



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

ANNUAL REPORT

For the year ended 30 June 2023

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CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Singular Health Group Limited ('Singular Health' or 'the Company') 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 Andrew Just – Non-Executive Director

Interim Chief Executive Officer and Managing Director

Mr Denning Chong

Company Secretary

Mr Steven Wood

Ms Sujana Karthik

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

Website: <http://singular.health>

Share Registry

Automatic Registry Services

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: +1300 288 664

Auditors

Nexia Perth Audit Services Pty Ltd

Level 3, 88 William Street

Perth WA 6001

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

Dear Shareholders,

On behalf of the Board of Singular Health Group Limited, it is our pleasure to present the 2023 Annual Report.

This past year has seen numerous milestone achievements with the granting of ISO13485:2016 certification, successful Medical Device Single Audit Program (MDSAP), our inaugural US FDA510(k) diagnostic clearance for 3Dicom MD®, and the further development of our proprietary Medical File Transfer Protocol ("MFTP").

These certifications and regulatory clearances not only provide Singular Health with access to larger markets and medical practitioners, but also act as a barrier to entry for other market entrants and are substantial intangible assets.

During the year, Singular Health has continued to develop the Group's core technology portfolio through continual improvements to the Volumetric Rendering Platform ("VRP"), the development and implementation of the Medical File Transfer Protocol ("MFTP"), and our own internal transaction engine for subscription management and micro-services such as MFTP transfers, referral programs, and upcoming AI-in-the-Cloud and 3D printing integrations.

The Group has continued to conduct 100% of the software development in-house for an integrated systems approach that has seen the emergence of MFTP as a secure, wireless, and HIPAA-compliant means of transferring medical records between medical practitioners and their patients to improve patient education and ensure ownership and control of their medical records. Patients and practitioners are then able to use the VRP, deployed in mobile, Virtual Reality and desktop applications, to rapidly and locally convert standard 2D medical images into immersive, interactive 3D models of patient anatomy on their devices. All of this is underpinned by our transaction engine which maintains a full audit trail and offers opportunities for the monetisation of data transfers and cloud storage.

With the granting of the Company's inaugural diagnostic clearance, an FDA 510(k) clearance in the United States, in October 2022, Singular Health has been able to actively market in the United States market and seek direct feedback and market validation from prospective and existing customers, including individual doctors and patients as well as large enterprises and federal agencies. This strategy has proven successful in securing a technical partnership with Sony Electronics. The feedback has been overwhelmingly positive, particularly with regards to the interconnected nature of the 3Dicom ecosystem that sees patients able to not only view their medical images in 3D in their pocket using the 3Dicom mobile application but receive and share these medical records to their various care teams, removing the requirements for CD-ROMs and complex viewing platforms.

The Board of Singular Health and the whole team have been very conscious of the difficult macro-economic conditions and are committed to maximising the usage of shareholder funds. With this in mind, and considering the customer feedback and regulatory requirements, the Company has actively sought to streamline its operations both from a corporate and commercial perspective. Notably during the year this led to a decision to focus on commercialising the 3Dicom MD and Patient products. These measures were also accompanied by numerous staffing changes and the proactive divestment and closure of investments and joint ventures which have better focused the Group's activities.

During the second half of the year, Singular Health, through its wholly owned subsidiary Singular 3DP, acquired the assets and business of a Perth based 3D printing facility. The acquisition has provided the Group with significant opportunities to established diversified revenue streams through the provision of medical 3D printing along with the resale of 3D printer hardware and consumables.

Yours faithfully,



Howard Digby
Chairman

REVIEW OF OPERATIONS

The Board is pleased to provide a review of the operations undertaken during FY23 by Singular Health Group Limited and its subsidiaries.

As noted in the Chairman's letter, this past year has seen Singular Health's team achieve substantial milestones in the commercialisation of a medical technology company, with ISO13485:2016 certification providing external validation of the rigour applied to our development of Software-as-a-Medical-Device (SaMD) products, and our inaugural diagnostic clearance with a US FDA510(k) clearance.

As you read this review of operations, it is important to note that Singular Health remains committed to our vision of empowering patients and practitioners through technology that enables personalised healthcare, and the above achievements, and the key operational activities outlined below, have underpinned an evolution in the Company's focus over the past year.

This evolution has seen Singular Health move its focus from the end-to-end design and manufacture of personalised, patient-specific medical devices (such as cranial implants) towards the empowerment of patients and practitioners through improved visualisation and sharing of medical files with the 3Dicom MD® and 3Dicom Patient applications. This has been informed by the strong thematic tailwinds identified in the United States market with regards to putting individuals "in the driver's seat" with respect to their health through tools such as 3Dicom Patient and the corresponding 3Dicom Mobile application, and by driving reduced readmission rates and hospital penalties through the use of 3Dicom MD® for more meaningful and collaborative consultations.

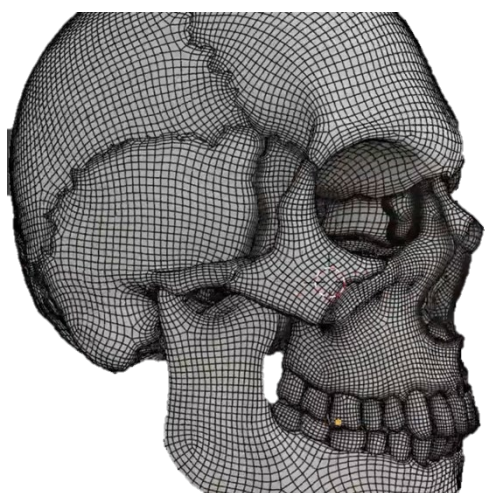
In addition to the significant opportunities for near-term substantial revenue generation that comes from leveraging the Company's existing diagnostically cleared software and Patient products, the Board remains committed to unlocking the substantial value in the Scan to Surgery® initiative and pursuing this market segment.

Furthermore, Singular Health continues to retain significant blue-sky potential through its own artificial intelligence algorithms for cranial implant design and vertebral segmentation, the continued expansion of its transaction engine and API infrastructure for 3rd party vertical integrations, and the retention of the 3Dicom R&D product.

Research, Academia, and Industry Engagement

Late 2022 saw the culmination of numerous external research and development activities such as the CSIRO cranial implant project, the placement of two artificial intelligence PhD students through the Australian Postgraduate Research Intern (APR Intern) program, and a health literacy project through the iPrepWA program. Throughout the year, Singular Health has continued to engage positively with industry and academia, whilst carefully evaluating further research and academic pursuits.

Healthy Bones Project – Edith Cowan University and Arthritis and Osteoporosis WA



In September 2022, Singular Health joined Edith Cowan University and the Arthritis and Osteoporosis WA (AOWA) foundation in a two-year health literacy project, entitled "Healthy Bones", focused on improving health outcomes for high school students in relation to bone and joint health.

Singular Health's contribution to this project has been the participation of Dr Martina Mariano PhD on advisory panels and at several workshops, along with the provision of existing and yet-to-be created interactive media such as 3D models, animated videos, and other resources.

In recognition of Singular Health's licensing of the resources and participation in the project, the Healthy Bones project will pay Singular Health AUD\$60,000 over the life of the project, with \$30,000 received in this past year.

MedTech Conference (Boston) & Medica Trade Show (Dusseldorf)

With full financial support from the BridgeTech Program through a scholarship, Dr Martina Mariano PhD represented Singular Health as part of a larger Australian delegation at the 2022 MedTech Conference in Boston in late October 2022 immediately after the granting of Singular Health's FDA510(k) clearance. This conference, widely regarded as the leading global MedTech conference, was the Company's first representation in the United States being actively able to promote the 3Dicom MD® solution as a diagnostic solution, and the trip culminated in the achievement of a further regulatory hurdle, being the appointment of Kelyniam Global Inc. as Singular Health's US Agent / FDA Liaison.

REVIEW OF OPERATIONS

Following the MedTech conference, Dr Mariano also attended the Medica tradeshow, one of Europe's largest medical tradeshows, where the 3Dicom solution was showcased by Schneider Digital on their 8K stereoscopic screens which allow for 3D visualisation without glasses. Whilst not resulting in immediate revenue, these integrations and promotional activities have continued to develop global brand and product awareness for Singular Health.



Regulatory Pathway

As a technology company operating in the medical sector, among the most fundamental impediments to commercialisation of the Group's software are the regulatory, quality, and legal requirements imposed by the jurisdictions in which the products are, or intend, to be sold.

Just prior to FY23, a medium to long term regulatory strategy was formulated with the assistance of well-regarded regulatory consultants and it was determined at the time that the 3Dicom MD® and 3Dicom Surgical software would be classified as Software-as-a-Medical Device (SaMD) whilst the 3Dicom Patient, 3Dicom VR, and 3Dicom Mobile products would not be considered medical devices.

For a SaMD product to be marketed and subsequently commercialised, it must satisfy the regulatory requirements which typically means fulfilling the following requirements:

- Demonstrate a fully functioning Quality Management System (QMS), compliant with 21 CFR 820 and 21 CFR Part 11 in the USA, and ISO13485:2016 in the rest of the world,
- Submit a dossier with the required software development plans, testing outcomes, and evaluated risks to the relevant regulatory agencies,
- Appoint a Sponsor/Agent in the respective country(ies) as a regulatory liaison, and
- Undergo audit(s) by the regulatory agencies and/or notified bodies to ensure ongoing compliance.

Singular Health's medium to long term regulatory strategy identified the Medical Device Single Audit Program (MDSAP) as an opportunity that would result in additional cost and complexity during the year but would yield significant ongoing operational cost savings and speed to market in the long term. The MDSAP allows for multiple audits, in our case the Food and Drug Administration (FDA) in the United States, Health Canada, and Australia's Therapeutic Goods Administration (TGA) audits of our QMS and operations, to be conducted all at the same time as our annual ISO13485:2016 audit by our notified body, the British Standards Institute (BSI).

During the latter part of 2022, Singular Health successfully completed a Stage 2 onsite Audit by BSI for both the ISO13485:2016 and for entry in MDSAP, therefore meaning that the Company has already passed audits for FDA, Health Canada and the TGA. This is a major milestone in Singular Health regulatory pathway and the receipt of the certifications in March 2023, only 13 months after commencement, paves the way for regulatory submissions to Health Canada and subsequently the TGA for the 3Dicom MD® software.

FDA510(k) Clearance of 3Dicom MD®

July and August 2022 saw the completion of the first certifiable version of the 3Dicom MD® product, along with rigorous usability, cyber-security, and functional testing and documentation that involved the whole team. On the 18th August 2022, the dossier was submitted and only 70 days later on the 27th October 2022, Singular Health received its inaugural diagnostic clearance. Given the average time for a FDA510(k) submission review is ~175 days, the 70-day period for 3Dicom MD® highlights the quality of our submission.

Development and Commercialisation of 3Dicom Software

The core operations of the Company, being the development of the 3Dicom software, progressed at a rapid pace throughout the year, initially with the completion of the certifiable version of the 3Dicom MD® software and its submission to the FDA in mid-August 2023, and subsequently the further development of the 3Dicom Surgical software until May 2023. As outlined above, following the strategic review of the Company in May 2023, Singular Health has focused its development activities on the system-wide implementation of its MFTP, along with improvements to the 3Dicom Mobile application, and 3rd party integrations such as the Sony Spatial Reality Display (SRD).

REVIEW OF OPERATIONS

These development activities are set out in greater detail below.

3Dicom Surgical

Following the submission of the 3Dicom MD® software to the FDA in August 2022, the key focus of development turned to the 3Dicom Surgical software. Between mid-August 2022 and late April 2023, the software was significantly improved with numerous features being added to the Medical Computed Aided Design (MCAD) and Segmentation modules.

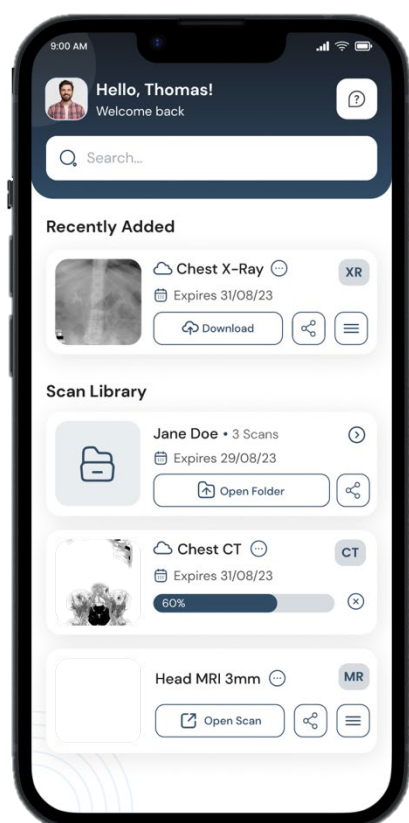
The Medical Computed Aided Design (MCAD) module allows for both the visualisation, manipulation, and design/editing of implants, medical devices such as screws, and segmented anatomical parts.

The segmentation module is crucial in extracting data from medical images, allowing for individual anatomical structures to be identified, segmented, and treated as a 'component'. Segmentation is a critical process in surgical planning and is required to 3D print patient-specific anatomy from standard CT/MRI scans. All features developed for the 3Dicom Surgical software have been made available to the commercially available 3Dicom R&D software for non-diagnostic use.

Development of the Medical File Transfer Protocol (MFTP)

Concurrent with the development of the 3Dicom software products has been the ongoing research and development of our overarching hybrid on-device / cloud-based infrastructure which has led to the commercialisation of the Medical File Transfer Protocol (MFTP).

MFTP facilitates the secure, wireless, and HIPAA-compliant transfer of not only medical images, but also accompanying reports, images, computer aided design files, and other relevant health information. In combination with a proprietary subscription and billing management system, entitled My.3Dicom, users are already able to purchase cloud storage and scan transfers, which is underpinned and transacted with a full audit trail using the MFTP. Future development is likely to see the inclusion of AI-in-the-Cloud and 3D printing services included in this eco-system using the same underlying infrastructure and transfers.



Development of 3Dicom Mobile

Through feedback from Singular Health's Global Partner Program, along with direct customer feedback, it became clear during the year that there is a very strong demand, particularly in the United States, for improved portability of medical images.

This improved portability relates not only to being able to carry medical records in an easier storage medium, i.e., cloud-hosting and/or on their mobile phone rather than using a CD (still the default method in the United States), but also the ability to visualise and share their images and reports with other patients and practitioners whilst on the move.

The latter part of the financial year has seen rapid development of the 3Dicom Mobile application to improve the usability, user interface, and add the ability to read reports and not only receive and view medical records, but share them on the spot to medical practitioners.

Subsequent to year end, the 3Dicom Mobile application was very well received by hospital administrators, practitioners, and other key decision makers in the United States during presentations in Miami, Washington DC, and at the 2023 Defence Health Information Technology Symposium (DHITS) in New Orleans.

Development of Enterprise Portal

Due to a strategic decision during the year to pursue an enterprise-focused approach in parallel with the existing direct-to-consumer approach, and to better automate and support the global partner program and referral programs, a dedicated enterprise portal has been developed in parallel to the 3Dicom software.

Allowing for centralised user management, various user roles and permissions, and with the ability to white label the solution, this enterprise portal is yet another in-house solution that reduces reliance upon 3rd party solutions allowing for full control of the audit trail to ensure compliance with various legal and regulatory requirements.

