Options - Jonathan Clarke	23-Nov-21	250,000	\$0.30	4 years from issue date	1-Sep-22	N/A
Advisor Options - Bradley Moore	23-Nov-21	250,000	\$0.30	4 years from issue date	4-Oct-22	N/A
Tranche A: Research and Promotional Activities Options	22-Dec-21	300,000	\$0.40	2 years from issue date	22-Dec-21	N/A
Tranche B: Research and Promotional Activities Options	22-Dec-21	300,000	\$0.50	2 years from issue date	22-Dec-21	N/A
Tranche C: Research and Promotional Activities Options	22-Dec-21	400,000	\$0.60	2 years from issue date	22-Dec-21	N/A

1. 5,000,000 options to be issued as per ASX announcement on 1 October 2021.

The options were valued using the Black-Scholes Model with the following outputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value Per Option	Total Fair Value
							(\$)	(\$)
Corporate Advisor Options	Nil	1-Oct-21	80%	0.58%	3 years from issue date	\$0.24	\$0.10	\$485,000
Employee Share Plan Options	Nil	23-Nov-21	80%	0.95%	4 years from issue date	\$0.24	\$0.13	\$283,750
Advisory Board Options	Nil	23-Nov-21	80%	0.95%	4 years from issue date	\$0.24	\$0.13	\$62,500
Tranche A: Research and Promotional Activities Options	Nil	22-Dec-21	100%	0.57%	2 years from issue date	\$0.30	\$0.14	\$41,333
Tranche B: Research and Promotional Activities Options	Nil	22-Dec-21	100%	0.57%	2 years from issue date	\$0.30	\$0.12	\$36,541
Tranche C: Research and Promotional Activities Options	Nil	22-Dec-21	100%	0.57%	2 years from issue date	\$0.30	\$0.11	\$43,603

*Performance rights granted during the year*

There were no new performance rights granted during the year ended 30 June 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 17. Earnings/(loss) per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2022 Cents	2021 Cents
Basic and diluted loss per share		
Basic loss per share (cents per share)	(5.83)	(6.02)
Diluted profit/(loss) per share (cents per share)	(5.83)	(6.02)
	2022 \$	2021 \$
Profit/(Loss)		
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(loss)	(5,986,020)	(4,456,097)
	2022 No.	2021 No.
Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	102,798,864	74,053,220

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

## 18. Joint arrangements & interest in associates

### Joint Arrangement in GeoVR Pty Ltd

Singular Health Group has a 50% interest in a joint operation called GeoVR Pty Ltd which was set up as a Joint Arrangement Company together with FlowCentric Technologies Pty Ltd to commercialise technology allowing for mineral exploration and production data to be visualised in a fully interactive 3D environment. The principal place of business of the joint arrangement is in Australia.

### Joint Arrangement in SH Medical Technology Ltd

Singular Health Pte Ltd, a wholly owned subsidiary of Singular Health Group Limited, has a 50% interest in a joint operation called SH Medical Technology Ltd which was set up as a Joint Arrangement Company together with sophisticated individual investors to investigate market potential for Scan to Surgery technology in the East Asian market. The principal place of business of the joint arrangement is in Macau. SH Medical Technology Ltd has had minimal activities since its establishment.

### Investment in Australian Additive Engineering Pty Ltd

On 21 March 2021, the Group and Australian Additive Engineering Pty Ltd (AAE) entered into a share subscription deed where SHG would subscribe to 25% of AAE's share capital for a subscription price of \$300,000. The acquisition was approved by the shareholders at the General Meeting held on 11 May 2021.

Consideration of \$300,000 in cash was paid on 26 May 2021 and this is deemed to be the date of acquisition.

Under AASB 128 Investments in associates and joint ventures, SHG's 25% interest in AAE is considered a significant influence as it holds more than 20% directly in the investee, and therefore, the investment is equity accounted. Interest in associates are accounted for using the equity method of accounting.

