



SINGULAR HEALTH GROUP LIMITED

ACN 639 242 765

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10.00am AWST
DATE: Tuesday, 11 May 2021
PLACE: Singular Health Office, 3/26 Railway Road, Subiaco WA
6008

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 7600.

ASX takes no responsibility for the contents of this Notice of Extraordinary General Meeting.

CHAIRMAN'S LETTER TO SHAREHOLDERS

1 April 2021

Re: Extraordinary General Meeting – 11 May 2021

Dear Shareholder,

It is my pleasure to invite you to the Extraordinary General Meeting ("EGM") of Singular Health Group Limited (**Singular Health** or the **Company**) which will be held on Tuesday, 11 May 2021 at 10.00am (AWST).

Since Singular Health's highly successful listing on the Australian Stock Exchange on 12th February 2021, the Company has been exceptionally busy pursuing a number of exciting opportunities that have arisen due to the increased brand profile associated with being a listed entity.

This EGM relates to seeking Shareholder Approval to proceed with one such opportunity which is strongly aligned with the Company's growth strategy outlined in the Company's Prospectus (dated 9th December 2020) of focusing on further technical development of MedVR for specific surgical tools and investing in medical grade titanium 3D printing.

It is the belief of myself and the Board that the proposed transaction is strongly aligned with the vision of the Company and can be readily afforded as the use of funds from the recent IPO accounted for Hardware Purchases relating to additive manufacturing, and R&D spend for MedVR which will be greatly accelerated by the acquisition of the software asset from VR Surgical Pty Ltd.

Enclosed with this letter is a copy of the Notice of Extraordinary General meeting and accompanying Explanatory Statement for the EGM which relate to the Proposed Transaction, and proxy voting form.

We look forward to your participation and encourage all Shareholders to vote in favour of the Resolutions.

Yours sincerely,

A handwritten signature in blue ink, appearing to be "H. Digby", written over a light blue circular stamp.

Mr Howard Digby

Chairman

TIME AND PLACE OF MEETING AND HOW TO VOTE

The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (AWST) on Tuesday, 11 May 2021 at 3/26 Railway Road, Subiaco WA 6008.

ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Extraordinary General Meeting if you are registered as a Shareholder of the Company as at 4:00 pm (AWST) on Sunday, 9 May 2021. This is because, in accordance with the *Corporations Regulations 2001* (Cth), the Board has determined that the Shares on issue and quoted on the ASX at that time will be taken, for the purposes of determining voting entitlements at the Extraordinary General Meeting, to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your Shareholding and your vote is important.

HOW TO VOTE

Voting in person

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above. Shareholders who plan to attend the Extraordinary General Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Extraordinary General Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

Corporate representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Extraordinary General Meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company's share registry at least 48 hours prior to the commencement of the General Meeting.

Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the Extraordinary General Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Extraordinary General Meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Extraordinary General Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received by the Company's share registry no later than 10 am (AWST) on **Sunday, 9 May 2021**, being 48 hours before the time of the Extraordinary General Meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

Online at: <https://investor.automic.com.au/#/home>
By post to: Singular Health Group Limited
C/- Automic Group
GPO Box 5193
SYDNEY NSW 2001
By facsimile to: +61 2 8583 3040
By email: meetings@automicgroup.com.au

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Chairman as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box for the proposed Resolution.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the General Meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on the Resolution the Chairman intends to vote in favour of each proposed Resolution as proxy for that Shareholder on a poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Meeting of the Shareholders of Singular Health Group Limited (**SHG** or the **Company**) will be held at 10 am AWST on Tuesday, 11 May 2021 at 3/26 Railway Road, Subiaco WA 6008 to consider and, if thought fit, to pass the Resolutions set out below.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Terms used in this Notice of Meeting and accompanying Explanatory Statement are defined in the glossary to this document. The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Meeting.

BUSINESS

RESOLUTION 1: APPROVAL OF PROPOSED TRANSACTION

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, Shareholders approve the Company's entrance into the Proposed Transaction, as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a counterparty to the transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature of the entity's activities and any other person who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons. However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2: APPROVAL OF CONSIDERATION SHARES ISSUE

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolution 1, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the Consideration Shares to VR Surgical Pty Ltd (or its nominee(s)), for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of VR Surgical Pty Ltd (or its nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons. However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 1st April 2021

BY ORDER OF THE BOARD



MR HOWARD DIGBY

Chairman

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting. The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement and not otherwise defined, are defined in the glossary to the Notice.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company Secretary, your stockbroker or other professional adviser.