REVIEW OF OPERATIONS

Pricing

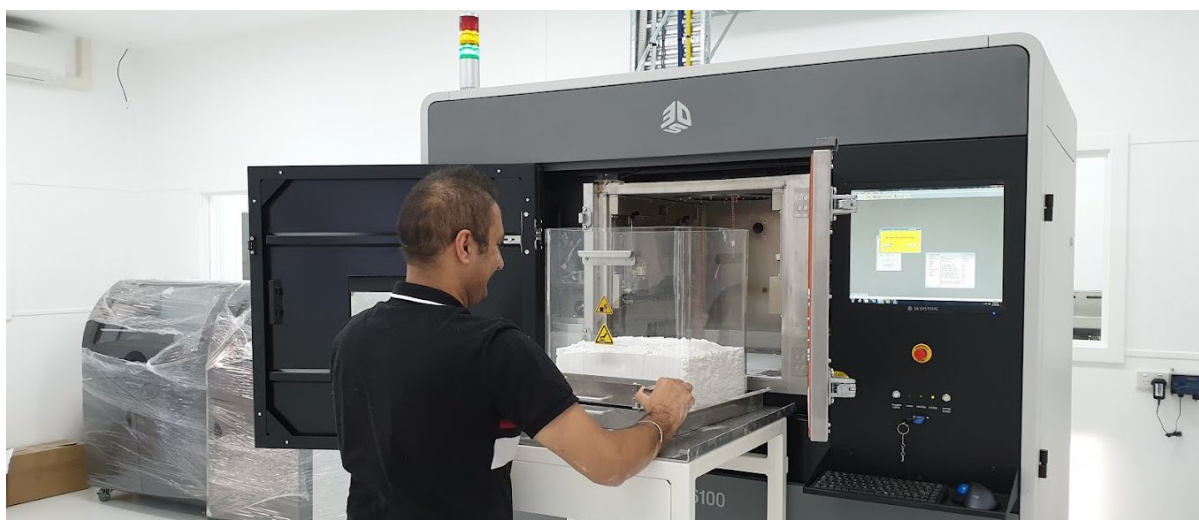
With significant improvements being made to the 3Dicom software over the past year, and with a clear shift from a research and development / market scoping phase to a full commercialisation and scaling phase, the pricing of the 3Dicom software has been consistently tested to determine price elasticity and competitiveness.

This has seen the removal of a monthly subscription option for the 3Dicom Patient product and an increase in the annual subscription from USD\$19.95 to USD\$29.95 with no substantial reduction in sign-up rates.

Subsequent to the FDA510(k) certification of the 3Dicom MD® product, the pricing has been increased from USD\$30 per month and USD\$300 per annum to USD\$99.95 per month and USD\$999.95 per annum.

The addition of the MCAD and segmentation modules led to the 3Dicom R&D pricing being increased from USD\$19.95 per month and \$99.95 per annum to USD\$69.95 per month and USD\$599.95 per annum.

Finally, the pricing of credits used for the MFTP is still being evaluated however it is currently USD\$1 per scan transfer, with various tiers being provided a set number of included credits to encourage the initial adoption of the MFTP and to establish long-term network effects.



Singular3DP Pty Ltd – Medical & Industrial 3D Printing

Announced in December 2022, and completed in January 2023, Singular 3DP Pty Ltd made an acquisition of the purchase of the assets and business of Global3D Pty Ltd (“Global 3D”), a 3D printing business located 20km south of Perth, Western Australia.

Operating two of the largest selective laser sintering (SLS) and stereolithographic apparatus (SLA) printers in Western Australia, and heavily involved in advanced manufacturing of both medical and industrial solutions, the acquisition of Global3D provides immediate and diverse revenue streams with the opportunity of future vertical integrations.

Singular Health’s wholly owned subsidiary, Singular 3DP Pty Ltd, was established to acquire and grow the business. Singular Health’s Chief Operating Officer, James Hill, Financial Controller, Wendy Figueroa, and Global Partnerships Manager, Dr Martina Mariano PhD, were seconded part-time to support Global3D’s existing team to recapitalise the business, establish new processes and procedures, and to coordinate numerous facility upgrades and marketing activities.

Following the completion of the acquisition, it was determined to retain the Global3D brand for industrial work, including the resale of 3D printing and post-processing hardware and consumables, whilst a new brand of “MediCAD” was established for the medical related activities.

Facility Upgrades

A capital works program was conducted during the latter half of the financial year ranging from the sealing of the workshop floor and implementation of air filtration systems through to the purchase and installation of new machinery, switchboard and an internal fit out.

REVIEW OF OPERATIONS



Singular 3DP invested in a vapor-fusing machine which is a critical post-processing step for the preparation of patient-specific orthotics to create a smooth molded-plastic-like surface finish safe for the skin. With one of only two such machines in Australia, this also provides Singular 3DP with a sought-after supplementary service.

Also during the year, the selective laser sintering machine underwent planned preventative maintenance along with a changeover to a new PAX Nylon material from 3D Systems to substantially improve its unit economics.

ISO9001 Certification & TGA Class 1 Approvals for Orthotics and Prosthetics

Leveraging newly developed internal know-how for regulatory and quality, immediately following the acquisition a recertification of the ISO9001:2015 standard was achieved. Subsequent to this, in a concerted campaign to increase medical device sales, several Class I TGA approvals were submitted and granted for custom-made lower-limb and spinal orthotic devices along with custom-made lower limb prosthetic sockets.

CERTIFICATE OF REGISTRATION

SINGULAR 3DP PTY LTD
ABN: 44 664 242 915
Head Office: Unit 2/43 Discovery Drive, Bibra Lake WA 6163

has been independently assessed and certified as having established, documented and implemented a Quality Management System complying with the requirements of

ISO 9001:2015
Quality Management Systems

The scope of certification covers provision of 3D printing services for a wide range of industries.

W.A. Gillman
Chairman - Approval Panel

R. Newbery
Co-Signatory - Approval Panel

Certificate number: 839083-Q
Current issue: 13/02/2023

Initial certification: 17/04/2019
Certificate expiry: 17/04/2025

ECAAAS Pty Ltd
A.C.N. 104 429 898
www.eccaas.com.au
Level 5, 205 Star Memorial Drive,
North Adelaide SA 5006, Australia

Australian Register of Therapeutic Goods Certificate

Singular 3DP Pty Ltd
for approval to supply

Singular 3DP Pty Ltd - Custom-made lower-limb orthosis

ARTG Identifier: 405871
ARTG Start Date: 8/05/2023
Product Category: Medical Device Included Class 1
GMON: 68056
GMON Term: Custom-made lower-limb orthosis
Intended Purpose: Custom-made lower-limb orthosis. The device is an externally applied wearable appliance constructed with specific characteristics (e.g., size, shape, material), as prescribed by a healthcare provider for a specific patient (custom-made), intended to support and correct deformities of the leg and/or foot. It may be one of numerous different designs and is typically made of synthetic and textile materials. This is a single-patient reusable device.

| Manufacturer Details | Address | Certificate number(s) |
|----------------------|--|-----------------------|
| Singular 3DP Pty Ltd | 2/43 Discovery Drive Bibra Lake WA, 6163 Australia | |

ARTG Standard Conditions
The above Medical Device Included Class 1 has been entered on the Register subject to the following conditions:
- The inclusion of the kind of device in the ARTG is subject to compliance with all conditions placed or imposed on the ARTG entry. Refer Part 4.5, Division 2 (Conditions) of the Therapeutic Goods Act 1989 and Part 5, Division 5.2 (Conditions) of the Therapeutic Goods (Medical Devices) Regulations 2002 for relevant information.
- Breaching conditions of the inclusion related to the device of the kind may lead to suspension or cancellation of the ARTG entry, may be a criminal offence, and penalties may apply.

Products Covered by This Entry
1. Custom-made lower-limb orthosis

Product Specific Conditions
No specific conditions have been recorded against this entry.

Therapeutic Goods Administration
P.O. Box 100, Windsor ACT 2608 Australia
Phone: 1800 020 053
Email: info@tga.gov.au

ARTG Identifier: 405871
ARTG Start Date: 8/05/2023

Australian Register of Therapeutic Goods Certificate

Singular 3DP Pty Ltd
for approval to supply

Singular 3DP Pty Ltd - External lower-limb prosthesis socket, custom-made

ARTG Identifier: 404073
ARTG Start Date: 21/01/2023
Product Category: Medical Device Included Class 1
GMON: 64712
GMON Term: External lower-limb prosthesis socket, custom-made
Intended Purpose: External lower-limb prosthesis socket, custom-made. A component of an external lower limb prosthesis designed to fit over a residual limb after amputation of any leg, knee, or ankle-foot level, and intended to function as the limb-prosthesis interface and to provide support, stabilisation and suspension. A customised socket shell is produced for a specific patient using a cast or 3-D anatomical imaging and is manufactured from various materials (e.g., carbon fibre, thermoplastic, wood, aluminium) either manually or using computer-based techniques. Prefabricated components which provide suspension and stabilisation (e.g., liner, sock, valve, sleeve, vacuum pump) are often added to the socket shell to produce a finished socket. This component can be used as a test socket to obtain qualitative feedback as to the fit and comfort of a lower limb prosthesis, or as a finished socket (shell).

| Manufacturer Details | Address | Certificate number(s) |
|----------------------|--|-----------------------|
| Singular 3DP Pty Ltd | 2/43 Discovery Drive Bibra Lake WA, 6163 Australia | |

ARTG Standard Conditions
The above Medical Device Included Class 1 has been entered on the Register subject to the following conditions:
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- Breaching conditions of the inclusion related to the device of the kind may lead to suspension or cancellation of the ARTG entry, may be a criminal offence, and penalties may apply.

Products Covered by This Entry
1. External lower-limb prosthesis socket, custom-made

Product Specific Conditions
No specific conditions have been recorded against this entry.

Therapeutic Goods Administration
ARTG Identifier: 404073

Hardware & Consumable Sales

Leveraging Global3D's pre-existing relationships with leading 3D printing brands such as 3D Systems, Kings 3D, and DyeMansion, formal reseller agreements were entered into with 3D Systems and DyeMansion during the year, and Kings 3D shortly after.

The subsequent appointment of a National Sales Manager to drive sales for Global3D's industrial division identified both a strong need and appetite for 3D printing hardware, a promising sales pipeline, and the creation of an e-commerce store for 3D printing consumable sales.

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 2023.

Directors

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

| NAME | |
|------------------|-------------------------------------|
| Mr Howard Digby | Chairman and Non-Executive Director |
| Mr Denning Chong | Interim CEO and Managing Director |
| Mr Andrew Just | Non-Executive Director |

Chief Executive Officer

Denning Chong

Company Secretary

Mr Steven Wood

Ms Sujana Karthik

Management Changes

Dr Kwang Guan Tay resigned as Executive Director in March 2023.

Mr Thomas Hanly resigned as Chief Executive Officer and Managing Director in April 2023. Mr Denning Chong was appointed to the position of Interim Chief Executive Officer and Managing Director in April 2023, replacing Mr Hanly.

Ms Sujana Karthik was appointed as Chief Financial Officer and Joint Company Secretary in May 2023.

Principal Activities

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

- a) Core Software Development on 3Dicom, VSP, Health Academy and GeoVR;
- b) Research and Development;
- c) Sales and Marketing;
- d) Appointment and ongoing engagement with Advisory Board; and
- e) 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 \$5,390,318 for the financial year ended 30 June 2023.

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 |
|--------------|---|
| 6 Jul 2023 | Appointment of Master Distributor in the United States The Company executed a Master Distribution Agreement ("MDA") for its 3Dicom software in the United States of America with Charlie Golf One Solutions LLC ("CG1"). In connection with the MDA, CG1 is appointed as a master distributor of Singular Health's software licences and shall be enabled to appoint their partner organisations as sub distributors on a commissions-based remuneration structure, providing a substantial in country sales presence to further progress Singular Health's enterprise sales pipeline. With initial exclusivity over five nominated States (Florida, North Carolina, Georgia, Nevada, and Texas), CG1 has the right to gain exclusivity in continental United States of America based on achieving certain minimum sales targets, based on annual contract value, within set timeframes. Refer ASX announcement dated 6 July 2023 for further details on the key terms of the agreement. |
| 28 July 2023 | Quarterly Activities/ Report Subsequent to the end of the quarter, the Company disclosed in its quarterly activity report that it had entered into an agreement to dispose of its 25% shareholding in Melbourne-based Australian Additive Engineering Pty Ltd (AAE) in consideration of A\$70,000. |
| 15 Aug 2023 | Repayment of Convertible Notes The Company redeemed all existing convertible notes, being the A\$800,000 of Convertible Notes previously issued in full on 15 August 2022. In addition to the repayment of the principal amount of \$800,000, the Company has also paid the relevant Note Holders interest accrued since the issue date. Refer to the Company's ASX announcement dated 10 August 2022 for details of the terms of the Convertible Notes. As announced previously on 10 August 2022, the Company issued a total of 80 Convertible Notes with a face value of \$10,000 each to two private and sophisticated investors with a 12-month maturity date. |
| 16 Aug 2023 | Strategic Investment from Singular's Master Distributor in USA The Company announced on 16 August 2023 on the ASX that it has received a binding commitment to raise a minimum of A\$500,000 to a maximum of A\$850,000 through the issue of fully paid ordinary shares in the Company to CG1 Ventures as part of a strategic investment ("Strategic Placement") at a 41% premium to the last closing price of \$0.039 per share (as at 15 August 2023). The Strategic Placement is being conducted on the same terms as the Tranche 1 placement in the recent Capital Raise, being \$0.055 per share and with one free attaching option (\$0.10, three-year expiry from date of issue) (Option) for every two placement shares issued. Under the minimum investment of \$500,000 this equates to 9,090,909 Shares and 4,545,454 Options, and under the maximum investment of \$850,000 it would be 15,454,545 Shares and 7,727,272 Options (the "Placement Securities"). The issue of the Placement Securities will be subject to shareholder approval at a shareholder general meeting to be convened as soon as possible. CG1 Ventures is the venture arm of Charlie Golf One Solutions, LLC, a Service-Disabled Veteran-Owned Small Business Concern (SDVOSBC) information technology firm based in South Florida, which was recently appointed as Singular Health's Master Distributor in July 2023 (refer ASX Announcement: Appointment of Master Distributor in the United States, 6 July 2023). |
| 20 Sep 2023 | Appointment of United States Public Affairs & Corporate Advisor The Company announced on 20 September 2023 the appointment of Marin & Sons LLC (Marin & Sons), to provide strategic public relations and corporate advisory services in the United States. The Consultancy Agreement commences from 1 September 2023 and will continue for a minimum of six (6) months until terminated in accordance with the terms of the Consultancy Agreement. Refer to ASX announcement dated 20 September 2023 for further details on the key terms of the agreement. |

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.

DIRECTORS' REPORT

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 finalised at the date of this report.

Environmental Regulation

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

Business Risk

Protection and ownership of intellectual property rights

The Company seeks to protect its intellectual property through patents, trademarks, trade secrets, copyright and know-how. Whilst the Company protects its intellectual property through these measures, there can be no guarantee that there will not be any unauthorised use or misuse of its intellectual property or reverse engineering of its software by competitors.

If the Company fails to protect its intellectual property, competitors may gain access to proprietary information which could harm the Company's business.

There is a risk that the Company will not be able to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Company, or independently develop technologies or competing products that are not covered by the Company's intellectual property rights. This may materially adversely impact the Company's revenue, legal expenses and profitability.

If the Company believes its intellectual property rights have been infringed, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of the Company's rights. Any litigation, whether or not successful, could result in significant expense to the Company and divert the efforts of its personnel. In addition, any infringement could result in revenue loss and may be detrimental to Singular Health's reputation and brand value.