	30 June 2022	
	Country of Incorporation	% Ownership Interest
Australian Additive Engineering Pty Ltd	Australia	25

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 18. Joint arrangements & interest in associates (continued)

### Summarised financial information for associates

#### Summarised statement of financial position

The statement below provides summarised financial information for the associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Singular Health Group Ltd's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	2022	2021
	\$	\$
Current assets	263,318	778,750
Non-current assets	367,554	79,461
<b>Total assets</b>	<b>630,872</b>	<b>858,211</b>
Current liabilities	(2,310)	(16,977)
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>(2,310)</b>	<b>(16,977)</b>
<b>Net assets</b>	<b>628,562</b>	<b>841,234</b>

#### Summarised statement of profit or loss and other comprehensive income

	2022	2021
	\$	\$
Revenue	201,739	-
Expenses	(413,078)	(16,543)
<b>Profit/(loss) before income tax</b>	<b>(211,339)</b>	<b>(16,543)</b>
Income tax expense	-	-
<b>Profit after income tax</b>	<b>(211,339)</b>	<b>(16,543)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(211,339)</b>	<b>(16,543)</b>

#### Reconciliation of the Company's Investment in Associate

	2022	2021
	\$	\$
Opening amount	296,864	300,000
Share of associate profit/(loss) after income tax	(52,834)	(4,136)
<b>Closing balance</b>	<b>243,030</b>	<b>296,864</b>

#### Contingent liabilities

Australian Additive Engineering Pty Ltd had no contingent liabilities as at 30 June 2022 and 30 June 2021.

#### Capital commitments

Australian Additive Engineering Pty Ltd had no capital commitments as at 30 June 2022 and 30 June 2021.

#### Significant restrictions

Australian Additive Engineering Pty Ltd has no significant restrictions as at 30 June 2022 and 30 June 2021.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 19. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## 20. Operating cash flow reconciliation

	2022	2021
	\$	\$
<b>Reconciliation of operating cash flows to net profit/(loss)</b>		
Profit/(loss) for the year	(5,986,020)	(4,456,097)
Share based payments	2,656,056	720,234
Share of net loss in associates	52,835	4,136
Depreciation and amortisation	259,835	130,691
Convertible not recognised finance costs	-	1,471,464
Impact of AASB 16	7,326	-
Impact of Joint Venture Arrangements	7,540	-
Decrease in trade and other receivables	69,639	149,481
Increase/(decrease) in trade and other payables	(9,475)	29,860
Increase in provisions	36,488	43,067
<b>Cash flow from operations</b>	<b>(2,905,776)</b>	<b>(1,907,164)</b>

## 21. Financial instruments

### Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however, the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

### (a) Market risk

#### (i) Interest Rate Risk

The Group holds cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

#### (ii) Foreign exchange risk

The Group operated predominantly in Australia in the year ended 30 June 2022 and had minimal exposure to foreign exchange risk.

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 21. Financial instruments (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2022 \$	2021 \$
Cash and cash equivalents AA-	1,139,935	4,135,961
<b>Total</b>	<b>1,139,935</b>	<b>4,135,961</b>

### (c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade and other payables, borrowings, and lease liabilities incurred in the normal course of the business. Trade and other payables were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. Borrowings have no fixed terms of repayment and no interest payable. The Group also has lease liabilities, which are payable over the term of the related lease agreements. The Group does not consider these liabilities to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>Financial liabilities</b>							
Trade other payables	220,166	-	-	-	-	220,166	220,166
Borrowings	1,123	-	-	-	-	1,123	1,123
Lease liabilities	32,792	34,218	17,529	-	-	84,539	84,539
<b>Total financial liabilities</b>	<b>254,081</b>	<b>34,218</b>	<b>17,529</b>	<b>-</b>	<b>-</b>	<b>305,828</b>	<b>305,828</b>

2021 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>Financial liabilities</b>							
Trade and other payables	148,328	-	-	-	-	148,328	148,328
Borrowings	1,545	-	-	-	-	1,545	1,545
Lease liabilities	30,751	30,751	85,542	-	-	146,044	146,044
<b>Total financial liabilities</b>	<b>180,624</b>	<b>30,751</b>	<b>85,542</b>	<b>-</b>	<b>-</b>	<b>295,917</b>	<b>295,917</b>