A proxy form is located at the end of this Explanatory Statement.

1. RESOLUTION 1: APPROVAL OF PROPOSED TRANSACTION

1.1 Background

As announced on 22 March 2021, the Company has entered into binding agreements to further enhance its capabilities in surgical planning, 3D visualization, and the vertical integration of medical computer aided design and additive manufacturing. The proposed transactions will strengthen the Company's mission to develop technologies to provide patients and practitioners with access to personalized, enhanced medical data, and forms part of a long-term vision by all parties to deliver a personalized end-to-end surgical planning platform in the maxillofacial sector from scan through the surgery.

The Company is proposing to:

- (a) acquire a virtual software planning solution and intellectual property that allows surgeons to manipulate Computer Aided Design (or 'CAD') files to accelerate the pre-operative planning of maxillofacial surgery in virtual reality from VR Surgical Pty Ltd (**Virtual Surgical**) for \$500,000 (consisting of \$250,000 paid in cash and \$250,000 worth of Shares issued to Virtual Surgical at an issue price based on the 30 trading day VWAP prior to issue, being the Consideration Shares the subject of Resolution 2. The Consideration Shares will be subject to 12 months escrow upon issue);
- (b) subscribe 25% of the fully paid ordinary shares in Australian Additive Engineering Pty Ltd (**AAE**) at a total subscription price of \$300,000. AAE is in the process of procuring and commissioning two polymer-based 3D printers for manufacturing surgical guides and personalized bio-models as well as three titanium 3D printers for the manufacture of bespoke surgical implants; and,
- (c) to enter into a distribution and priority arrangement with Lyka Smith Pty Ltd (**Lyka Smith**), an established medical computer aided design company, primarily operating in the maxillofacial market, that will include Lyka Smith:
 - (i) being appointed as exclusive reseller of the Company's integrated MedVR software in Australia and New Zealand to providers of maxillofacial, cranial, dental, and spinal surgery; and,
 - (ii) purchasing 50 licenses of the Company's integrated MedVR software at the price of \$300 per month over a 24 month licence period (totaling \$360,000 in licence fees);

with Lyka Smith also separately undertaking to:

- (i) use its best endeavours to promote the Company's integrated MedVR software, and to use the software in relation to its own operations and activities; and,
- (ii) utilise the printing services offered by AAE,

(together, the **Proposed Transaction**). A summary of the key terms of the Proposed Transaction is included in Annexure A to this Explanatory Memorandum.

Each of the elements of the Proposed Transaction are inter-conditional, such that if one aspect of the Proposed Transaction does not proceed, the other aspects of the Proposed Transaction will not proceed.

The Proposed Transaction has come about out of negotiations between the Company and Benjamin Baxter, an East-coast based businessman, who holds 100% of the issued shares in Lyka Smith and Virtual Surgical and, following completion of the Proposed Transaction, will hold 25% of AAE.

Following completion of the Company's initial public offering, the Company and Mr Baxter identified potential synergies between the operations and objectives of the Company and each of Lyka Smith, Virtual Surgical and AAE. As a result of these negotiations, the Company has entered into binding transaction documents with respect to the Proposed Transaction that are conditional upon the receipt of Shareholder approval pursuant to Resolution 1.

Mr Baxter is not a related party of the Company nor any other class of person regulated for the purposes of ASX Listing Rule 10.1¹ and only became known to the Company as a result of its successful initial public offering and the publicity that ensued for the Company.

Further background to each aspect of the Proposed Transaction is set out in the table below.