Singular Health's commercial success is, to a large extent, reliant upon its intellectual property being suitably protected and providing the Company with enforceable rights (through the registration of patents and trade marks). The Company cannot give assurance that the patents, trade marks or other intellectual property in existence today or created in the future will be able to be adequately protected.

Reliance on senior personnel

Singular Health's operational success will depend substantially on the continuing efforts of its key management personnel and on its ability to attract and retain key quality staff and consultants.

The Company relies on experienced managerial and highly qualified technical staff to develop and operate its technology and to direct operational staff to manage the operational, sales, compliance and other functions of its business.

The loss of one or more of Singular Health's key management personnel could have an adverse impact on the Company's operations and financial performance. The Company's key personnel include its Managing Director, Chief Operating Officer, and Chief Technology Officer. Although these individuals have entered into contracts with the Company, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business.

The Company is substantially dependent on the continued service of its existing development personnel due to the complexity of its products and technologies. There is no assurance that the Company will be able to retain the services of these people or that the Company will be able to recruit suitably qualified and talented staff in a time frame that meets the growth objectives of the Company.

Additional requirements for capital

As the Company's current business grows, and new lines of business are developed, the Company will require additional funding to support the ongoing development and commercialisation of its technology and to provide working capital. Although the Directors believe that the Company will have sufficient working capital and capacity to carry out its short-term business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing Shares, this may result in dilution for some or all of the Shareholders. Any inability to obtain financing (if required) would have a material adverse effect on the Company's business, financial condition and results of operations.

DIRECTORS' REPORT

Loss of key contracts and arrangements

Singular Health has entered into a number of key contracts and arrangements which are important to the success of its business. There are a number of risks associated with these contracts, including the risk that the contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms. There is a risk that the business could be disrupted in situations where disagreement or dispute occurs in relation to the terms of a contract. Should such a disagreement or dispute occur, this may have an adverse impact of the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against such risks.

Limited trading history and no profit to date

The Company has a limited operating history on which to evaluate its business and prospects and is currently loss making (meaning it is reliant on raising funds from investors to continue to fund its operations and product development). The Company's operations are subject to all of the risks inherent in a recently formed business enterprise. The Company has no significant history of operations and there can be no assurance that the Company will be able to generate or increase revenues from its existing and proposed products or avoid losses in any future period.

Although the Directors consider that the Company will have sufficient working capital to carry out its stated objectives, there can be no assurance that the Company will achieve or sustain profitability or that it will achieve or sustain positive cash flow from its operating activities.

Certification of new applications / products and clinical trials

Singular Health has identified numerous certifications further to the FDA510(k) clearance issued in October 2022 that may allow for the use of 3Dicom in a diagnostic capacity including, TGA Class II, FDA(510k) clearance and CE Approval for the use of 3Dicom as a diagnostic SaMD.

Singular Health is also developing a number of new applications in the fields of additive manufacturing, anatomical education and artificial intelligence. These new products, as well as any future iterations of 3DiCom, may require continual clearances for new diagnostic and/or surgical planning tools and any new features may be required to undergo clinical studies and those studies may show that the new products or the new features (as the case may be) do not work in a safe and effective manner or that they do not meet the standards required for commercial release. If the new products or the new features do meet the required standards (and there is no guarantee that they will) then there is a risk that Singular Health will not be able to compete with other clinically approved technological developments in the market sectors in which it operates.

Singular Health may conduct clinical studies of new software it develops in the future, but there can be no guarantee that relevant regulatory agencies will allow Singular Health to undertake such trials and/or the development and approval process for any new products or applications of existing products may take longer, cost more than expected and may result in the new software not producing a viable device.

Depending upon the severity of any failure of Singular Health to comply with any applicable regulations, Singular Health could be subject to enforcement actions, including but not limited to warning letters, fines, injunctions, consent decrees, civil monetary penalties, recalls or seizures of its devices, manufacturing restrictions, closure of its manufacturing factories, modifications or revocations of any clearances and approvals that it already holds or will hold, and/or criminal prosecution. If any such sanctions are imposed against Singular Health, such sanctions could harm Singular Health's reputation and, depending upon the severity, could have significant adverse impact on Singular Health's ability to provide services and on its financial performance and condition.

Foreign exchange risk

Singular Health operates internationally and therefore fluctuations in prevailing exchange rates may negatively affect Singular Health's profitability and financial position. Unhedged and unfavourable movements in foreign exchange rates may have an adverse effect on the Company's revenue and/or cost of operating and therefore affect the market price of Shares.

Exposure to foreign jurisdictions and legislation

Singular Health operates in multiple foreign jurisdictions. There are numerous risk factors associated with operating in foreign jurisdictions, including economic, social or political instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, repatriation of income or return of capital, consumer health and industrial relations laws.

There can be no guarantee that political and economic conditions shall remain stable and any adverse changes to these conditions may adversely affect Singular Health's operations and financial performance. In addition, failures by Singular Health to comply with foreign legislative or regulatory requirements may result in compliance orders being issued against Singular Health, financial penalties being levied against Singular Health, a cessation of Singular Health's operations (either temporarily or permanently) and/or damages to Singular Health's reputation, operations and/or financial performance.

DIRECTORS' REPORT

Competition

The industry in which Singular Health is involved is subject to increasing global competition which is fast-paced and fast-changing. The Company will have no influence or control over the activities of its competitors, whose activities or actions may negatively affect the operating and financial performance of the Company's business. For instance, competing companies may develop technology that supersedes Singular Health's technology.

The size and financial strength of some of the Company's competitors may make it difficult for Singular Health to maintain a competitive position in the medical technology market. A number of third-party competitors are offering products and services similar to Singular Health's products. Existing competitors and new competitors entering into the industry may develop superior technology offerings or have enhanced scale benefits, which may have a material adverse effect of the Company's revenue and financial performance.

Supply chain risks

Virtual reality simulation requires two main components, specifically, a source of content and a user device. Singular Health's virtual reality products currently support the use of "Oculus Quest 2" virtual reality headsets. If Oculus were to suspend, alter or terminate the manufacture of these virtual reality, this may impact the Company's ability to provide its products and services to clients, which in turn would have a detrimental effect on the Company's financial performance. There are other providers of virtual reality hardware, and the Company is in the process of testing the compatibility of other hardware devices with its technology.

Inability to access appropriate hardware in a timely fashion and on commercial terms may have an adverse effect on the Company's business and financial position. To mitigate this risk, Singular Health is actively engaging with alternate virtual reality hardware suppliers and developing software that supports alternate virtual reality hardware.

Commercialisation, market and scalability risks

There is no guarantee that Singular Health will be able to commercialise its various software products, services or fulfil distribution targets. In order to successfully commercialise and scale the distribution of its products and services, Singular Health's technology (including the products and services based on that technology) require adoption of usage by individuals and institutions in a competitive sector. Scalable revenue growth from subscriptions to the various software products depends on numerous factors, including convincing potential consumers and partners of the benefits of Singular Health's technology and the ability to provide services and products of sufficient quality in a timely manner with adequate post-sale technical and administrative support to ensure recurring usage.

Future transactions

Singular Health has formed a number of joint ventures and may seek to execute its growth strategy through the formation of additional joint ventures, or by acquiring businesses or companies. Despite the best endeavours of Singular Health to undertake appropriate due diligence investigations in relation to each potential future transaction, and to seek to ensure certain standard warranty and indemnity protections are contained in the relevant joint venture and/or business sale and purchase agreements, there is a risk that those due diligence investigations will not identify issues which are material to the acquisition and which could result in additional liabilities affecting Singular Health's reputation and/or operational and financial performance.

Medical or product liability risk

Generally, medical technology companies may be subject to claims alleging negligence, product liability or breach of warranty that may involve large claims and significant defence costs whether or not such liability is imposed. These claims may be brought by individuals seeking relief for themselves, or increasingly, by Companies seeking to represent a class. Claims could be made against Singular Health for liabilities resulting from adverse medical consequences to patients.

Privacy risks

Singular Health collects, stores and processes highly sensitive, highly regulated and confidential medical imaging data. There is a risk that the measures the Company takes may not be sufficient to detect or prevent unauthorised access to, or disclosure of, information collected in relation to the Company's customers, end-user patients, employees and other sources of personal information. This may expose the Company to reputational damage, legal claims, termination of the Company's contracts, and regulatory scrutiny and fines, any of which could materially adversely impact the financial performance and prospectus of the Company.

The Company's security measures are subject to various risks including failure of end-users to comply with instructions for use, computer viruses, physical theft, physical damage resulting in a loss or corruption of data, operating system failures or similar disruptions. There is a risk that failure to adequately safeguard against any and all of these risks may result in a data breach, or a third party may gain access to confidential information of Singular Health's customers, end-user patients or employees.

DIRECTORS' REPORT

In addition, any security or data issues experienced by other software companies globally could adversely impact client's trust in providing access to personal data generally, which could adversely affect the Company's ability to provide its service generally.

Technology changes

The Company participates in a competitive environment. Information technology systems are continuing to develop and are subject to rapid change, while business practices continue to evolve. The Company's success will in part depend on its ability to offer services and systems that remain current with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that the Company will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede the Company's technology. This may materially and adversely impact the Company's income and profitability.

Reputation risks

The strength of the Company's reputation is important to retaining and increasing its customer base, maintaining its relationships with partner companies and other service providers and successfully implementing the Company's business strategy. There is a risk that unforeseen issues or events may adversely impact the Company's reputation. This may adversely impact the future growth and profitability of the Company.

Unforeseen risks and force majeure events

Force majeure events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease and pandemics, or other natural or manmade events. Singular Health and its Directors have limited ability to plan for, and/or insure against, the events outlined above. The occurrence of one, or more, of these events may adversely impact upon the operational and financial performance of Singular Health and the valuation of its Shares.

Litigation

The Company may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Even if the Company is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact the Company's operating and financial performance due to the cost of settling such claims, and affect the Company's reputation.

Insurance

The Company plans to maintain insurance as it considers appropriate for its needs. However, the Company will not be insured against all risks, either because appropriate coverage is not available or because the Directors consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue. Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses or liabilities, the value of the Company's assets may be at risk.

Investment risks

Investors should be aware that there are risks associated with any securities investment. The prices at which the Company's shares trade may be above or below the current share price, and may fluctuate in response to a number of factors including the risk factors identified in this section as well as securities market factors such as limited liquidity of the Shares and large price movements due to trading by major Shareholders. Singular Health can make no guarantee as to the payment of dividends, return of capital or the market value of its shares.

DIRECTORS' REPORT

Potential fluctuations in the price of shares

There are risks associated with any listed company investment. Some of these risks are listed below. The price at which Shares are quoted on the ASX may be subject to fluctuations in response to factors such as:

- changes to government fiscal, monetary or regulatory policy, legislation or the regulatory environment in which Singular Health operates;
- changes in financial outcomes estimated by securities analysts;
- changes in the market valuation of other comparable companies and the nature of the market in which Singular Health operates;
- announcements by Singular Health or its competitors of significant acquisitions;
- an event of force majeure, such as terrorism, fire, flood, earthquake, war or strikes;
- fluctuations in the domestic and international market for listed stocks;
- fluctuations in general domestic and global economic conditions, including interest rates and exchange rates; and
- other events or factors which may be beyond Singular Health's control.

There is a risk that broader market and industry factors may materially and adversely impact the price of the Shares, regardless of the Company's operating performance.

Exposure to general economic and financial market conditions

General domestic and global economic conditions may adversely impact the Company for reasons outside the Company's control. This includes increases in unemployment rates, negative consumer and business sentiment and an increase in interest rates, amongst other factors.

Shareholders may be diluted

In the future, Singular Health may issue Shares or other securities to engage in fundraisings, including financing joint ventures, business and/or capital acquisitions that Singular Health may decide to make, or to further fund its growth. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its Shares or other securities it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the medical technology industry including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

Regulatory risks

The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's income. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant damage to the Company's reputation and consequently impact on its income.

The Company may offer its products, and any future developed products, throughout the world. Regulatory changes could see the Company being required to hold a licence in some of these jurisdictions or otherwise comply with local regulations. This could preclude the Company from offering certain services in these jurisdictions until such a licence has been obtained, or may require the Company to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with the regulatory compliance in these jurisdictions could impact upon the Company's income.

DIRECTORS' REPORT

Accounting standards

Singular Health's financial reporting adheres to the Australian Accounting Standards which are set by the AASB and are outside the control of Singular Health and the Directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse impact on Singular Health's reported financial performance and have a material impact upon the market value of the Shares.

Changes in taxation law and policies

Tax laws are in a continual state of change, which may affect the Company its Shareholders. Any changes to the current tax rates and legislation in the markets in which Singular Health operates, including but not limited to payroll tax, stamp duties, import duties and/or company income tax, may adversely impact Singular Health's operational and financial performance. Additionally, any change in company and/or personal tax rules and tax arrangements may have adverse effects on the level of dividend imputation or franking and Shareholder returns.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

Speculative investment

The above list of risk factors is not to be taken as an exhaustive list of risks that the Company or its Shareholders are exposed to. The above risks, and others not specifically referred to above, may in the future materially impact the financial performance of the Company and the value of the Shares.

The Company does not currently pay dividends and is unlikely to pay a dividend for a period of time, if at all. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to invest in the Company.

Expected future events may not occur

Certain statements appearing in this Prospectus are in the nature of forward-looking statements. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Investors and shareholders should be aware that such statements are subject to inherent risks and uncertainties which may result in actual operational and financial performance being materially different from those expressed or implied by the forward-looking statements.

Applicants should not rely solely on the forward-looking statements and there can be no guarantee that a particular outcome or future event referenced to by a forward-looking statement may occur.

Combination of risks

Singular Health may be subject to a combination of risks, including any of the above risks outlined in this section, which could adversely affect the reputation, operational and financial performance of Singular Health and ultimately adversely impact upon the Company.

DIRECTORS' REPORT

Information on Directors

The names of the directors of Singular Health 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: Elsieht 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 Denning Chong

Interim Chief Executive Officer and Managing 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

7,808,575 Ordinary fully paid shares

6,318,182 Options

3,900,000 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

Mr Just (Bec., Hec., MBA, GAICD) was formerly the Regional Director Asia Pacific for Radiometer, a Danaher Company and is currently CEO of Aeris Environmental. He has 30 years' global experience in delivering growth and scale competencies with leading Fortune 500 companies, including GE Healthcare, Danaher, Stryker, and Cochlear. Andrew has held a variety of senior leadership roles across diverse business functions, with expertise in sales and marketing, performance management, commercial transactions, and operations in both turnaround and growth environments.

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

Prof. Kwang Guan Tay PhD

Executive Director of Innovation and Research until 24 March 2023

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

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 |
|------------------|--|---|--|--|
| Director | | | | |
| Mr Howard Digby | 6 | 6 | - | - |
| Mr Denning Chong | 6 | 6 | 1 | 1 |
| Mr Andrew Just | 6 | 6 | 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.

Ms Sujana Karthik was appointed as a Joint Company Secretary on 9 May 2023. Sujana is a Corporate Advisor at Grange Consulting where she specialises in corporate tax, financial management, financial reporting services, risk compliance management, corporate advisory and company secretarial services. Sujana is a Certified Public Accountant. Prior to joining Grange, she spent multiple years in public practice of which the last 18 months were at one of the leading Big4 firms. She has experience in both local and international markets, and her portfolio includes listed clients and large private clients in mining, healthcare, infrastructure and manufacturing.