## 22. Commitments and contingent liabilities

### Capital commitments

#### Joint Arrangement: GeoVR Pty Ltd

Singular Health Group has a 50% interest in a joint operation called GeoVR Pty Ltd which was set up as a Joint Arrangement Company together with FlowCentric Technologies Pty Ltd to commercialise technology allowing for mineral exploration and production data to be visualised in a fully interactive 3D environment. The terms for the formation of the GeoVR JV are reflected in section 10.14 of Singular Health's prospectus. Each party will make an initial cash co-contribution of up to \$50,000 to fund further development and marketing as required.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 22. Commitments and contingent liabilities (continued)

*Joint Arrangement: SH Medical Technology Ltd*

Singular Health Pte Ltd, a wholly owned subsidiary of Singular Health Group Limited, has a 50% interest in a joint operation called SH Medical Technology Ltd which was set up as a Joint Arrangement Company together with sophisticated investors to investigate market potential for Scan to Surgery technology in the East Asian market. Having formally incorporated the JV, Singular Health has now committed to jointly providing up to AUD\$125,000 of funding over a 2-year period to fund a local salesforce to market and sell the 3Dicom Pro, Surgical, and Virtual Planning software in Macau, with the intention to then launch a larger expansion into the East Asian market including the mainland China, Macau and Hong Kong.

There are no contingent liabilities or contingent assets at 30 June 2022 (2021: Nil).

## 23. Related party disclosure

### (a) Parent entities

Singular Health Group Limited is the ultimate Australian parent entity.

### (b) Subsidiaries

The consolidated financial statements include the financial statements of Singular Health Group Limited and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest		Principal Activity
		30 Jun 2022	30 Jun 2021	
Singular Health Pty Ltd	Australia	100%	100%	Operating Subsidiary
Singular Health Pte Ltd	Singapore	100%	100%	Operating Subsidiary

### (c) Key management personnel compensation

	2022 \$	2021 \$
Short-term employee benefits	796,930	750,931
Post-employment long term benefits	64,945	32,376
Long term benefits (annual leave)	46,796	-
Share based payments	1,467,752	847,113
<b>Total</b>	<b>2,376,423</b>	<b>1,630,419</b>

### (d) Other transactions to/from related parties

#### Issue of Incentive Options and Performance Rights

The following securities were issued to key management personnel during the year:

Executive And Non-Executive Name	Class of Securities	Grant Date	No. Equity	Share Based Payments \$
James Hill	Employee Incentive Options <sup>1</sup>	23 November 2021	400,000	19,782
		<b>Total</b>	<b>400,000</b>	<b>19,782</b>

1. Refer to notes 15 and 16 for further details in regards to incentive options and performance rights issued during the period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 23. Related party disclosure (continued)

Grange Consulting Group Pty Ltd, of which Steven Wood is a Director, received \$132,904 excluding GST (2021: \$103,491) during the year for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. \$12,705 balance remained outstanding as at 30 June 2022.

James Chong and Co Pty Ltd, a company associated with Denning Chong, received \$54,750 excluding GST in fees (2021: \$8,423) during the period for legal and marketing consulting provided to the Company, with \$nil payable as at 30 June 2022.

Re-Energise Digital, a company associated with James Hill, received \$24,633 excluding GST in fees (2021: \$57,680) during the period for marketing services provided to the Company, with \$363 payable at 30 June 2022.

Loans outstanding at the end of the current and prior year include an unsecured loan from Thomas Hanly of \$1,123 (2021: \$1,545), with no fixed terms of repayment and no interest payable.

## 24. Auditor's remuneration

	2022 \$	2021 \$
<b>Audit Services – Moore Australia Audit (WA)</b>		
- An audit and review of the financial reports of the Group (including subsidiaries)	36,713	38,000
- Other assurance engagements	-	20,000
<b>Non-Audit Services – Moore Australia (WA)</b>		
Preparation of the tax return	8,000	8,000
Consulting	12,450	7,450
<b>Total remuneration for audit &amp; non-audit services</b>	<b>57,163</b>	<b>73,450</b>