Acquisition of Virtual Surgical Planning Software	<p>The design of bespoke surgical cutting and drill guides and personalised medical implants, including total hip arthroplasties, spinal cages and cranio-facial fixment plates, primarily relies upon the conversion of source CT/MRI scans from DICOM format to standard CAD files.</p> <p>Virtual Surgical has been developing a virtual software planning (VSP) solution to allow surgeons to manipulate CAD files to accelerate the pre-operative planning of maxillofacial surgery in virtual reality. Following this planning process, patient-specific guides and implants are generated in 3D printable file formats and sent to a medical-grade 3D printing facility for manufacture.</p> <p>Singular Health's Volumetric Rendering Platform and the MedVR product have been developed to visualise and manipulate CT/MRI data. Further development of MedVR in late 2020 has added functions to import and manipulate CAD files. Consequently, the acquisition of the VSP software is a logical step to expand the functionality of the MedVR product toward our objective to build an end-to-end scan to surgery software solution.</p>
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¹ Being a child entity of the Company (ASX Listing Rule 10.1.2), a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the Company (ASX Listing Rule 10.1.3), an associate of a person referred to in ASX Listing Rules 10.1.1 (related parties of the Company) to 10.1.3 (ASX Listing Rule 10.1.4) or a person whose relationship to the entity or a person referred to in ASX Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

Singular Health has entered into an asset sale agreement, conditional upon Shareholder approval pursuant to this Resolution 1, to acquire all the software and intellectual property owned and developed by Virtual Surgical for \$250,000 in cash and the issue of \$250,000 worth of Singular Health shares (which will be subject to 12 months escrow) (the **Virtual Surgical ASA**).

**Investment in
Australian
Additive
Engineering
Pty Ltd**

AAE, established by Hugh Tevelein (the former General Manager of Production at Titomic) and which includes Benjamin Baxter as a significant shareholder, is a Melbourne-based additive manufacturing company specialising in the production of medical grade surgical guides and implants focusing on, but not limited to, servicing the maxillofacial sector.

AAE is currently in the process of procuring and commissioning two polymer-based 3D printers for manufacturing surgical guides and personalised bio-models, and three titanium 3D printers for the manufacture of bespoke surgical implants.

Singular Health believes that AAE is well positioned to establish and grow its business offering in the medical additive manufacturing market with its experienced team, established sales networks and marketing strategies. Singular Health has entered into a subscription agreement, conditional upon Shareholder approval pursuant to this Resolution 1, to invest \$300,000 into AAE in return for 25% of the issued capital of the company (the **AAE Subscription Agreement**).

**Commitment
to purchase
fifty MedVR
Licenses and
cooperation
arrangements**

Lyka Smith is an established medical computer aided design company, which primarily operates in the maxillofacial market. Since 2017, Lyka Smith has produced more than 5,000 custom patient specific components for surgeries across Australia.

Lyka Smith has entered into a binding agreement to purchase 50 licenses of the MedVR software product, upon its integration with the VSP software (anticipated to occur within 3 months of completion of the acquisition by the Company of the VSP software) for resale, effective upon receipt of Shareholder approval pursuant to this Resolution 1 (the **Reseller Agreement**). The initial licence terms will have a minimum period of two (2) years and a license fee of \$300 per month per license.

Lyka Smith intends to use the integrated MedVR product to support its existing, and to grow its, client base of surgeons in Australia and New Zealand. The Company and Lyka Smith have entered into a cooperation agreement to this effect, effective upon commencement of the Reseller Agreement (the **Cooperation Agreement**).

Lyka Smith also intends to utilise the 3D printing services provided by AAE in its ongoing operations. Lyka Smith and AAE have entered into a cooperation and exclusivity agreement to this effect, effective upon the Company's receipt of Shareholder approval pursuant to this Resolution 1 (the **3D Printing Agreement**).

Given the proximity of the Proposed Transaction to the Company's admission to the ASX, the Company is required to seek Shareholder approval under ASX Listing Rule 11.1.2 (change of nature and scale) before proceeding with the Proposed Transaction.

1.2 Listing Rule 11.1.2

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to a significant change to the nature or scale of its activities. ASX has determined that the proximity of the Proposed Transaction to the Company's initial public offering and admission to the ASX qualifies the Proposed Transaction as a significant change to the nature or scale of the Company's activities. As a result of this determination, ASX has exercised its discretion to impose a requirement under Listing Rule 11.1.2 that the Company obtain Shareholder approval to proceed with the Proposed Transaction.

ASX Guidance Note 12 sets out the four main circumstances where ASX will usually exercise its discretion to require a change to a listed entity's activities to be approved by shareholders. Relevantly, "Case 2" requires listed entities to seek shareholder approval where the entity announces a significant transaction soon after its admission to the official list and where the transaction is not consistent with the representations about the nature and scale of its business in any prospectus lodged in connection with the admission.