FINANCIAL POSITION

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, the Group recorded an operating loss of \$5,390,318 (2022: \$5,986,020) and a cash outflow from operating activities of \$2,463,184 for the year ended 30 June 2023 (2022: \$2,905,776). As at 30 June 2023, the Group had cash and cash equivalents of \$691,513 (2022: \$1,139,935) and had a working capital deficit of \$1,720,860 (2022: surplus \$936,740). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to continue to secure funds by raising capital from equity markets, monetizing non-core assets and managing cash flows in line with available funds.

Should the Group be unsuccessful in securing additional funds or monetizing non-core assets, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, however, notwithstanding this, the accounts have been prepared on a going concern basis.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Directors believe that future funding will be available to meet the Group's objectives and debts as and when they fall due, including through raising additional capital through equity placements to existing or new investors. The Company has demonstrated a consistent history of success in this regard as demonstrated by the \$1.45m raising completed in April and May 2023;
- The Company has approved capacity to issue additional equity under the Corporation Act 2001 and ASX Listing Rule 7.1 or otherwise;
- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements; and
- Subject to successful capital raising and/or monetisation of non-core assets, the cash flow forecast for the period to 30 September 2024 indicates sufficient cash available for planned activities and operations.

The financial report does not include adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

DIRECTORS' REPORT

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 | 2,030,000 | - |
| 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 ¹ | - |
| SHGOPT07 - UNL OPTIONS @ \$0.40 EXP 23/12/2025 | 28-Nov-22 | 23-Dec-25 | \$0.40 | 5,000,000 | - |
| SHGOPT08 - UNL OPTIONS @ \$0.20 EXP 25/01/2026 | 25-Jan-23 | 25-Jan-26 | \$0.20 | 1,720,000 ² | - |
| SHGOPT09 - UNL OPTIONS @ \$0.10 EXP 26/06/2026 | 16-Jun-23 | 26-Jun-26 | \$0.10 | 20,440,918 ^{3,4} | - |
| SHGOPT10 UNL OPTIONS @ \$0.10 EXP 14/08/26 | 14-Aug-23 | 14-Aug-26 | \$0.10 | 3,636,363 ⁵ | - |
| SHGPERFA PERFORMANCE RIGHTS - CLASS A | 12-Feb-21 | 31-Dec-23 | \$0.00 | - | 5,000,000 |
| SHGPERFB PERFORMANCE RIGHTS - CLASS B | 12-Feb-21 | 31-Dec-24 | \$0.00 | - | 5,000,000 |
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A | 14-Dec-22 | 14-Dec-25 | \$0.00 | - | 2,600,000 |
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | - | 2,000,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B | 14-Dec-22 | 14-Dec-25 | \$0.00 | - | 1,300,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | - | 1,000,000 |
| | | | Total | 54,377,281 | 16,900,000 |

- 800,000 issued as per ASX announcement 10 August 2022 and refer to note 17 for further details.
- Free attaching options issued as part of Global 3D transaction. Refer announcement 6 December 2022.
- Free – attaching options Issued as part of Capital raising. Refer announcement 4 April 2023.
- 3,500,000 issued to Lead Manager as part of Capital raise and 500,000 issued to Jane Morgan Management as part of share-based payment. Refer ASX announcement 16 May 2023 and refer to note 17 for further details.
- Issued subsequent to year end

DIRECTORS' REPORT

Securities granted during the year

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

| Security Code | Date Options Issued | Expiry Date | Exercise Price | Number Under Option |
|---------------------------------|---------------------|-------------|----------------|---------------------|
| SHGOPT06 - UNL OPTIONS @ \$0.24 | 3-Aug-22 | 19-Aug-24 | \$0.24 | 800,000 |
| SHGOPT07 - UNL OPTIONS @ \$0.40 | 28-Nov-22 | 23-Dec-25 | \$0.40 | 5,000,000 |
| SHGOPT09 - UNL OPTIONS @ \$0.10 | 16-Jun-23 | 26-Jun-26 | \$0.10 | 4,000,000 |

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

| Security Code | Date Options Issued | Expiry Date | Exercise Price | Number Under Option |
|--|---------------------|-------------|----------------|---------------------|
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A | 14-Dec-22 | 14-Dec-25 | \$0.00 | 2,600,000 |
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | 2,000,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B | 14-Dec-22 | 14-Dec-25 | \$0.00 | 1,300,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | 1,000,000 |

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*.

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 27. The Board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the *Corporation Act 2001*. The Directors are also 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.

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 covered in this report are detailed below:

| Director | Role |
|---------------------------------|---|
| Howard Digby | Chairman |
| | Non-Executive Director |
| Denning Chong | Non-Executive Director (1 July 2022 to 14 April 2023) |
| | Interim Managing Director and CEO (14 April 2023 onwards) |
| Andrew Just | Non-Executive Director |
| Thomas Hanly | Managing Director (until 14 April 2023) |
| Prof. Kwang Guan Tay Phd | Executive Director – Innovation and Research (resigned 24 March 2023) |
| Key Management Personnel | |
| James Hill | Chief Operating Officer |
| Steven Wood | Joint Company Secretary |
| Sujana Karthik | CFO and Joint Company Secretary |

The information provided in this remuneration report 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:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Equity instruments held by key management personnel
- F. Loans to key management personnel
- G. Other transactions with key management personnel
- H. Additional information

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

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

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 of \$500,000 per annum 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 2023 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 fixed sum of \$500,000 per annum as approved at the General Meeting on 28 November 2022.

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 2023.

The table below set out summary information about the Group's earnings and movement in shareholder wealth for the year to 30 June 2023:

| | 30 June 2023 \$ | 30 June 2022 \$ | 30 June 2021 \$ |
|------------------------------|--------------------|--------------------|--------------------|
| Revenue and other income | 1,033,769 | 54,034 | 193,643 |
| Net profit/(loss) before tax | (5,390,318) | (5,986,020) | (4,456,097) |
| Net profit/(loss) after tax | (5,390,318) | (5,986,020) | (4,456,097) |

No dividends have been paid for the year to 30 June 2023.

| | 30 June 2023 \$ | 30 June 2022 \$ | 30 June 2021 \$ |
|---|--------------------|--------------------|--------------------|
| Share price at listing date (12 Feb 2021) | 0.3800 | 0.3800 | 0.3800 |
| Share price at end of year | 0.0360 | 0.0960 | 0.3100 |
| Basic earnings/(loss) per share (cents) | (4.90) | (5.83) | (6.02) |
| Diluted earnings/(loss) per share (cents) | (4.90) | (5.83) | (6.02) |

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. Independent remuneration consultants provide analysis and advice to ensure 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 as detailed in note 17.

Remuneration consultants

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

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

| | Short-term employee benefits | | | Post-employment benefits | | Share-based payments | Total | Total remuneration represented by Options/Performance Rights |
|--|------------------------------|----------|---------------------------|--------------------------|---------------------|----------------------------|------------------|--|
| 30 June 2023 | Cash salary & fees | Other | Annual Leave ⁷ | Super-annuation Pensions | Retirement benefits | Options/performance rights | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| <i>Non-Executive directors</i> | | | | | | | | |
| Howard Digby | 59,811 ⁵ | - | - | - | - | 38,403 | 98,214 | 39% |
| Andrew Just | 41,246 ⁶ | - | - | 3,554 | - | 38,403 | 83,203 | 46% |
| Sub-total Non-Executive directors | 101,057 | - | - | 3,554 | - | 76,806 | 181,417 | 42% |
| <i>Executive directors</i> | | | | | | | | |
| Denning Chong | 149,180 ¹ | - | - | 11,954 | - | 383,133 | 544,267 | 70% |
| Thomas Hanly | 192,633 ² | - | (10,260) | 14,417 | - | 642,087 | 838,877 | 77% |
| Prof. Kwang Guan Tay Phd | 77,019 ³ | - | - | 5,432 | - | 84,191 | 166,642 | 51% |
| Sub-total Executive Directors | 418,832 | - | (10,260) | 31,803 | - | 1,109,411 | 1,549,786 | 72% |
| <i>Other key management personnel</i> | | | | | | | | |
| James Hill | 137,077 | - | (4,686) | 14,393 | - | 235,260 | 382,044 | 62% |
| Steven Wood | 137,449 ³ | - | - | - | - | 89,519 | 226,968 | 39% |
| Sub-total Other key management personnel | 274,526 | - | (4,686) | 14,393 | - | 324,779 | 609,012 | 53% |
| Total key management personnel compensation (Group) | 794,415 | - | (14,946) | 49,750 | - | 1,510,996 | 2,340,215 | 65% |

1. This is the total amount paid to Denning for the period 1 Jul 2022 to 30 Jun 2023. Of the total amount \$63,109 Cash Salary and \$5,375 Superannuation relates to amount paid to Denning in his capacity as Interim CEO and Managing Director. Of this amount \$35,334 is accrued and payable as at 30 June 2023.
2. Represents remuneration from 1 July 2022 to 14 April 2023.
3. Represents remuneration from 1 July 2022 to 24 March 2023.
4. Fees were invoiced to the company by Grange Consulting Pty Ltd in relation to Mr Wood's services to the company.
5. \$4,604 of this amount is accrued and payable as at 30 June 2023.
6. \$7,400 of this amount is accrued and payable as at 30 June 2023.
7. The amounts disclosed in this column represent the increase/ (decrease) in the associated provision.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

| | Short-term employee benefits | | | Post-employment benefits | | Share-based payments | Total | Total remuneration represented by Options/Performance Rights |
|--|------------------------------|---------------|---------------|--------------------------|---------------------|----------------------------|------------------|--|
| 30 June 2022 | Cash salary & fees | Other | Annual Leave | Super-annuation Pensions | Retirement benefits | Options/performance rights | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| <i>Non-Executive directors</i> | | | | | | | | |
| Howard Digby | 50,000 ¹ | - | - | 4,845 ¹ | - | 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% |
| Sub-total Non-Executive directors | 130,000 | - | - | 12,845 | - | 486,618 | 629,463 | 77% |
| <i>Executive directors</i> | | | | | | | | |
| Thomas Hanly | 212,462 ^{2,4} | 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% |
| Sub-total Executive Directors | 389,001 | 433 | 28,213 | 38,900 | - | 672,960 | 1,129,507 | 60% |
| <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 ³ | - | - | - | - | 106,832 | 239,736 | 45% |
| Sub-total Other key management personnel | 264,904 | 12,592 | 18,583 | 13,200 | - | 308,174 | 617,453 | 50% |
| Total key management personnel compensation (Group) | 783,905 | 13,025 | 46,796 | 64,945 | - | 1,467,752 | 2,376,423 | 62% |

1. Represents remuneration from 27 January 2021 to 30 June 2022.
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.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows. Performance-based remuneration reflects the vesting of performance rights, the performance milestones of which are disclosed in section D of the remuneration report:

| | Fixed remuneration 2023 % | Performance-based remuneration 2023 % | Fixed remuneration 2022 % | Performance-based remuneration 2022 % |
|---------------------------------------|---------------------------------|---|---------------------------------|---|
| Mr Thomas Hanly ¹ | 23% | 49% | 85% | 15% |
| Mr Howard Digby | 66% | Nil | 100% | Nil |
| Mr Denning Chong | 30% | 39% | 79% | 21% |
| Prof. Kwang Guan Tay PhD ² | 62% | 126% | 97% | 3% |
| Mr Andrew Just | 100% | Nil | 100% | Nil |
| Mr James Hill | 66% | 31% | 89% | 11% |
| Mr Steven Wood | 61% | 13% | 94% | 6% |

1. Represents remuneration from 1 July 2022 to 14 April 2023.

2. Represents remuneration from 1 July 2022 to 24 March 2023.

C. Service agreements

Executive Services Agreements

The Group has entered into an executive services agreement with Mr James Hill in respect of his employment as Chief Operating Officer of the Company.

| Name | Base salary excluding superannuation | Termination benefit |
|--|--------------------------------------|--|
| Executive | | |
| 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. |

The Group is in the process of finalizing the terms and conditions of Denning Chong's service agreement in respect of his appointment as Interim Chief Executive Officer and Managing Director.

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 |
|----------------------------|-------------|
| Non-Executive | |
| 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 ¹ | 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 ¹ | 12 Feb 2021 | Nil – convert to ordinary shares on achievement of performance conditions | 31 Dec 2024 | 30 Jun 2024 | N/A |
| 3 | Tranche A2 Performance Rights ¹ | 28 Nov 2022 | Nil – convert to ordinary shares on achievement of performance conditions | 29 Nov 2025 | 29 Nov 2025 | N/A |
| 4 | Tranche B2 Performance Rights ¹ | 28 Nov 2022 | Nil – convert to ordinary shares on achievement of performance conditions | 29 Nov 2025 | 29 Nov 2025 | N/A |

1. Refer to notes 16 and 17 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. |
| 3 | Continuous employment with the Company until 14 December 2025 and achievement of a \$0.20 20-day VWAP prior to the expiry date |
| 4 | Continuous employment with the Company until 14 December 2025 and achievement of a \$0.25 20-day VWAP prior to the expiry date |

Management have valued Tranche 1, Tranche 2, Tranche 3 and Tranche 4 performance rights based on the share price at the grant date. A Tranche 1 has lapsed as the performance milestones was not achieved. A 100% probability of achieving the vesting condition has been applied to Tranche 2, Tranche 3 and Tranche 4 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 (\$) |
|---------|----------------|----------------|---------------------|-------------------------|-------------|------------------------|----------------------|-----------------------|
| 2 | NIL | 12 Feb 2021 | 100% | 0.1% | 31 Dec 2024 | \$0.20 | \$0.20 | \$730,000 |
| 3 | NIL | 28 Nov 2022 | 100% | 3.27% | 29 Nov 2025 | \$0.14 | \$0.13 | \$265,740 |
| 4 | NIL | 28 Nov 2022 | 100% | 3.27% | 29 Nov 2025 | \$0.14 | \$0.13 | \$127,822 |

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

Options

The following options were granted to the Chief Operating Officer during the prior 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 25 | \$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 25 | \$0.0124 | N/A |

No new options were issued during the period. No options expired during the periods covered by the above tables.

E. Equity instruments held by key management personnel

Shareholdings

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

| 2023 Name | Balance at the start of the year | Movement during the period | Balance at the end of the year |
|---------------------------------|----------------------------------|----------------------------|--------------------------------|
| Directors | | | |
| Thomas Hanly | 3,516,065 | 163,623 | 3,679,688 |
| Prof. Kwang Guan Tay Phd | 157,398 | - | 157,398 |
| Denning Chong | 4,380,000 | 2,497,800 | 6,877,800 |
| Andrew Just | - | - | - |
| Howard Digby | 85,000 | 217,391 | 302,391 |
| Key Management Personnel | | | |
| James Hill | 830,000 | 17,391 | 847,391 |
| Steven Wood ³ | 1,025,000 | 1,200,000 | 2,225,000 |
| Total | 9,993,463 | 4,096,205 | 14,089,668 |

1. Includes 2,200,000 shares held in Grange Consulting Group Pty Ltd.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

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

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.

| 2023 Name | Balance at the start of the year | Granted during the year | Vested | Balance at end of the year | Vested and exercisable | Un-vested |
|---------------------------------|--|-------------------------------|----------|----------------------------------|---------------------------|-------------------|
| Directors | | | | | | |
| Thomas Hanly | 3,000,000 | 1,500,000 | - | 4,500,000 | - | 4,500,000 |
| Prof. Kwang Guan Tay Phd | 300,000 | - | - | 300,000 | - | 300,000 |
| Denning Chong | 2,400,000 | 1,500,000 | - | 3,900,000 | - | 3,900,000 |
| Andrew Just | - | - | - | - | - | - |
| Howard Digby | - | - | - | - | - | - |
| Key Management Personnel | | | | | | |
| James Hill | 1,200,000 | 1,500,000 | - | 2,700,000 | - | 2,700,000 |
| Steven Wood | 400,000 | 150,000 | - | 550,000 | - | 550,000 |
| Total | 7,300,000 | 4,650,000 | - | 11,950,000 | - | 11,950,000 |

Option holdings

The number of options over ordinary shares in the Company held during the year by each director of Singular Health Group Limited and other key management personnel of the Company, 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.

| 2023 Name | Balance at the start of the year | Granted | Vested | Others ¹ | Balance at end of the year | Vested and exercisable | Un-vested |
|---------------------------------|--|----------|----------|---------------------|----------------------------------|---------------------------|-----------|
| Directors | | | | | | | |
| 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 | - | - | 1,818,182 | 6,318,182 | 6,318,182 | - |
| Andrew Just | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | - |
| Howard Digby | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | - |
| Key Management Personnel | | | | | | | |
| James Hill | 2,650,000 | - | - | - | 2,650,000 | 2,650,000 | - |
| Steven Wood | 1,500,000 | - | - | - | 1,500,000 | 1,500,000 | - |
| Total | 19,650,000 | - | - | 1,818,182 | 21,468,182 | 21,468,182 | - |

1. Free attaching options acquired as part of Capital raising. See ASX announcement dated 4th April 2023.

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 \$137,449 excluding GST (2022: \$132,904) 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, with nil balance payable as at 30 June 2023.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

James Chong and Co Pty Ltd, a company associated with Denning Chong, received \$50,959 excluding GST in fees (2022: \$54,750) during the year for legal and marketing consulting provided to the Company, with \$nil payable as at 30 June 2023.