## 25. Parent entity information

The following details information related to the parent entity, Singular Health Group Limited, as at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	2022 \$	2021 \$
Current assets	1,126,091	4,083,329
Non-current assets	5,188,623	1,053,099
<b>Total assets</b>	<b>6,314,714</b>	<b>5,136,428</b>
Current liabilities	4,566,011	54,157
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>4,566,011</b>	<b>54,157</b>
Contributed equity	9,526,669	9,526,669
Accumulated losses	(11,154,256)	(5,164,633)
Reserves	3,376,290	720,234
<b>Total equity</b>	<b>1,748,703</b>	<b>5,082,270</b>
Loss after income tax	(7,987,486)	(4,884,217)
Other comprehensive income/ (loss) for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(7,987,486)</b>	<b>(4,884,217)</b>

## Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 26. Events after the reporting date

DATE	DETAILS
1 Aug 2022	<p><b>Collaborative Agreement signed with Osteopore Limited (ASX: OSX):</b></p> <p>The Company signed a collaborative agreement to procure four enterprise licences for 3Dicom, promote the Company's software, jointly assess M&amp;A opportunities, and collaborate on business activities in the USA and Australia.</p> <p>The four licences purchased by OSX will be used for a period of eighteen months from the effective date of the agreement. OSX will be provided with software upgrades for 3Dicom for a period of three years from the effective date of the agreement.</p> <p>Singular will undertake the technical task of designing the additional algorithm from the cranial implant skirt (with the IP belonging to Singular). OSX shall have an exclusive period of three years from the date of the delivery of this AI cranial implant within the skirt by Singular to OSX.</p> <p>Each party will make its own contributions in terms of manpower, equipment, facilities, cash funding and other contributions to advance the achievements of the agreement described above.</p> <p>Either party shall be entitled to terminate the agreement immediately by notice in writing to the terminated party if any of the below events occur. The events are:</p> <p>If the terminated party commits any material breach of any of its obligations under the agreement and shall fail to remedy such breach within thirty days after being given notice by the terminating party to do so; or</p> <p>If the terminated party shall go into liquidation, whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the consent of all other parties, such consent not to be unreasonably withheld) or if the terminated party shall have an administrator appointed or if a receiver, administrative receiver or manager shall be appointed over any part of its asset or undertaking.</p>
8 Aug 2022	<p><b>Singular Health announces Planned Divestment of GeoVR Asset:</b></p> <p>The Company signed a share sale agreement with its joint venture partner, TerraCentric Pty Ltd ("TerraCentric") to divest its 50% shareholding in GeoVR Pty Ltd. The agreement is for an indicative purchase price of AUD\$500,000 and a proposed ongoing licence fee or royalty.</p> <p>There is no guarantee a binding share sale agreement will be reached between the parties at the date of this report, as the share sale agreement is subject to a 90-day due diligence period.</p>
10 Aug 2022	<p><b>Singular Health secures \$800,000 Convertible Note Investment:</b></p> <p>The Company has raised \$800,000 through the issuance of unsecured convertible notes issued to Sophisticated Investors. The convertible notes have a face value of \$10,000 per note, totalling \$800,000 across 80 notes. The convertible notes are non-redeemable and may not be converted until their maturity date, one year from the date of issue. The convertible notes are issued with a 15% coupon rate that accrues annually on the maturity date. The convertible notes (plus outstanding interest) may be converted into ordinary shares in the Company at a conversion price equal to 75% to the five trading day VWAP on the business day immediately before the maturity date.</p> <p>Arranger fees of \$48,000 are payable by the Company to referrers in connection with the issue of the Convertible Notes. In addition to these arranger fees, the referrers will be issued 400,000 options each (800,000 in total) ("Referrer Options"), exercisable at \$0.24 per option, with an expiration date two years from date of issue. The shares issued on exercise of each referrer option are subject to a one-year escrow period from the date of issue of any shares.</p>

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

# DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.
  - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Managing Director as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



**Mr Thomas Hanly**  
Managing Director

Perth, 31 August 2022

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# CORPORATE GOVERNANCE STATEMENT

## Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Singular Health Group Limited ("Company" or "Group"). The Board of Directors ("Board") supports a system of corporate governance to ensure that the management of Singular Health Group Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

## ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Group of Singular Health Group Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Group's corporate governance practises and copies of Group's corporate governance policies and the 2022 Corporate Governance Statement, approved by the Board, are available of the Group's website: <https://singular.health/corporate-governance/>

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# ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