While the Company considers the Proposed Transaction to be consistent with the representations about the nature and scale of its business that were included in the Company's prospectus dated 9 December 2020 (**Prospectus**), including those focused on ongoing growth and development, the Company is required to obtain Shareholder approval for the purposes of ASX Listing Rule 11.1.2 before proceeding with the Proposed Transaction. The Company is keen to ensure it has a mandate from its Shareholders to undertake the Proposed Transaction.

Resolution 1 seeks the required Shareholder approval to the Proposed Transaction under and for the purposes of Listing Rule 11.1.2.

If Resolution 1 is passed, the Company will be able to proceed with the Proposed Transaction, and the Transaction Agreements will come into effect.

If Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Transaction as currently contemplated and this exciting opportunity may lapse.

1.3 Information required for the purposes of Listing Rule 11.1.2

Pursuant to Listing Rule 11.1.2 and Guidance Note 12, the following information is provided to inform Shareholders about the Proposed Transaction:

(a) Parties to, and material terms of, the Proposed Transaction

A detailed summary of the key terms of the Proposed Transaction are included in Annexure A to this Explanatory Memorandum.

(b) Financial effect of the Proposed Transaction

In connection with the Proposed Transaction, the Company will incur costs of \$800,000 (being \$550,000 paid in cash consideration and the issue of shares equating to \$250,000 in value), while the Company will receive revenue in the amount of \$360,000. The financial breakdown is as follows:

\$	Description
(\$250,000)	Paid by the Company as cash consideration pursuant to the Virtual Surgical ASA.
(\$250,000)	Scrip Consideration Shares issued by the Company pursuant to the Virtual Surgical ASA.
(\$300,000)	Paid by the Company as cash consideration pursuant to the AAE Subscription Agreement.
\$360,000	In revenue received by the Company pursuant to the Reseller Agreement throughout the life of that agreement.

When taking into account the \$250,000 worth of Shares issued by the Company and the revenue of \$360,000 to be received by the Company over the life of the Reseller Agreement, the Proposed Transaction equates to a modest cash cost to the Company of only \$190,000.

The Company anticipates that the Proposed Transaction will have the following effect on the Company's financial position, revenue and expenditure and capital structure (noting that the pro-forma adjustments below are provided on a cumulative basis including all aspects of the Proposed Transaction).

	31 December 2020	Pro-forma adjustments as per Proposed Transaction (% change)
Financial Position		
<i>Total Assets</i> ¹	\$7,087,328	\$7,337,328 (+3.53%)
<i>Total Equity</i> ²	\$6,951,414	\$7,201,414 (+3.54%)
Revenue and Expenditure		
<i>Annual Revenue</i> ³	\$1,300,000	\$1,480,000 (+13.8%)
<i>Annual Expenditure</i> ⁴	\$3,200,000	\$3,275,000 (+2.34%)
<i>Profit / (loss) before tax</i>	(\$1,900,000)	(\$1,795,000) (+5.53%)
<i>Consolidated EBITDA</i> ⁵	(\$1,875,000)	(\$1,707,500) (+3.3%)
Capital Structure		
Ordinary Shares ⁶	102,230,385	102,730,385 (+0.49%)

Notes: The pro-forma position in the table above has not been audited and has been prepared and is provided for illustrative purposes only. The pro-forma position above is prepared as if the Proposed Transaction had occurred on 31 December 2020.

1) Increased by \$250,000, being the cash value of shares issued in connection with the Virtual Surgical ASA.

2) Increased by \$250,000, being the cash value of shares issued in connection with the Virtual Surgical ASA.

3) Annual revenue for FY2021, calculated to reflect the integration of assets acquired in connection with the Virtual Surgical ASA into the Company's MedVR software product, upon which the revenue from the 50 licenses acquired by Lyka Smith pursuant to the Reseller Agreement will be triggered (being \$180,000 in additional revenue incurred over a 12 month period).