Re-Energise Digital, a company associated with James Hill, received \$19,064 excluding GST in fees (2022: \$24,633) during the year for marketing services provided to the Company, with Nil payable at 30 June 2023.

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 2023 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.

A large, stylized handwritten signature in black ink, appearing to be 'D. Chong'.

Denning Chong
Interim CEO and Managing Director
Perth, Western Australia, 29 September 2023

To the Board of Directors of Singular Heath Group Limited

nexia.com.au

Auditor's independence declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Singular Heath Group Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Perth Audit Services Pty Ltd



Justin Mulhair

Director

Perth

29 September 2023

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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Independent Auditor's Report to the Members of Singular Health Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Singular Health Group Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 and of its 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 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred an operating loss of \$5,390,318 during the year ended 30 June 2023 and, as of that date, the Group's current liabilities exceeded its total assets by \$1,720,860. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Advisory. Tax. Audit.

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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 period. 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.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Share-based payments <i>(Refer to notes 16 Reserves and Note 17 Share-based payments in the financial report)</i></p> <p>During the year ended 30 June 2023, a number of options and performance rights issued. The Group recorded a share-based payments expense of \$1,267,114.</p> <p>The value of share-based payments is a key audit matter due to it being a material transaction with members of key management personnel, the valuation of which involved significant judgment and accounting estimation.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Verifying the key terms of share-based payment arrangements by agreeing them to the relevant board approvals and award documents; • Ensuring appropriateness of the valuation model used based on the terms and conditions of the share-based payments awarded; • Assessing the fair value calculation of share-based payments granted by checking the reasonableness of the assumptions and accuracy of the inputs used to the model adopted for that purpose; • Assessing the experience and competence of the expert used in valuing the relevant share-based payments; • Testing the accuracy of the share-based payment expensed over the vesting periods either the Statement of Profit or Loss and Other Comprehensive Income or directly in equity; and • Checking the appropriateness of the disclosures of share-based payments in notes to the financial statements. |

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the other information we are required to report that fact. We have nothing to report in this regard.

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 Group's ability 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 Group or to cease operations, or have 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 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 at The Australian Auditing and Assurance Standards Board website at:

www.auasb.gov.au/admin/file/content102/c3/ar2_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 included in pages 21 to 30 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Singular Health Group Limited for the year ended 30 June 2023 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.

NPAS

Nexia Perth Audit Services Pty Ltd



Justin Mulhair

Director

Perth
29 September 2023

2023 FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

| | Note | Year ended 30 June 2023 \$ | Year ended 30 June 2022 \$ |
|---|------|----------------------------------|----------------------------------|
| Revenue from continuing operations | | | |
| Revenue | 4 | 616,142 | 54,034 |
| Research and development grant income | 4 | 414,219 | 363,742 |
| Interest and other revenue | 4 | 3,408 | 7,615 |
| Cost of Sales | | (514,493) | - |
| Selling and marketing expenses | | (65,639) | (289,952) |
| Patent, research and development expenses | 5 | (587,740) | (598,038) |
| Consultancy and subcontractor fees | | (202,622) | (181,627) |
| Employee and director benefits expense | 5 | (1,825,302) | (1,718,126) |
| Corporate, audit and legal expenses | 5 | (565,077) | (438,839) |
| Depreciation and amortisation | | (389,146) | (259,835) |
| Administration expenses | | (292,662) | (163,991) |
| Share based payments | 17 | (1,267,114) | (2,656,056) |
| Finance costs | | (477,622) | (12,888) |
| Share of net loss in associates | 19 | (8,205) | (52,834) |
| Impairment Expense | 19 | (164,825) | - |
| Other expenses | | (63,640) | (31,685) |
| Share of net loss of joint arrangements | | - | (7,540) |
| Profit/(Loss) before income tax | | (5,390,318) | (5,986,020) |
| Income tax expense | 6 | - | - |
| Profit/(Loss) after income tax | | (5,390,318) | (5,986,020) |
| Other Comprehensive Income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Exchange difference on translation of foreign operations | | (101) | (3,603) |
| Other comprehensive loss for the period, net of tax | | (101) | (3,603) |
| Total comprehensive profit/(loss) for the period | | (5,390,419) | (5,989,623) |
| Total comprehensive profit/(loss) is attributable to: | | | |
| Owners of Singular Health Group Limited | | (5,390,419) | (5,989,623) |
| | | (5,390,419) | (5,989,623) |
| Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Singular Health Group Limited: | | | |
| Basic and diluted profit/(loss) per share (cents) | 18 | (4.90) | (5.83) |

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 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 691,513 | 1,139,935 |
| Trade and other receivables | 8 | 76,186 | 141,487 |
| Prepayments | | 86,412 | 29,288 |
| Inventories | 23 | 129,287 | - |
| Total current assets | | 983,398 | 1,310,710 |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 740,335 | 58,105 |
| Right-of-use assets | 11 | 128,678 | 73,902 |
| Intangible assets | 9 | 1,046,547 | 454,456 |
| Investments in associates and joint ventures | 19 | 70,000 | 243,030 |
| Trade and other receivables | 8 | 29,618 | - |
| Total non-current assets | | 2,015,178 | 829,493 |
| TOTAL ASSETS | | 2,998,576 | 2,140,203 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 333,392 | 220,166 |
| Provisions | | 86,147 | 85,672 |
| Borrowings | 13 | 2,236,000 | 1,123 |
| Lease liabilities | 11 | 42,086 | 67,010 |
| Deferred Revenue | | 6,633 | - |
| Total current liabilities | | 2,704,258 | 373,971 |
| Non-current liabilities | | | |
| Lease liabilities | 11 | 92,815 | 17,529 |
| Borrowings | 13 | 139,611 | - |
| Total non-current liabilities | | 232,426 | 17,529 |
| TOTAL LIABILITIES | | 2,936,684 | 391,500 |
| NET ASSETS | | 61,892 | 1,748,703 |
| EQUITY | | | |
| Issued capital | 15 | 11,977,564 | 9,526,669 |
| Reserves | 16 | 4,221,834 | 3,371,739 |
| Accumulated losses | | (16,137,506) | (11,149,705) |
| TOTAL EQUITY | | 61,892 | 1,748,703 |

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 2023

| | Issued Capital \$ | Share-based Payment Reserve \$ | Accumulated Losses \$ | Foreign Currency Translation Reserve \$ | Total \$ |
|--|-------------------------|---|-----------------------------|---|---------------|
| Balance at 1 July 2022 | 9,526,669 | 3,376,290 | (11,149,705) | (4,551) | 1,748,703 |
| Total comprehensive income/(loss) for the year | | | | | |
| Loss for the year | - | - | (5,390,318) | - | (5,390,318) |
| Total other comprehensive income/(loss) | - | - | - | (101) | (101) |
| Total comprehensive income/(loss) for the period | - | - | (5,390,318) | (101) | (5,390,419) |
| Transactions with owners, recorded directly in equity | | | | | |
| Shares issued, net of transaction costs | 2,378,895 | - | - | - | 2,378,895 |
| Share based payments | 72,000 | 1,252,714 | - | - | 1,324,714 |
| Expired Options | - | (402,517) | 402,517 | - | - |
| Balance at 30 June 2023 | 11,977,564 | 4,226,487 | (16,137,506) | (4,652) | 61,892 |

| | 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 |
| Total comprehensive income/(loss) for the year | | | | | |
| Loss for the year | - | - | (5,986,020) | - | (5,986,020) |
| Total other comprehensive income/(loss) | - | - | - | (3,603) | (3,603) |
| Total comprehensive income/(loss) for the period | - | - | (5,986,020) | (3,603) | (5,989,623) |
| Transactions with owners, recorded directly in equity | | | | | |
| Share based payments | - | 2,656,056 | - | - | 2,656,056 |
| Balance at 30 June 2022 | 9,526,669 | 3,376,290 | (11,149,705) | (4,551) | 1,748,703 |

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 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 688,074 | 54,034 |
| Payments to suppliers and employees | | (3,508,366) | (3,336,241) |
| Government grants received | | 414,217 | 374,375 |
| Interest paid | | (60,516) | - |
| Interest received | | 3,406 | 2,056 |
| Net cash outflow from operating activities | 21 | (2,463,185) | (2,905,776) |
| Cash flows from investing activities | | | |
| Cash outflow from acquisition of Singular 3DP | | (612,725) | - |
| Purchase of plant & equipment | | (22,489) | (11,781) |
| Payments for intangible assets | | - | - |
| Payments for acquisition of associates and joint ventures | | - | (5,341) |
| Net cash outflow from investing activities | | (635,214) | (17,122) |
| Cash flows from financing activities | | | |
| Proceeds from share issue, net of issue costs | | 1,553,895 | - |
| Proceeds from issue of convertible notes | | 800,000 | - |
| Proceeds from R&D Loan Funding | | 419,236 | - |
| Repayment of borrowings | | - | (422) |
| Payment of principle portion of lease liabilities | | (123,067) | (68,833) |
| Net cash inflow/(outflow) from financing activities | | 2,650,064 | (69,255) |
| Net increase in cash and cash equivalents | | (448,335) | (2,992,153) |
| Cash and cash equivalents at beginning of the year | | 1,139,935 | 4,135,691 |
| Effects of exchange rate changes on cash and cash equivalents | | (87) | (3,603) |
| Cash and cash equivalents at end of the year | 7 | 691,513 | 1,139,935 |

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 2023

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, financial assets and liabilities at fair value through profit or loss, certain classes of property and plant and equipment.

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) Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, the Group recorded an operating loss of \$5,390,318 (2022: \$5,986,020) and a cash outflow from operating activities of \$2,463,184 for the year ended 30 June 2023 (2022: \$2,905,776). As at 30 June 2023, the Group had cash and cash equivalents of \$691,513 (2022: \$1,139,935) and had a working capital deficit of \$1,720,860 (2022: surplus \$936,740). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to continue to secure funds by raising capital from equity markets, monetizing non-core assets and managing cash flows in line with available funds.

Should the Group be unsuccessful in securing additional funds or monetizing non-core assets, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, however, notwithstanding this, the accounts have been prepared on a going concern basis.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Directors believe that future funding will be available to meet the Group's objectives and debts as and when they fall due, including through raising additional capital through equity placements to existing or new investors. The Group has demonstrated a consistent history of success in this regard as demonstrated by the \$1.45m raising completed in April and May 2023.
- The Company has approved capacity to issue additional equity under the Corporation Act 2001 and ASX Listing Rule 7.1 or otherwise;
- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements; and
- Subject to successful capital raising and/or monetization of non-core assets, the cash flow forecast for the period to 30 September 2024 indicates sufficient cash available for planned activities and operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(b) Going Concern (continued)

The financial report does not include adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) New and amended standards adopted by the entity

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. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(d) 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 2023 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.

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.

(e) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(f) 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

R&D refunds

R&D refunds are a tax offset under the R&D tax incentive recognised on receipt of funds from the Australian Taxation Office for research and development expenditure incurred in the previous financial year. They are presented in the statement of profit and loss and other comprehensive income as other income.

(g) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(h) 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.

(i) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(j) 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.

(k) 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.

(l) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(l) Associates (continued)

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.

(m) 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.

(n) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(n) Property Plant and equipment (continued)

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.

(o) 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.

(p) 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 intellectual property and 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.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(q) 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 2023

1. Summary of significant accounting policies (continued)

(r) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(s) 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.

(t) 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.

(u) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(v) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(w) 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.

(x) 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.

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.

(y) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(z) 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.

(aa) Business Combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(bb) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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.

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.

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.

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 2023

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

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

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 Valuation models taking into account the assumptions detailed within note 17. 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

| | 2023 \$ | 2022 \$ |
|---------------------------------|----------------|----------------|
| Revenue: | | |
| Product sales | 616,142 | 54,034 |
| Total revenue | 616,142 | 54,034 |
| Grant income: | | |
| Research and development grants | 414,219 | 363,742 |
| Total grant income | 414,219 | 363,742 |
| Other revenue | | |
| Interest revenue | 3,408 | 7,251 |
| Other revenue | - | 364 |
| Total other revenue | 3,408 | 7,615 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

4. Revenue & other income (continued)

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 \$ | Total \$ |
|---|-----------------------|----------------------|----------------|
| Timing of revenue recognition – 30 June 2023 | | | |
| At a point in time | 588,913 | 27,229 | 616,142 |
| Over time | - | - | - |
| Total | 588,913 | 27,229 | 616,142 |
| Geographical Regions – 30 June 2023 | | | |
| Australia | 588,913 | 1,707 | 590,620 |
| Rest of the world | - | 25,522 | 25,522 |
| Total | 588,913 | 27,229 | 616,142 |
| Timing of revenue recognition – 30 June 2022 | | | |
| At a point in time | 50,177 | 3,857 | 54,034 |
| Over time | - | - | - |
| Total | 50,177 | 3,857 | 54,034 |
| Geographical Regions – 30 June 2022 | | | |
| Australia | 50,177 | 1,095 | 51,272 |
| Rest of the world | - | 2,762 | 2,762 |
| Total | 50,177 | 3,857 | 54,034 |

5. Material profit and loss items for the year

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

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Employee benefit expenses: | | |
| Employee wages and directors' fees | 1,636,666 | 1,500,008 |
| Other employee expenses (including superannuation) | 188,636 | 218,118 |
| Total employee benefits expense | 1,825,302 | 1,718,126 |
| Patent, research and development expenses: | | |
| Research and development | 393,736 | 495,264 |
| Quality accreditation | 172,825 | 75,892 |
| Other expenses | 21,179 | 26,882 |
| Total patent, research and development expenses | 587,740 | 598,038 |
| Corporate, audit and legal expenses: | | |
| Corporate expenses | 452,034 | 347,531 |
| Legal expenses | 71,157 | 72,202 |
| Other expenses | 41,886 | 19,106 |
| Total corporate, audit and legal expenses | 565,077 | 438,839 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. Income tax

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| (a) Income tax expense | | |
| Current tax expense | - | - |
| Deferred tax expense | - | - |
| Income tax reported in statement of comprehensive income | - | - |
| (b) The prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows: | | |
| Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 25% (2022: 30%) | (1,347,580) | (1,796,887) |
| Add tax effect of: | | |
| Non-allowable items | 401,379 | 958,665 |
| Revenue losses and other deferred tax balances not recognised | 1,051,808 | 914,486 |
| | 105,607 | 76,264 |
| Less tax effect of: | | |
| R&D tax incentive (Grants) | 103,555 | 76,264 |
| Other non-assessable income | 2,052 | - |
| Income tax reported in statement of comprehensive income | - | - |
| (c) Unrecognised deferred tax assets at 25% (2022: 30%)¹ | | |
| Revenue losses | 2,013,690 | 1,469,474 |
| Capital raising costs | 117,193 | 166,156 |
| Property, plant & equipment | 130,980 | 38,821 |
| Provisions and accruals | 1,167,347 | 35,446 |
| Lease liabilities | 33,725 | 2,660 |
| Other | 71,296 | - |
| | 3,534,231 | 1,712,556 |
| (d) Current tax liabilities | | |
| Provision for tax | - | - |
| | - | - |

The benefit for tax losses will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) No changes in income tax legislation adversely affect the Company in utilising the benefits.