## 1. Shareholdings

The issued capital of the Company as at 19 August 2022 is 102,798,867 ordinary fully paid shares (including 37,509,798 escrowed ordinary shares), 10,000,000 employee performance rights, and 22,820,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

### Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	204	150,100	0.15%
1,001-5,000	913	2,554,108	2.48%
5,001-10,000	417	3,423,297	3.33%
10,001-100,000	554	17,707,391	17.23%
100,001 and above	111	78,963,971	76.81%
<b>Total</b>	<b>2,199</b>	<b>102,798,867</b>	<b>100.00%</b>

### Unmarketable parcels

There were 46 holders of less than a marketable parcel of ordinary shares.

## 2. Top 20 Shareholders as at 19 August 2022

	Name	Number of Shares	%
1	SIM TEK TAN	8,780,000	8.54%
2	CHONG LING DIAMOND CHEONG	7,065,754	6.87%
3	JLI ENTERPRISES PTY LTD <JLI A/C>	4,900,000	4.77%
4	JCC HEALTH PTY LTD <THE JDE MEDVR A/C>	4,380,000	4.26%
5	SYLVAN CAPITAL PTE LTD	3,500,000	3.40%
6	SC CONSULTANT PTY LTD	3,161,918	3.08%
7	GARRY TET KHENG CHONG	3,000,000	2.92%
8	PENINSULA TREESCAPE PTY LTD <THE CARDINALS A/C>	2,700,000	2.63%
9	MR PAK LIM KONG	2,250,000	2.19%
10	STAINED GLASS WINDOWS PTY LTD <THE FAST LANE SF A/C>	2,000,000	1.95%
10	FAYWENG PTY LTD	2,000,000	1.95%
11	MR PHILIP JOHN CAWOOD	1,804,795	1.76%
12	MR PAK LIM KONG	1,723,973	1.68%
13	WANG (AUST) PTY LTD	1,340,000	1.30%
14	MR DONG CHANG	1,050,959	1.02%
15	GRANGE CONSULTING GROUP PTY LTD	1,000,000	0.97%
15	JEPTAI PTY LTD	1,000,000	0.97%
15	RICHARD TAI PTY LTD	1,000,000	0.97%
16	LOMBARDI SUPER PTY LTD <LOMBARDI SUPER FUND A/C>	850,000	0.83%
16	ROYANNA PTY LTD <ROYANNA SUPER FUND A/C>	850,000	0.83%
17	AUSGLOBAL ONE PTY LTD	838,974	0.82%
18	REENERGISE AUSTRALIA PTY LTD <JRH FAMILY A/C>	830,000	0.81%
19	GRAHAM HUGH MOORE	800,000	0.78%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	617,057	0.60%
	<b>Total Top 20</b>	<b>57,443,430</b>	<b>55.88%</b>
	Total remaining holders balance	45,355,437	44.12%
	<b>Total</b>	<b>102,798,867</b>	<b>100.00%</b>

## ASX ADDITIONAL INFORMATION

### 3. Unquoted securities

There are 10,000,000 performance rights and 22,820,000 unlisted options over shares in the Company as at 19 August 2022 as follows:

Security Code	Date Options Granted	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
SHGOPT01 UNLISTED OPTIONS @ \$0.30 ESC 24M	12-Feb-21	12-Feb-25	\$0.30	19,250,000	-
SHGOPT01 UNLISTED OPTIONS @ \$0.30 ADVISORY BOARD	23-Nov-21	30-Nov-25	\$0.30	500,000	-
SHGOPT02 UNLISTED OPTIONS @ \$0.30 EXP 20/12/25	23-Nov-21	20-Dec-25	\$0.30	2,070,000	-
SHGOPT03 UNL OPTIONS @ \$0.40 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.40	300,000	-
SHGOPT04 UNL OPTIONS @ \$0.50 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.50	300,000	-
SHGOPT05 UNL OPTIONS @ \$0.60 EXP 10/01/2024	22-Dec-21	10-Jan-24	\$0.60	400,000	-
SHGPERFA12 PERFORMANCE RIGHTS - CLASS A <sup>1</sup>	12-Feb-21	31-Dec-23	\$0.00	-	150,000
SHGPERFA24 PERFORMANCE RIGHTS - CLASS A (ESC 24M) <sup>1</sup>	12-Feb-21	31-Dec-23	\$0.00	-	4,850,000
SHGPERFB12 PERFORMANCE RIGHTS - CLASS B <sup>1</sup>	12-Feb-21	31-Dec-24	\$0.00	-	150,000
SHGPERFB24 PERFORMANCE RIGHTS - CLASS B (ESC 24M) <sup>1</sup>	12-Feb-21	31-Dec-24	\$0.00	-	4,850,000
			<b>Total</b>	<b>22,820,000</b>	<b>10,000,000</b>