4) Proposed Transaction to be financed through minor repurposing of Use of Funds allocations set out in the Company's Prospectus (namely, decreased MedVR R&D costs as a result of synergies the Proposed Transaction provides), and including an addition \$75,000 in expenditure reflecting an estimated three months of work by up to four developers to integrate the assets acquired in connection with the Virtual Surgical ASA into the Company's MedVR software product.

5) Calculated adjustment relates to depreciation and amortization only, set out in further detail as follows:

	Pre Transaction	Post Proposed Transaction
<i>Unadjusted Loss</i>	(\$1,900,000)	(\$1,795,000)
<i>Depreciation and amortisation</i>	\$25,000	\$25,000
<i>Depreciation re acquisition</i>		\$62,500
<i>EBITDA</i>	(\$1,875,000)	(\$1,707,500)

6) Based on the current number of Shares on issue as at the date of this Notice, adjusted to include the issue of approximately 500,000 Consideration Shares issued in connection with the Virtual Surgical ASA.

Further to the key financial highlights provided above, set out in the table below is a pro-forma consolidated statement of financial position, updating the historical consolidated statement of financial position against the pro-forma consolidated statement of financial position included in the Prospectus for the period ending at 30 June 2020, as if the Proposed Transaction had also be completed as at that date. The pro forma historical consolidated statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position:

\$AUD	Singular Health as at 30 June 2020	Pro-forma Prospectus position as at 30 June 2020 (maximum subscription) ¹	Pro-forma position as at 30 June 2020 (including maximum subscription and Proposed Transaction) ²
CURRENT ASSETS			
Cash at bank	130,552	6,549,611	56,299,611
Trade and other receivables	70,391	70,391	70,391
Prepaid interest on convertible notes	240,390	240,390	240,390
Total Current Assets	441,333	6,860,392	6,610,392
NON-CURRENT ASSETS			
Plant and Equipment	27,691	27,691	27,691
Intangible assets	199,245	199,245	199,245
Financial assets	-	-	800,000
Total Non-Current Assets	226,936	226,936	1,026,936
Total Assets	668,269	7,087,328	7,637,328
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	95,160	95,160	96,160
Directors Loans	155,941	-	-
Convertible Notes	590,000	-	-
Other current liabilities	40,754	40,754	40,754
Deferred revenue	-	-	300,000
Total Current Liabilities	881,855	135,914	435,914
Total Liabilities	881,855	135,914	435,914
Net Liabilities	(213,586)	6,951,414	7,201,414
EQUITY			
Issued capital	500,000	8,025,000	8,275,000
Reserves	(5,998)	(5,998)	(5,998)
Accumulated losses	(707,588)	(1,067,588)	(1,067,588)
Total Equity	(213,586)	6,951,414	7,201,414

Notes: The pro-forma statement of financial position as at 30 June 2020 is based on the consolidated statement of financial position of Singular Health as at 30 June 2020 incorporating the following adjustments: 1) the pro-forma adjustments applied in the pro-forma statement of financial position as at 30 June 2020 disclosed in the Company's Prospectus, assuming maximum subscription thereunder (which the Company notes was obtained), which included:

- Subscription of a maximum of \$6,000,000 (30,000,000 Shares at an issue price of \$0.20 each) under the public offer therein;
- Direct expenses of the Offers under the Prospectus totaling \$320,000;
- Indirect expenses of the Offers under the Prospectus totaling \$360,000;
- Conversion of convertible notes on issue at 30 June 2020, having a face value of \$295,000, being converted to equity at a price of 50% of the listing price;
- Repayment of director loans of \$155,941; and

- Convertible notes issued subsequent to 1 July 2020, having a face value of \$1,055,000, converted to equity at the date of listing on the ASX; and
- 2) further pro-forma adjustments applied to the pro-forma statement of financial position as at 30 June 2020 disclosed in the Company's Prospectus, assuming maximum subscription thereunder, in connection with the Proposed Transaction, which include:
- Cash expenses of the Proposed Transaction in the amount of \$550,000;
 - Proposed issue of \$250,000 worth of Shares in the Company as partial consideration for the Virtual Surgical ASA; and
 - \$180,000 in revenue to be received pursuant to the Reseller Agreement, calculated on an annual revenue basis with respect to licensing fees to be incurred under the Reseller Agreement on a twelve-month basis.