1. 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.
2. Comparative figures have been restated to meet legislative requirements. The overall tax position has not changed.

7. Cash and cash equivalents

| | 2023 \$ | 2022 \$ |
|--|----------------|------------------|
| Cash at bank | 691,513 | 1,139,935 |
| Total cash and cash equivalents | 691,513 | 1,139,935 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

8. Trade and other receivables

| | 2023 \$ | 2022 \$ |
|--|---------------|----------------|
| Trade receivables: Current Asset | | |
| Trade receivables | 6,326 | 88,500 |
| Less: allowance for expected credit losses | - | - |
| Total trade receivables | 6,326 | 88,500 |
| Other receivables: | | |
| GST receivable | 53,359 | 44,470 |
| Bonds and deposits | 34,149 | 4,531 |
| Other receivables | 11,968 | 3,986 |
| Total other receivables | 69,860 | 52,987 |
| Total Trade receivables current | 76,186 | 141,487 |
| Trade receivables: Non - Current | | |
| Other receivables: | | |
| Bonds and deposits | 29,618 | - |
| Total other receivables: Non- Current | 29,618 | - |

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 2023 (2022: \$nil).

9. Intangible assets

| | 2023 \$ | 2022 \$ |
|--------------------------------|------------------|----------------|
| Intellectual property at cost | 737,790 | 737,790 |
| Less: accumulated amortisation | (467,276) | (283,334) |
| Goodwill (Note 22) | 776,033 | - |
| Total intangibles | 1,046,547 | 454,456 |

Reconciliation of movements in intangible assets

| | Goodwill | Intellectual Property | Total |
|--|----------------|-----------------------|------------------|
| Opening Balance at 1 July 2022 | - | 454,456 | 454,456 |
| Acquisition of Business (Note 22) | 776,033 | - | 776,033 |
| Amortisation charge | | (183,942) | (467,276) |
| Closing Balance at 30 June 2023 | 776,033 | 270,514 | 1,046,547 |
| Opening Balance at 1 July 2021 | - | 637,893 | 737,790 |
| Amortisation charge | - | (183,437) | (283,334) |
| Closing Balance at 30 June 2022 | - | 454,456 | 454,456 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

10. Property, plant and equipment

| | Office Equipment | 3D Printers | Computer Equipment | Total \$ |
|--|---------------------|----------------|-----------------------|----------------|
| Property, plant and equipment – at cost | 47,189 | - | 45,995 | 93,184 |
| Acquired as part of Business Combination (Note 22) | - | 612,725 | 22,488 | 815,513 |
| Additions | | 180,300 | | |
| Less: accumulated depreciation | (35,776) | (107,534) | (25,052) | (168,362) |
| Total property, plant and equipment | 11,413 | 685,491 | 43,431 | 740,335 |

Reconciliation of movements in property, plant and equipment

| | Office Equipment | 3D Printers | Computer Equipment | Total \$ |
|--|---------------------|----------------|-----------------------|----------------|
| Balance at 1 July 2022 | 26,650 | - | 31,455 | 58,105 |
| Acquired as part of Business Combination (Note 22) | - | 612,725 | 22,488 | 815,513 |
| Additions | | 180,300 | | |
| Depreciation expense | (15,237) | (107,534) | (10,512) | (107,620) |
| Balance at 30 June 2023 | 11,413 | 685,491 | 43,431 | 740,335 |
| Balance at 1 July 2021 | 25,802 | - | 37,556 | 63,358 |
| Additions | 6,416 | - | 5,367 | 11,783 |
| Depreciation expense | (5,568) | - | (11,468) | (17,036) |
| Balance at 30 June 2022 | 26,650 | - | 31,455 | 58,105 |

11. Right-of-use assets and lease liabilities

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| Right-of-use assets | | |
| Land and building | 304,399 | 177,703 |
| Less: accumulated amortisation | (175,721) | (103,801) |
| Total right-of-use assets | 128,678 | 73,902 |
| Reconciliation: | | |
| Opening Balance | 73,902 | 177,703 |
| Acquired as part of Business Combination (Note 22) | 126,696 | - |
| Less: amortisation expense | (71,920) | (103,801) |
| Closing Balance | 128,678 | 73,902 |
| Lease liabilities: | | |
| Current | | |
| Lease liabilities | 42,086 | 67,010 |
| Total current lease liability | 42,086 | 67,010 |
| Non-current | | |
| Lease liabilities | 92,815 | 17,529 |
| Total non-current lease liability | 92,815 | 17,529 |
| Total lease liability | 134,902 | 84,539 |

Acquisitions of right-of-use assets during the year as part of Business Combination (Note 22) were \$126,696 (2022: \$nil).

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 2023

12. Trade and other payables

| | 2023 \$ | 2022 \$ |
|---------------------------------------|----------------|----------------|
| Current | | |
| Trade payables ¹ | 161,003 | 120,603 |
| Accruals and other payables | 172,389 | 99,563 |
| Total trade and other payables | 333,392 | 220,166 |

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

13. Borrowings

| | 30 June 2023 | | 30 June 2022 | |
|--|------------------|---------------------|----------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Secured | Current | Non- Current | Current | Non- Current |
| Loan - Tremolat Pty Ltd ⁽¹⁾ | 560,000 | - | - | - |
| Hire Purchase Liability ⁽²⁾ | 30,956 | 139,611 | - | - |
| Loan - R&D Finance ⁽³⁾ | 419,236 | - | - | - |
| Interest Payable on R&D Loan | 15,833 | - | - | - |
| Total secured borrowings | 1,026,025 | 139,611 | - | - |
| Unsecured | | | | |
| Loan - Tom Hanly | 1,281 | - | 1,123 | - |
| Convertible Notes (Note 14) | 1,208,694 | - | - | - |
| Total unsecured borrowings | 1,209,975 | - | 1,123 | - |
| Total borrowings | 2,236,000 | 139,611 | 1,123 | - |

1. Loan - Tremolat Pty Ltd is a secured loan that has an interest of 12% per annum attached to it with a term of 12 months. Assets attached to the loan are 3D printers which the loan was taken to purchase.
2. Hire Purchase Liability has an implicit interest rate of 8.74% with a term of 60 months.
3. Loan R&D Finance has an interest rate of 16% for a term of 12 months. The loan is secured against the R&D Rebate expected to be received in the September 2023 quarter..

14. Convertible notes payable

| | 30 June 2023 \$ | 30 June 2022 \$ |
|--|--------------------|--------------------|
| Convertible notes payable | 1,208,694 | - |
| Total convertible notes payable | 1,208,694 | - |

(a) Reconciliation of movements in convertible notes payable

| | No. | \$ |
|--|-----------|------------------|
| Opening balance | - | - |
| Convertible notes | 80 | 800,000 |
| Capitalised interest (at 15% per annum) ¹ | - | 106,520 |
| Finance cost ² | - | 302,174 |
| Total convertible notes payable | 80 | 1,208,694 |

1. The capitalised interest represents the interest payable on the convertible notes. It is calculated based on 15% (per annum) of the face value of the convertible notes on issue, from issue date to 30 June 2023. The interest expense of \$106,520 was redeemed at Maturity Date (15 August 2023). Refer ASX announcement dated 15 August 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. Convertible notes payable (continued)

2. The finance cost of \$302,174 is to recognise the discount value up to the maturity date of the convertible notes. Refer Note 29 for ASX announcement dated 15 August 2023.

The terms of the convertible notes are as follows:

Face value: \$10,000

Conversion period: Noteholders must elect to convert or redeem each of the Notes held by it by giving a conversion notice and, or redemption notice for those notes no later than 30 days prior to the Maturity Date (15 August 2023) (Election Date).

Conversion events: The day Noteholders issue a conversion notice in accordance with the conversion period. If the Noteholders fail to give a conversion notice and or redemption notice in relation to all notes on or before the Election Date the Group has the discretion to choose whether to convert and or redeem all or part of the Notes on the Maturity Date and may issue a Conversion Notice and or Redemption Notice to the Noteholder at any time between the Election Date and Maturity Date.

Conversion price: 75% of 5 trading day VWAP of the Company's shares on the business day immediately before the Maturity Date.

Interest: 15% per annum on the principal amount outstanding for each convertible note. Interest accrues on an annual basis, capitalized into the note on the Maturity Date. The Convertible note was redeemed in full by the Group. Refer Note 29 for ASX announcement dated 15 August 2023.

15. Contributed equity

| | 2023 \$ | 2023 No | 2022 \$ | 2022 No |
|---------------------------------|-------------------|--------------------|------------------|--------------------|
| Issued and fully paid | | | | |
| Ordinary shares | 11,977,564 | 134,037,538 | 9,526,669 | 102,798,867 |
| Total contributed equity | 11,977,564 | 134,037,538 | 9,526,669 | 102,798,867 |

Reconciliation of movements in ordinary shares

| | No. of shares | \$ |
|--|--------------------|-------------------|
| Balance at 1 July 2022 | 102,798,867 | 9,526,669 |
| Share Purchase Plan - 22 December 2022 | 5,147,762 | 592,000 |
| Acquisition of Global 3D 23 January 2023 | 5,500,000 | 825,000 |
| Placement Shares - Tranche 1 – 5 April 2023 | 7,699,997 | 423,500 |
| Placement Shares - Tranche 2 – 21 June 2023 | 11,390,912 | 626,500 |
| Shares Issued to Mrs Wendy Figueroa and Mr Shane Wee for their services – 26 June 2023 | 300,000 | 14,400 |
| Shares Issued to Grange Consulting Group - 26 June 2023 | 1,200,000 | 57,600 |
| Share issue costs | | (88,105) |
| Balance at 30 June 2023 | 134,037,538 | 11,977,564 |
| Balance at 1 July 2022 | 102,798,867 | 9,526,669 |
| Balance at 30 June 2022 | 102,798,867 | 9,526,669 |

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.

There were ordinary shares issued in the year ended 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

15. Contributed equity(continued)

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.

16. Reserves

(a) Equity settled share-based payment reserve

| | 2023 \$ | 2023 No | 2022 \$ | 2022 No |
|---|------------------|-------------------|------------------|-------------------|
| Option reserve | 3,206,405 | 50,740,918 | 2,389,179 | 22,820,000 |
| Performance rights reserve | 1,020,082 | 16,900,000 | 987,111 | 10,000,000 |
| Total equity settled share-based payment reserve | 4,226,487 | 67,640,918 | 3,376,290 | 32,820,000 |

(b) Foreign currency reserve

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| Foreign currency translation reserve | (4,652) | (4,551) |
| Total foreign currency translation reserve | (4,652) | (4,551) |

(c) Total reserves

| | 2023 \$ | 2022 \$ |
|-----------------------|------------------|------------------|
| Total reserves | 4,221,835 | 3,371,739 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. Reserves (continued)

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 | \$ |
|---|------------------------------|-------------|
| Balance at 1 July 2020 | - | - |
| Performance Rights granted during the year – 12 February 2021 | 10,000,000 | 270,818 |
| Balance at 30 June 2021 | 10,000,000 | 270,818 |
| Balance at 1 July 2021 | 10,000,000 | 270,818 |
| Vesting of employee performance rights | - | 716,293 |
| Balance at 30 June 2022 | 10,000,000 | 987,111 |
| Balance at 1 July 2022 | 10,000,000 | 987,111 |
| Performance Rights granted during the year – 28 Nov 2022 | 3,900,000 | 235,190 |
| Performance Rights granted during the year – 14 Dec 2022 | 3,000,000 | 81,489 |
| Vesting of employee performance rights | - | 716,292 |
| Change in valuation of Class A performance rights | - | (1,000,000) |
| Balance at 30 June 2023 | 16,900,000 | 1,020,082 |

Performance rights outstanding at 30 June 2023

| 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 |
| Performance Rights – Tranche A | 14 Dec 2022 | Nil | 31 Dec 2023 | 2,600,000 |
| Performance Rights – Tranche A2 | 28 Nov 2022 | Nil | 29-Nov-2025 | 2,000,000 |
| Performance Rights – Tranche B | 14 Dec 2022 | Nil | 31 Dec 2024 | 1,300,000 |
| Performance Rights – Tranche B2 | 28 Nov 2022 | Nil | 29-Nov-2025 | 1,000,000 |
| | | | | 16,900,000 |

Refer to note 16 for details of performance rights milestones.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. Reserves (continued)

Reconciliation of movements in options

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

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

². 5,000,000 options to be issued as per ASX announcement 1 October 2021.