1. See section 4 below for further details.

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Holder	SHGOPT01 UNLISTED OPTIONS @ \$0.30 ESC 24M	SHGOPT01 UNLISTED OPTIONS @ \$0.30 ADVISORY BOARD	SHGOPT02 UNLISTED OPTIONS @ \$0.30 EXP 20/12/25	SHGOPT03 UNL OPTIONS @ \$0.40 EXP 10/01/2024	SHGOPT04 UNL OPTIONS @ \$0.50 EXP 10/01/2024	SHGOPT05 UNL OPTIONS @ \$0.60 EXP 10/01/2024	SHGPERFA12 PERFORMANCE RIGHTS - CLASS A	SHGPERFB12 PERFORMANCE RIGHTS - CLASS B
JCC HEALTH PTY LTD	4,500,000	-	-	-	-	-	1,200,000	1,200,000
J J TAN (PERTH) PTY LTD	-	-	-	-	-	-	1,200,000	1,200,000
THOMAS SYLVANUS HANLY	6,000,000	-	-	-	-	-	1,500,000	1,500,000
MR JONATHAN CLARK	-	250,000	-	-	-	-	-	-
CLEVER DENTIST PTY LTD	-	250,000	-	-	-	-	-	-
THOMAS MORRELL	-	-	500,000	-	-	-	-	-
RED LEAF SECURITIES PTY LTD	-	-	-	300,000	300,000	400,000	-	-
Total number of holders	7	2	13	1	1	1	7	7
Total holdings over 20%	2	2	1	1	1	1	3	3
Other holders	5	3	12	-	-	-	4	4
<b>Total</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>7</b>

## ASX ADDITIONAL INFORMATION

### 4. Performance Rights (Allotment – 12 February 2021)

Tranche	No. of Performance Rights	Vesting Condition To Convert Into One Share In The Company Per Performance Right	Expiry Date	Vested (Yes/No)	Comment
Class A Performance Rights	5,000,000	The Shares are admitted to the Official List of ASX; and The Company achieves a Gross Revenue of at least \$1.25m for the 2022-2023 financial year.	31/12/2023	No	n/a
Class B Performance Rights	5,000,000	The Shares are admitted to the Official List of ASX; and The Company achieves a Gross Revenue of at least \$2.5m for the 2023-2024 financial year	31/12/2024	No	n/a
TOTAL	10,000,000				

### 5. Substantial Holders as at 19 August 2022

Holder	Number of shares held	% of issued capital held
SIM TEK TAN	8,780,000	8.54%
CHONG LING DIAMOND CHEONG	7,065,754	6.87%

### 6. Restricted Securities Subject to escrow period

Security class	Number of securities held
SHGESC13 – ESCROWED SHARES (ESC 24M FROM QUOTATION)	34,509,798
SHGESCA – ADVISOR SHARES (ESC 24M FROM LISTING)	3,000,000
SHGOPT01 - UNLISTED OPTIONS @ \$0.30 ESC 24M	19,250,000
SHGPERFA24 PERFORMANCE RIGHTS - CLASS A (ESC 24M)	4,850,000
SHGPERFB24 PERFORMANCE RIGHTS - CLASS B (ESC 24M)	4,850,000
SHGPERFA12 PERFORMANCE RIGHTS - CLASS A (ESC 12M)	150,000
SHGPERFB12 PERFORMANCE RIGHTS - CLASS B (ESC 12M)	150,000

### 7. On-market buyback

There is currently no on - market buyback program for any of Singular Health Group Limited's listed securities.

### 8. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the year ended 30 June 2022 in a way that is consistent with its business objective and strategy.