(c) Proposed changes to the Company's business model

The Company does not consider completion of the Proposed Transaction will result in any change to the Company's business model. The Proposed Transaction is consistent with the Company's existing focus and business model (as set out in the Prospectus) to develop the MedVR software product, execute its growth strategy by obtaining exposure to the medical 3D printing industry and expand into new product areas (including the medical additive manufacturing market).

(d) Consideration terms and funds allocation

The consideration terms of the Proposed Transaction are summarised in further detail in Annexure A and in paragraph 1.3(b) above. On a cumulative basis (not taking into account revenue derived as a result of the Proposed Transaction), the Proposed Transaction will result in the Company incurring cash costs in the amount of \$550,000. The Company intends to provide for these costs in accordance with the use of funds table provided in the Company's Prospectus by allocating the \$550,000 in cash costs within the previously disclosed use of funds guidelines as follows:

Use of Funds	Prospectus ²	Proposed Transaction
<i>Costs of the Offer</i>	\$505,000	
<i>Hardware Purchases¹</i>	\$700,000	\$150,000 ³
<i>Intellectual Property & Product Certification</i>	\$250,000	\$50,000 ⁴
<i>Marketing</i>		
- <i>Digital & Print Advertising</i>	\$250,000	
- <i>3rd Party Medical Sales Team</i>	\$250,000	\$100,000 ⁵
- <i>Reseller/Distributor Support</i>	\$193,319	\$100,000 ⁶
- <i>Travel, Trade Shows & Conferences</i>	\$220,000	
<i>Management Personnel²</i>	\$1,200,000	
<i>Operational & Sales Team²</i>	\$500,000	
<i>Research and Development</i>		
- <i>MedVR & 3Dicom Development</i>	\$800,000	\$150,000 ⁷
- <i>Virtual Anatomy Team</i>	\$220,000	
- <i>VisualEyes Development</i>	\$100,000	
- <i>GeoVR</i>	\$150,000	
- <i>Matched Funding Projects</i>	\$195,000	
<i>Working Capital / Corporate Overheads</i>		

² As per maximum subscription

- Office Leases	\$180,000	
- Board & Governance Costs ²	\$490,000	
- Insurance	\$30,000	
- Repayment of Director Loan	\$166,681	
Total	\$6,400,000	\$550,000

Notes

1) Inclusive of \$500,000 loan made by the Company to the Medufacture Joint Venture for the purchase and commissioning of a titanium 3D printer.

2) Table reflects estimated expenses for these line items over a 24 month period.

3) \$150,000 of the \$300,000 cash consideration paid pursuant to the AAE Subscription Agreement will be allocated as 'Hardware Purchases' on the basis that there are still sufficient funds to satisfy the \$500,000 loan to the Medufacture Joint Venture, leaving sufficient funds remaining for other hardware purchases the Company has committed to.

4) \$50,000 of the \$300,000 cash consideration paid pursuant to the AAE Subscription Agreement will be allocated to 'Intellectual Property & Product Certification' on the basis that it is being contributed to the development of Intellectual Property in the form of integration from MedVR to 3D printing and certification costs associated with the AAE facility, such as ISO13485.

5) \$100,000 of the \$300,000 cash consideration paid pursuant to the AAE Subscription Agreement will be allocated to '3rd Party Medical Sales Teams' on the basis that AAE shall provide value-added services to Singular Health's existing software and further develop complementary growth opportunity nationally.

6) \$100,000 of the \$250,000 cash consideration paid pursuant to the Virtual Surgical ASA will be allocated to 'Reseller & Distributor Support' on the basis that the acquisition of assets pursuant to the Virtual Surgical ASA will trigger the Reseller Agreement and result in Lyka Smith taking a key reseller/distributor role.

7) \$150,000 of the \$250,000 cash consideration paid pursuant to the Virtual Surgical ASA will be allocated to 'MedVR R&D' on the basis that the acquisition of assets pursuant to the Virtual Surgical ASA helps expand the MedVR software product and thereby reduces necessary R&D spending.

(e) Proposed changes to the Board or management of the Company

The Proposed Transaction will not result in any changes to the Board or management of the Company.

(f) Timetable of the Proposed Transaction

Set out below is the expected timetable for completion of the Proposed Transaction.