Reconciliation of movements in options (continued)

| | No. of options | \$ |
|--|-------------------|------------------|
| Balance at 1 July 2022 | 22,820,000 | 2,389,179 |
| Options issued to Referrers in respect of Convertible Notes– 3 August 2022 | 800,000 | 24,444 |
| Options issued to Consultants in respect of Advisory work– 28 November 2022 | 5,000,000 | 295,000 |
| Free attaching Options issued as part of Capital Raise | 15,240,918 | - |
| Options issued to Consultants in respect of promotional activities and associated activities – 16 June 2023 | 500,000 | 8,983 |
| Options issued to Lead Manager in respect of Capital raise – 16 June 2023 | 3,500,000 | 62,883 |
| Free attaching Options issued Grange - 16 June 2023 | 1,200,000 | - |
| Free attaching transaction options to Global 3D- 16 June 2023 | 1,720,000 | - |
| Vesting Expense Vesting expense – Options issued to Directors as incentive based remuneration (Issued 12 Feb 2021) | | 595,246 |
| Vesting expense – Options issued to other key management personnel and consultant as incentive based remuneration (Issued 12 Feb 2021) | | 238,188 |
| Lapsed Options | (40,000) | (5,000) |
| Expired Options | | (402,518) |
| Balance at 30 June 2023 | 50,740,918 | 3,206,405 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Reserves (continued)

Unlisted options outstanding at 30 June 2023

| Class of Options | Grant Date | Exercise Price | Expiry Date | Number of unlisted 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 | 1,670,000 |
| 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 |
| Convertible Note Referrer Options | 3-Aug-22 | \$0.24 | 2 years from issue date | 800,000 |
| Advisor Options – Pac Advisors | 28-Nov-22 | \$0.40 | 3 years from issue date | 5,000,000 |
| Free Attaching Options issued as part of Capital Raise | 16-Jun-23 | \$0.10 | 3 years from issue date | 15,240,918 |
| Lead Manager Options | 16-Jun-23 | \$0.10 | 3 years from issue date | 3,500,000 |
| Advisor Options – Jane Morgan Management | 16-Jun-23 | \$0.10 | 3 years from issue date | 500,000 |
| Free Attaching Advisor Options – Grange Consulting | 16-Jun-23 | \$0.10 | 3 years from issue date | 1,200,000 |
| Free Attaching Global 3D Options | 16-Jun-23 | \$0.10 | 3 years from issue date | 1,720,000 |
| | | | | 50,740,918 |

17. Share-based payments

Recognised share-based payment expense

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Total share-based payment expense | 1,267,114 | 2,656,056 |

Options granted during the year ended 30 June 2023 as share based payments are as follows:

| Class of Options | Grant Date | Exercise Price | Expiry Date | Number of options |
|---|------------|----------------|-------------------------|-------------------|
| Convertible Note Referrer Options | 3-Aug-22 | \$0.24 | 2 years from issue date | 800,000 |
| Advisor Options – Pac Advisors | 28-Nov-22 | \$0.40 | 3 years from issue date | 5,000,000 |
| Free Attaching Options issued as part of Capital Raise* | 16-Jun-23 | \$0.10 | 3 years from issue date | 15,240,918 |
| Lead Manager Options | 16-Jun-23 | \$0.10 | 3 years from issue date | 3,500,000 |
| Advisor Options – Jane Morgan Management | 16-Jun-23 | \$0.10 | 3 years from issue date | 500,000 |
| Free Attaching Advisor Options – Grange Consulting* | 16-Jun-23 | \$0.10 | 3 years from issue date | 1,200,000 |
| Free Attaching Global 3D Options* | 16-Jun-23 | \$0.10 | 3 years from issue date | 1,720,000 |

* Free attaching options have valued at \$nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Share-based payments (continued)

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 |
|--|----------------|----------------|---------------------|-------------------------|-------------------------|------------------------|------------------|------------------|
| | | | | | | | (\$) | (\$) |
| Convertible Note Referrer Options | Nil | 1-Oct-21 | 100% | 2.90% | 2 years from issue date | \$0.10 | \$0.03 | \$24,800 |
| Advisor Options – Pac Advisors | Nil | 23-Nov-21 | 100% | 3.27% | 3 years from issue date | \$0.14 | \$0.04 | \$295,000 |
| Lead Manager Options | Nil | 23-Nov-21 | 100% | 3.37% | 3 years from issue date | \$0.04 | \$0.02 | \$62,883 |
| Advisor Options – Jane Morgan Management | Nil | 22-Dec-21 | 100% | 3.37% | 3 years from issue date | \$0.04 | \$0.02 | \$8,983 |

Performance rights granted during the year

Performance rights granted during the year ended 30 June 2023 as share based payments are as follows:

| Tranche | Class of Securities | Grant Date | Exercise Price | Expiry Date | Number under performance rights |
|---------|---------------------------------|-------------|----------------|-------------|---------------------------------|
| 1 | Performance Rights – Tranche A | 14 Dec 2022 | Nil | 14 Dec 2025 | 2,600,000 |
| 2 | Performance Rights – Tranche A2 | 28 Nov 2022 | Nil | 29-Nov-2025 | 2,000,000 |
| 3 | Performance Rights – Tranche B | 14 Dec 2022 | Nil | 14 Dec 2025 | 1,300,000 |
| 4 | Performance Rights – Tranche B2 | 28 Nov 2022 | Nil | 29-Nov-2025 | 1,000,000 |
| | | | | | 6,900,000 |

The *Performance rights* were valued using the Up and Trinomial Barrier Model with the following outputs:

| Class of Securities | Dividend Yield | Valuation Date | Expected Volatility | Risk-Free Interest Rate | Expiry | Underlying Share Price | Value per Right | Total Fair Value |
|---------------------------------|----------------|----------------|---------------------|-------------------------|-------------------------|------------------------|-----------------|------------------|
| | | | | | | | (\$) | (\$) |
| Performance Rights – Tranche A | Nil | 14 Dec 2022 | 100% | 3.19% | 3years from issue date | \$0.13 | \$0.12 | \$316,990 |
| Performance Rights – Tranche A2 | Nil | 28 Nov 2022 | 100% | 3.27% | 3 years from issue date | \$0.14 | \$0.13 | \$265,740 |
| Performance Rights – Tranche B | Nil | 14 Dec 2022 | 100% | 3.19% | 3 years from issue date | \$0.13 | \$0.12 | \$151,921 |
| Performance Rights – Tranche B2 | Nil | 28 Nov 2022 | 100% | 3.2 7% | 3 years from issue date | \$0.14 | \$0.13 | \$127,822 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. Share-based payments (continued)

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. |
| 3 | Continuous employment with the Company until 14 December 2025 and achievement of a \$0.20 20-day VWAP prior to the expiry date |
| 4 | Continuous employment with the Company until 14 December 2025 and achievement of a \$0.25 20-day VWAP prior to the expiry date |

Management have valued Tranche 2, Tranche 3 and Tranche 4 performance rights based on the share price at the grant date.

18. 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:

| | 2023 Cents | 2022 Cents |
|---|---------------|---------------|
| Basic and diluted loss per share | | |
| Basic loss per share (cents per share) | (4.90) | (5.83) |
| Diluted profit/(loss) per share (cents per share) | (4.90) | (5.83) |
| | 2023 \$ | 2022 \$ |
| Profit/(Loss) | | |
| Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows: | | |
| Profit/(loss) | (5,390,318) | (5,986,020) |
| | 2023 No. | 2022 No. |
| Weighted average number of ordinary shares | | |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share | 109,970,902 | 102,798,864 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. 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 is accounted for using the equity method of accounting.

| | 30 June 2023 | |
|---|--------------------------|----------------------|
| | Country of Incorporation | % Ownership Interest |
| Australian Additive Engineering Pty Ltd | Australia | 25 |

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.

| | 2023 | 2022 |
|--------------------------|------------------|----------------|
| | \$ | \$ |
| Current assets | 274,181 | 263,318 |
| Non-current assets | 292,649 | 367,554 |
| Total assets | 566,830 | 630,872 |
| Current liabilities | (117,647) | (2,310) |
| Non-current liabilities | - | - |
| Total liabilities | (117,647) | (2,310) |
| Net assets | 449,183 | 628,562 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. Joint arrangements & interest in associates(continued)

Summarised statement of profit or loss and other comprehensive income

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Revenue | 1,158,959 | 201,739 |
| Expenses | (1,285,155) | (413,078) |
| Profit/(loss) before income tax | (126,196) | (211,339) |
| Income tax expense | - | - |
| Profit after income tax | (126,196) | (211,339) |
| Other comprehensive income | 38,622 | - |
| Total comprehensive loss | (87,574) | (211,339) |

Reconciliation of the Company's Investment in Associate

| | 2023 | 2022 |
|---|---------------|----------------|
| | \$ | \$ |
| Opening amount | 243,030 | 296,864 |
| Share of associate profit/(loss) after income tax | (8,205) | (52,834) |
| Impairment Expense ¹ | (164,825) | - |
| Closing balance | 70,000 | 243,030 |

¹ As announced on 28 July 2023, subsequent to the end of the year, the Company entered into an agreement to dispose of its 25% shareholding in Australian Additive Engineering Pty Ltd (AAE) for a consideration of \$70,000. Taking into consideration the above subsequent event, the Company has recognised an impairment expense of \$165,825. The carrying value of Investment in Associates post impairment as at 30 June 2023 is \$70,000.

Contingent liabilities

Australian Additive Engineering Pty Ltd had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments

Australian Additive Engineering Pty Ltd had no capital commitments as at 30 June 2023 and 30 June 2022.

Significant restrictions

Australian Additive Engineering Pty Ltd has no significant restrictions as at 30 June 2023 and 30 June 2022.

20. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

21. Operating cash flow reconciliation

| | 2023 \$ | 2022 \$ |
|--|--------------------|--------------------|
| Reconciliation of operating cash flows to net profit/(loss) | | |
| Profit/(loss) for the year | (5,390,318) | (5,986,020) |
| Share based payments | 1,267,114 | 2,656,056 |
| Share of net loss in associates | 8,205 | 52,834 |
| Depreciation and amortisation | 389,146 | 259,835 |
| Impairment Expense | 164,825 | - |
| Finance costs in relation to convertible notes | 408,694 | - |
| Impact of AASB 16 | 36,987 | 7,328 |
| Impact of Joint Venture Arrangements | - | 7,540 |
| Non-Cash Payments for Services | 57,600 | - |
| Decrease in trade and other receivables | (101,763) | 69,639 |
| Increase/(decrease) in trade and other payables | 695,852 | (9,475) |
| Increase in provisions | 473 | 36,488 |
| Cash flow from operations | (2,463,185) | (2,905,776) |

22. Business Combinations

On 25 Jan 2023 Singular 3DP Pty Ltd, a subsidiary of Singular Health Group Limited, acquired certain 3D printing assets, related plant and equipment, intellectual property and existing medical focused 3D printing business of Global 3DP Pty Limited for the total consideration transferred of \$1,437,725. Global3D is a West-Australian company providing advanced 3D printing services from an established ISO-9001 accredited facility 20 km south of Perth, Western Australia. The goodwill of \$776,033 represents the expected synergies from merging the business. The acquired business contributed revenues of \$588,208 and loss after tax of \$413,926 to the Group for the period from 25 January 2023 to 30 June 2023.

Details of the acquisition are as follows:

| | Provisional values \$ |
|--|-----------------------------|
| Identifiable assets acquired and liabilities assumed | |
| Other receivables | 61,272 |
| Right of use asset | 126,696 |
| Plant and equipment | 612,725 |
| Lease Liability | (126,696) |
| Employee benefits | (12,305) |
| Net identifiable assets acquired | 661,692 |
| Goodwill | 776,033 |
| Acquisition-date fair value of the total consideration transferred | 1,437,725 |
| Representing: | |
| Cash paid or payable to vendor | 612,725 |
| SHG Ordinary shares issued | 825,000 |
| Cash used to acquire business; net of cash acquired: | |
| Acquisition-date fair value of the total consideration transferred | 1,437,725 |
| Less: cash and cash equivalents | 612,725 |
| Less: payments made in prior periods | - |
| Net cash used | 612,725 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

22. Business Combinations(continued)

The fair values of the entity's assets and liabilities have been measured provisionally. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustment to the amounts above, the accounting for the acquisition will be revised.

23. Inventories

| | 2023 \$ | 2022 \$ |
|--------------------------|----------------|------------|
| Stock in transit | 129,287 | - |
| Total Inventories | 129,287 | - |

24. 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 Groups 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 hold 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 2023 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.

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

| | 2023 \$ | 2022 \$ |
|---------------------------|----------------|------------------|
| Cash and cash equivalents | 691,513 | 1,139,935 |
| Total | 691,513 | 1,139,935 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

24. Financial instruments (continued)

(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.

| 2023 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 |
|--|-----------------------|-------------------|-------------------------|----------------------|-----------------|------------------------------------|--------------------------------------|
| Financial liabilities | | | | | | | |
| Trade other payables | 333,392 | - | - | - | - | 333,392 | 333,392 |
| Borrowings | 2,220,167 | 15,833 | 139,611 | - | - | 2,375,611 | 2,236,000 |
| Lease liabilities | 29,270 | 12,816 | 92,815 | - | - | 134,901 | 134,901 |
| Total financial liabilities | 2,582,829 | 28,649 | 232,426 | - | - | 2,843,904 | 2,704,293 |

| 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 |
|--|-----------------------|-------------------|-------------------------|----------------------|-----------------|------------------------------------|--------------------------------------|
| Financial liabilities | | | | | | | |
| Trade and 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 |
| Total financial liabilities | 254,081 | 34,218 | 17,529 | - | - | 305,828 | 305,828 |

25. 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.

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 other contingent liabilities or contingent assets at 30 June 2023 (2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

26. Related party disclosure

(a) Parent entity

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 2023 | 30 Jun 2022 | |
| Singular Health Pty Ltd | Australia | 100% | 100% | Operating Subsidiary |
| Singular Health Pte Ltd | Singapore | 100% | 100% | Operating Subsidiary |
| Singular 3DP Pty Ltd ¹ | Australia | 100% | 0% | Operating Subsidiary |

¹ Singular Health 3DP Pty Ltd was incorporated on 2 December 2022

(c) Key management personnel compensation

| | 2023 \$ | 2022 \$ |
|------------------------------------|------------------|------------------|
| Short-term employee benefits | 794,415 | 796,930 |
| Post-employment long term benefits | 49,750 | 64,945 |
| Long term benefits (annual leave) | (14,946) | 46,796 |
| Share based payments | 1,493,859 | 1,467,752 |
| Total | 2,323,078 | 2,376,423 |

(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 of Equity | Share Based Payments \$ |
|----------------------------------|--|------------------|------------------|-------------------------|
| James Hill | Employee Incentive Performance Rights ¹ | 14 December 2022 | 1,500,000 | 32,625 |
| Denning Chong | Employee Incentive Performance Rights ¹ | 28 November 2022 | 1,500,000 | 38,408 |
| Steven Wood | Employee Incentive Performance Rights ¹ | 14 December 2022 | 150,000 | 3,263 |
| TOTAL | | | 3,150,000 | 74,296 |

1. Refer to notes 16 and 17 for further details in regards to incentive options and performance rights issued during the period.

Grange Consulting Group Pty Ltd, of which Steven Wood is a Director, received \$137,449 excluding GST (2022: \$132,904) 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 with \$nil payable as at 30 June 2023.

James Chong and Co Pty Ltd, a company associated with Denning Chong, received \$50,960 excluding GST in fees (2022: \$54,750) during the period for legal and marketing consulting provided to the Company, with \$nil payable as at 30 June 2023.