Action	Date
Shareholders to approve Resolutions 1 and 2 at the General Meeting	11 May 2021
Completion of the Proposed Transaction	12 May 2021
Issue of Consideration Shares	12 May 2021

*These dates are indicative only and may change without notice.

1.4 Director's recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

2. RESOLUTION 2: ISSUE OF CONSIDERATION SHARES

2.1 Background

As set out in section 1.1 above, a material term of the Proposed Transaction is that the Company issue the Consideration Shares, being such number of Shares as is determined by dividing \$250,000 by the VWAP for the 30 ASX trading days ending on the business day immediately prior to the Issue Date, to Virtual Surgical (or its nominee(s)) as part consideration for the acquisition of assets pursuant to the Virtual Surgical ASA.

Completion of the Proposed Transaction is conditional upon the receipt of Shareholder approval pursuant to Resolution 1. If Resolution 1 is not approved by Shareholders, the Proposed Transaction will not complete and the Consideration Shares the subject of Resolution 2 will not be issued.

Resolution 2, subject to and conditional upon the passing of Resolution 1, seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of the Consideration Shares.

2.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with other Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue and allotment of the Consideration Shares pursuant to Resolution 2 will not, if Shareholders approve the issue, be included in the 15% limit and therefore approval of Resolution 1 will minimise the restrictive effect of Listing Rule 7.1 on any further issues by the Company of Equity Securities in the next 12 months.

2.3 Technical Information required by Listing Rule 14.1A

If Resolution 2 is passed, subject to Shareholders approving Resolution 1, the Company will be able to proceed with the Proposed Transaction and the issue of the Consideration Shares in connection with the Virtual Surgical ASA. In addition, the Consideration Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 2 is not passed, yet Shareholders approve Resolution 1, the Company will issue the Consideration Shares in connection with the Virtual Surgical ASA under its placement capacity provided pursuant to ASX Listing Rule 7.1. In such circumstances, the issue of the Consideration Shares will be included in calculating the number of Equity Securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1 in the next 12 months.

If Resolution 1 is not passed, the Company will be unable to proceed with the Proposed Transaction and the Consideration Shares will not be issued, regardless as to whether Resolution 2 is passed or not passed.

2.4 ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the Consideration Shares will be issued to VR Surgical Pty Ltd or its nominee(s), none of which are related parties of the Company;
- (b) the Consideration Shares will comprise such number of Shares as is determined applying a formula, namely, by dividing \$250,000 by the VWAP for the 30 ASX trading days ending on the business day immediately prior to the Issue Date. The below table shows an example of the number of Consideration Shares to be issued under Resolution 2 where the VWAP for the 30 ASX trading days ending on the business day immediately prior to the Issue Date is \$0.50, being the Company's VWAP from the day of its admission until the day before the announcement of the Proposed Transaction (the **Example VWAP**). The table also shows two further examples of the number of Consideration Shares to be issued under Resolution 2 where the VWAP for the 30 ASX trading days ending on the business day immediately prior to the Issue Date is increased by 25% from the Example VWAP and decreased by 25% from the Example VWAP:

Examples	25% Decrease	Example VWAP	25% Increase
	\$0.375	\$0.50	\$0.625
Consideration Shares to be issued pursuant to Resolution 2	666,667	500,000	400,000

- (c) the Consideration Shares are fully paid ordinary Shares and will be subject to 12 months voluntary escrow;
- (d) the Consideration Shares will be issued on the Issue Date, being the business day immediately following this Meeting and in any event will be issued within 3 months of the Meeting, assuming Resolutions 1 and 2 are approved by Shareholders;
- (e) the Consideration Shares are issued for nil consideration;
- (f) the Consideration Shares are issued as partial consideration for the acquisition of assets pursuant to the Virtual Surgical ASA, as such no funds will be raised from the issue;
- (g) a summary of the material terms of the Virtual Surgical ASA is included in Annexure A;
- (h) the Consideration Shares are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement for the proposed issue of Consideration Shares has been included in this Notice.