Re-Energise Digital, a company associated with James Hill, received \$19,064 excluding GST in fees (2021: \$24,633) during the year for marketing services provided to the Company, with \$nil payable at 30 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

27. Auditor's remuneration

During the financial year, Singular Health Group changed auditors from Moore Australia Audit (WA) to Nexia Perth Audit Services Pty Ltd. Refer to announcement dated 29 Jun 2023.

| | 2023 \$ | 2022 \$ |
|---|---------------|------------|
| Audit Services – Nexia Perth Audit Service Pty Ltd | | |
| - An audit of the financial reports of the Group | 24,000 | - |
| - Other assurance engagements | - | - |
| Non-Audit Services – Nexia Perth Audit Service Pty Ltd | | |
| Preparation of the tax return | - | - |
| Consulting | - | - |
| Total remuneration for audit & non-audit services | 24,000 | - |

| | 2023 \$ | 2022 \$ |
|--|---------------|---------------|
| Audit Services – Moore Australia Audit (WA) | | |
| - An audit and review of the financial reports of the Group | 39,512 | 36,713 |
| - Other assurance engagements | - | - |
| Non-Audit Services – Moore Australia (WA) | | |
| Preparation of the tax return | 10,410 | 8,000 |
| Consulting | 6,130 | 12,450 |
| Total remuneration for audit & non-audit services | 16,540 | 57,163 |

28. 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.

| | 2023 \$ | 2022 \$ |
|---|--------------------|--------------------|
| Current assets | 636,020 | 1,126,091 |
| Non-current assets | 704,642 | 5,188,623 |
| Total assets | 1,340,662 | 6,314,714 |
| Current liabilities | 1,278,770 | 4,566,011 |
| Non-current liabilities | - | - |
| Total liabilities | 1,278,770 | 4,566,011 |
| Contributed equity | 11,977,564 | 9,526,669 |
| Accumulated losses | (16,142,159) | (11,154,257) |
| Reserves | 4,226,487 | 3,376,290 |
| Total equity | 61,892 | 1,748,703 |
| Loss after income tax | (9,879,820) | (7,987,486) |
| Other comprehensive income/ (loss) for the period | - | - |
| Total comprehensive loss for the period | (9,879,820) | (7,987,486) |

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 2023

29. Events after the reporting date

| DATE | DETAILS |
|--------------|--|
| 6 Jul 2023 | <p>Appointment of Master Distributor in the United States</p> <p>The Company executed a Master Distribution Agreement (“MDA”) for its 3Dicom software in the United States of America with Charlie Golf One Solutions LLC (“CG1”). In connection with the MDA, CG1 is appointed as a master distributor of Singular Health’s software licences and shall be enabled to appoint their partner organisations as sub distributors on a commissions-based remuneration structure, providing a substantial in country sales presence to further progress Singular Health’s enterprise sales pipeline. With initial exclusivity over five nominated States (Florida, North Carolina, Georgia, Nevada, and Texas), CG1 has the right to gain exclusivity in continental United States of America based on achieving certain minimum sales targets, based on annual contract value, within set timeframes. Refer ASX announcement dated 6 July 2023 for further details on the key terms of the agreement.</p> |
| 28 July 2023 | <p>Quarterly Activities/ Report</p> <p>Subsequent to the end of the quarter, the Company disclosed in its quarterly activity report that it had entered into an agreement to dispose of its 25% shareholding in Melbourne-based Australian Additive Engineering Pty Ltd (AAE) in consideration of A\$70,000.</p> |
| 15 Aug 2023 | <p>Repayment of Convertible Notes</p> <p>The Company redeemed all existing convertible notes, being the A\$800,000 of Convertible Notes previously issued in full on 15 August 2022. In addition to the repayment of the principal amount of \$800,000, the Company has also paid the relevant Note Holders interest accrued since the issue date. Refer to the Company’s ASX announcement dated 10 August 2022 for details of the terms of the Convertible Notes. As announced previously on 10 August 2022, the Company issued a total of 80 Convertible Notes with a face value of \$10,000 each to two private and sophisticated investors with a 12-month maturity date.</p> |
| 16 Aug 2023 | <p>Strategic Investment from Singular’s Master Distributor in USA</p> <p>The Company announced on 16 August 2023 on the ASX that it has received a binding commitment to raise a minimum of A\$500,000 to a maximum of A\$850,000 through the issue of fully paid ordinary shares in the Company to CG1 Ventures as part of a strategic investment (“Strategic Placement”) at a 41% premium to the last closing price of \$0.039 per share (as at 15 August 2023).</p> <p>The Strategic Placement is being conducted on the same terms as the Tranche 1 placement in the recent Capital Raise, being \$0.055 per share and with one free attaching option (\$0.10, three-year expiry from date of issue) (Option) for every two placement shares issued. Under the minimum investment of \$500,000 this equates to 9,090,909 Shares and 4,545,454 Options, and under the maximum investment of \$850,000 it would be 15,454,545 Shares and 7,727,272 Options (the “Placement Securities”). The issue of the Placement Securities will be subject to shareholder approval at a shareholder general meeting to be convened as soon as possible.</p> <p>CG1 Ventures is the venture arm of Charlie Golf One Solutions, LLC, a Service-Disabled Veteran-Owned Small Business Concern (SDVOSBC) information technology firm based in South Florida, which was recently appointed as Singular Health’s Master Distributor in July 2023 (refer ASX Announcement: Appointment of Master Distributor in the United States, 6 July 2023).</p> |
| 20 Sep 2023 | <p>Appointment of United States Public Affairs & Corporate Advisor</p> <p>The Company announced on 20 September 2023 the appointment of Marin & Sons LLC (Marin & Sons), to provide strategic public relations and corporate advisory services in the United States. The Consultancy Agreement commences from 1 September 2023 and will continue for a minimum of six (6) months until terminated in accordance with the terms of the Consultancy Agreement. Refer ASX announcement dated 20 September 2023 for further details on the key terms of the agreement.</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 2023 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 Denning Chong
Interim Managing Director and CEO

Perth, 29 September 2023

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 2023 Corporate Governance Statement, approved by the Board, are available of the Group's website:

<https://singular.health/corporate-governance/>

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 22 September 2023 is 141,310,265 ordinary fully paid shares (inclusive of 3,300,000 ordinary shares escrowed until 25 January 2024), 16,900,000 performance rights, and 54,377,281 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

| Shares Range | Holders | Units | % |
|--|--------------|--------------------|----------------|
| above 0 up to and including 1,000 | 190 | 128,746 | 0.09% |
| above 1,000 up to and including 5,000 | 754 | 2,110,151 | 1.49% |
| above 5,000 up to and including 10,000 | 339 | 2,778,352 | 1.97% |
| above 10,000 up to and including 100,000 | 562 | 18,575,016 | 13.14% |
| above 100,000 | 153 | 117,718,000 | 83.30% |
| Totals | 1,998 | 141,310,265 | 100.00% |

Unmarketable parcels

There were 1,332 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 29 September 2023

| | Name | Number of shares | % |
|----|--|--------------------|----------------|
| 1 | MR SIM TEK TAN | 9,132,001 | 6.46% |
| 2 | CHONG LING DIAMOND CHEONG | 7,065,754 | 5.00% |
| 3 | GLOBAL3D PTY LTD | 5,500,000 | 3.89% |
| 4 | JLI ENTERPRISES PTY LTD <JLI A/C> | 4,900,000 | 3.47% |
| 5 | JCC HEALTH PTY LTD <THE JDE MEDVR A/C> | 4,640,869 | 3.28% |
| 6 | BRIGHTSTAR CAPITAL PTY LTD | 3,642,963 | 2.58% |
| 7 | SYLVAN CAPITAL PTE LTD | 3,500,000 | 2.48% |
| 8 | SC CONSULTANT PTY LTD | 3,422,787 | 2.42% |
| 9 | JDE CAPITAL PTY LTD <JDE CAPITAL A/C> | 3,167,706 | 2.24% |
| 10 | GARRY TET KHENG CHONG | 3,000,000 | 2.12% |
| 11 | PENINSULA TREESCAPE PTY LTD <THE CARDINALS A/C> | 2,700,000 | 1.91% |
| 12 | MR PAK LIM KONG | 2,250,000 | 1.59% |
| 13 | GRANGE CONSULTING GROUP PTY LTD | 2,200,000 | 1.56% |
| 14 | MR ANTHONY GALVIN KHANG CHUANG LIM | 2,165,979 | 1.53% |
| 15 | FAYWENG PTY LTD | 2,000,000 | 1.42% |
| 15 | STAINED GLASS WINDOWS PTY LTD <THE FAST LANE SF A/C> | 2,000,000 | 1.42% |
| 16 | WANG (AUST) PTY LTD <THE WF FAMILY A/C> | 1,840,000 | 1.30% |
| 17 | WEI ZHENG | 1,818,182 | 1.29% |
| 17 | QINGYUAN ZHANG | 1,818,182 | 1.29% |
| 18 | AUSTERN CONSTRUCTION PTY LTD | 1,725,767 | 1.22% |
| 19 | MR PAK LIM KONG | 1,723,973 | 1.22% |
| 20 | SUPERHERO SECURITIES LIMITED <CLIENT A/C> | 1,685,760 | 1.19% |
| | Total Top 20 | 71,899,923 | 50.88% |
| | Total remaining holders balance | 69,410,342 | 49.12% |
| | Total issued capital | 141,310,265 | 100.00% |

ASX ADDITIONAL INFORMATION

3. Unquoted securities

There are 16,900,000 performance rights and 54,377,281 unlisted options over shares in the Company as at 22 September 2023 as follows:

| Security Code | Date Options Granted | Expiry Date | Exercise Price | Number Under Option | Number Under Performance Rights |
|---|----------------------|-------------|----------------|---------------------|---------------------------------|
| SHGOPT01 UNLISTED OPTIONS @ \$0.30 | 12-Feb-21 | 12-Feb-25 | \$0.30 | 19,250,000 | - |
| SHGOPT01 UNLISTED OPTIONS @ \$0.30 ADVISORY | 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 | 2,030,000 | - |
| 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 | 3-Aug-22 | 19-Aug-24 | \$0.24 | 800,000 | - |
| SHGOPT07 UNL OPTIONS @ \$0.40 EXP 23/12/2025 | 28-Nov-22 | 23-Dec-25 | \$0.40 | 5,000,000 | - |
| SHGOPT08 UNL OPTIONS @ \$0.20 EXP 25/01/2026 | 25-Jan-23 | 25-Jan-26 | \$0.20 | 1,720,000 | - |
| SHGOPT09 UNL OPTIONS @ \$0.10 EXP 26/06/2026 | 16-Jun-23 | 26-Jun-26 | \$0.10 | 20,440,918 | - |
| SHGOPT10 UNLISTED OPTIONS @ \$0.10 EXP 14/08/26 | 14-Aug-23 | 14-Aug-26 | \$0.10 | 3,636,363 | - |
| SHGPERFA PERFORMANCE RIGHTS - CLASS A | 12-Feb-21 | 31-Dec-23 | \$0.00 | - | 5,000,000 |
| SHGPERFB PERFORMANCE RIGHTS - CLASS B | 12-Feb-21 | 31-Dec-24 | \$0.00 | - | 5,000,000 |
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | - | 2,000,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B2 | 28-Nov-22 | 29-Nov-25 | \$0.00 | - | 1,000,000 |
| SHGPRA - PERFORMANCE RIGHTS - TRANCHE A | 14-Dec-22 | 14-Dec-25 | \$0.00 | - | 2,600,000 |
| SHGPRB - PERFORMANCE RIGHTS - TRANCHE B | 14-Dec-22 | 14-Dec-25 | \$0.00 | - | 1,300,000 |
| | | | Total | 54,377,281 | 16,900,000 |

1. See section 4 below for further details.

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 | | | | |

ASX ADDITIONAL INFORMATION

Performance Rights (Allotment – 28 November 2022)

| TRANCHE | Number under performance rights | Vesting Condition to convert into one share in the Company per Performance Right | Expiry Date | Vested (Yes/No) | Comment |
|---------------------------------|---------------------------------|--|-------------|-----------------|---------|
| Performance Rights – Tranche A2 | 2,000,000 | Performance Rights will vest upon the SHG share price, as quoted on ASX, achieving a 20-day consecutive VWAP of \$0.20 per Share at any time before the date that is three years from the date of issue of the right | 29-Nov-2025 | No | n/a |
| Performance Rights – Tranche B2 | 1,000,000 | Performance Rights will vest upon the SHG share price, as quoted on ASX, achieving a 20-day consecutive VWAP of \$0.25 per Share at any time before the date that is three years from the date of issue of the right | 29-Nov-2025 | No | n/a |
| TOTAL | 3,000,000 | | | | |

Performance Rights (Allotment – 14 December 2022)

| TRANCHE | No. of Performance Rights | Vesting Condition to convert into one share in the Company per Performance Right | Expiry Date | Vested (Yes/No) | Comment |
|--------------------------------|---------------------------|--|-------------|-----------------|---------|
| Performance Rights – Tranche A | 2,600,000 | Performance Rights will vest upon the SHG share price, as quoted on ASX, achieving a 20-day consecutive VWAP of \$0.20 per Share at any time before the date that is three years from the date of issue of the right | 14 Dec 2025 | No | n/a |
| Performance Rights – Tranche B | 1,300,000 | Performance Rights will vest upon the SHG share price, as quoted on ASX, achieving a 20-day consecutive VWAP of \$0.25 per Share at any time before the date that is three years from the date of issue of the right | 31 Dec 2025 | No | n/a |
| TOTAL | 3,900,000 | | | | |

5. Restricted Securities Subject to escrow period

| Security class | Number of securities held |
|---|---------------------------|
| SHGES16 Acquisition Shares – Global 3DP (ESC12M until 25/01/2024) | 3,300,000 |

ASX ADDITIONAL INFORMATION

6. Holders of Unlisted Securities over 20%

| HOLDER | SHGOPT10 \$0.10 EXP 14/08/26 | SHGOPT09 \$0.10 EXP 26/06/2026 | SHGOPT08 \$0.20 EXP 25/01/2026 | SHGPRB | SHGPRA | SHGOPT07 \$0.40 EXP 3/12/2025 | SHGOPT6 \$0.24 EXP 19/08/2024 | SHGOPT05 \$0.60 EXP 10/01/2024 | SHGOPT04 \$0.50 EXP 10/01/2024 |
|------------------------------|------------------------------------|--------------------------------------|--------------------------------------|-----------|-----------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| BRIGHTSTAR CAPITAL PTY LTD | 1,818,181 | - | | | | | | | |
| QINGYUAN ZHANG | 909,091 | - | | | | | | | |
| WEI ZHENG | 909,091 | - | | | | | | | |
| GLOBAL3D PTY LTD | - | - | 1,720,000 | | | | | | |
| JDE CAPITAL PTY LTD | - | - | - | 500,000 | 1,000,000 | | | | |
| THOMAS MORRELL | | | | 500,000 | 1,000,000 | | | | |
| REENERGISE AUSTRALIA PTY LTD | | | | 500,000 | 1,000,000 | | | | |
| THOMAS HANLY | | | | 500,000 | 1,000,000 | | | | |
| PHILLIP CAWOOD | | | | | | 1,950,000 | | | |
| PAC PARTNERS | | | | | | 2,000,000 | | | |
| ROCKLEY CAPITAL | | | | | | 1,050,000 | | | |
| ERYU PTY LTD | | | | | | | 400,000 | | |
| CHONG LING DIAMOND CHEONG | | | | | | | 400,000 | | |
| REDLEAF SECURITIES | | | | | | | | 400,000 | 300,000 |
| TOTAL Holdings over 20% | 3,636,363 | - | 1,720,000 | 2,000,000 | 4,000,000 | 5,000,000 | 800,000 | 400,000 | 300,000 |
| BALANCE OF HOLDINGS | | 20,440,918 | - | 300,000 | 600,000 | - | - | - | - |
| TOTAL NUMBER OF HOLDERS | 3 | 52 | 1 | 7 | 7 | 3 | 2 | 1 | 1 |
| TOTAL ON ISSUE | 3,636,363 | 20,440,918 | 1,720,000 | 2,300,000 | 4,600,000 | 5,000,000 | 800,000 | 400,000 | 300,000 |

| HOLDER | SHGOPT03 \$0.40 EXP 10/01/2024 | SHGOPT02 @ \$0.30 EXP 20/12/25 | SHGOPT01 @ \$0.30 | SHGPERFB | SHGPERFA |
|-------------------------|--------------------------------|--------------------------------|-------------------|-----------|-----------|
| REDLEAF SECURITIES | 300,000 | | | | |
| THOMAS MORRELL | | 500,000 | | | |
| JCC HEALTH PTY LTD | | | 4,500,000 | 1,200,000 | 1,200,000 |
| THOMAS HANLY | | | 6,000,000 | 1,500,000 | 1,500,000 |
| J J TAN (PERTH) PTY LTD | | | | 1,200,000 | 1,200,000 |
| TOTAL Holdings over 20% | 300,000 | 500,000 | 10,500,000 | 3,900,000 | 3,900,000 |
| BALANCE OF HOLDINGS | - | 1,530,000 | 9,250,000 | 1,100,000 | 1,100,000 |
| TOTAL NUMBER OF HOLDERS | 1 | 12 | 9 | 7 | 7 |
| TOTAL ON ISSUE | 300,000 | 2,030,000 | 19,750,000 | 5,000,000 | 5,000,000 |

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 2023 in a way that is consistent with its business objective and strategy.