2.5 Board Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

GLOSSARY

Term	Meaning
\$	Australian dollars
3D Printing Agreement	Has the meaning given in section 1.1 of the Explanatory Memorandum
AAE	Australian Additive Engineering Pty Ltd
AAE Subscription Agreement	Has the meaning given in section 1.1 of the Explanatory Memorandum
Associate	Has the meaning given in the ASX Listing Rules
ASX	Australian Stock Exchange
Board	The board of Directors of the Company
Chairman	The chairman of the Meeting
Company or Singular Health	Singular Health Group Limited (ACN 639 242 765)
Company Secretary	The company secretary of the Company
Consideration Shares	The Shares proposed to be issued pursuant to Resolution 2, being such number of Shares as is determined by dividing \$250,000 by the VWAP for the 30 ASX trading days ending on the business day immediately prior to the Issue Date.
Cooperation Agreement	Has the meaning given in section 1.1 of the Explanatory Memorandum
Corporations Act	The <i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations of that act
Directors	The directors of the Company
Equity Securities	Includes a Share or any option or convertible security issued by the Company or any other security that ASX decides to classify as an Equity Security.
Example VWAP	Has the meaning given in section 2.4(b) of the Explanatory Memorandum
Explanatory Statement	The explanatory statement accompanying the Notice of Meeting
Issue Date	The first business day after the Meeting, assuming Shareholder approval to Resolution 1 is obtained.
Lyka Smith	Lyka Smith Pty Ltd
Meeting or Extraordinary General Meeting or EGM	The Extraordinary General Meeting of Shareholders to be held on Tuesday, 11 May 2021
Notice of Meeting or Notice	The notice accompanying the Explanatory Statement for the Meeting
Proposed Transaction	Has the meaning given in section 1.1 of the Explanatory Memorandum
Prospectus	Means the Company's prospectus dated 9 December 2020
Proxy Form	The proxy form accompanying this booklet

Term	Meaning
Reseller Agreement	Has the meaning given in section 1.1 of the Explanatory Memorandum
Resolution	A resolution contained in the Notice of Meeting
Shareholders	The holders of Shares in the Company
Shares	The ordinary shares of the Company
Transaction Documents	Means each of the Virtual Signal ASA, the AAE Subscription Agreement, the Reseller Agreement and the Cooperation Agreement
Virtual Surgical	VR Surgical Pty Ltd
Virtual Surgical ASA	Has the meaning given in section 1.1 of the Explanatory Memorandum
VSP	Means 'virtual software planning'
VWAP	Means volume weighted average price

Annexure A – Key Terms of the Proposed Transaction

A.1 Virtual Surgical ASA	
Key Acquisition Terms	Singular Health Group Limited (SHG) to acquire all virtual software planning assets and intellectual property owned and developed by VR Surgical Pty Ltd (Virtual Surgical).
Price	SHG to pay Virtual Surgical \$250,000 cash at completion. SHG to issue Virtual Surgical \$250,000 worth of SHG consideration shares based on the 30 trading day VWAP prior to the share issue. The share issue will occur post completion of the acquisition, at such time as SHG can issue a 'cleansing statement' in accordance with the Corporations Act 2001 (Cth) (anticipated to be mid May 2021, being 3 months after SHG's admission to quotation on ASX). The shares will be subject to a 12 month escrow.
Conditions Precedent	SHG being satisfied with its due diligence enquiries (noting these enquiries are materially advanced). Conditional on SHG Shareholder approval under Resolution 1.
Restraint	Virtual Surgical and Benjamin Baxter (Baxter) will not engage in activities that compete with SHG's development and promotion of the integrated MedVR software products what will be developed as a result of the acquisition.
Timing	Completion of acquisition to be 14 days after date of this announcement or such other date as the parties mutually agree.
Guarantee	Baxter guarantees the performance by Virtual Surgical of its obligations.
A.2 AAE Subscription Agreement	
Key Investment Terms	SHG to invest \$300,000 into Australian Additive Engineering Pty Ltd (AAE), following which it will have a 25% shareholding in AAE.
Business	AAE to focus on three-dimensional printing of guides and implants for maxillofacial, cranial, dental and spinal surgery, and, the re-sale of three-dimensional metal based printers.
Shareholders	Following the investment by SHG, AAE will have four 25% shareholders, comprising: <ul style="list-style-type: none"> • SHG; • Baxter; • Hugh Tevelein (the Managing Director) (Tevelein); and • West Venture Holdings Pty Ltd (West Venture)
Conditions Precedent	Conditional on SHG Shareholder approval under Resolution 1.
Timing	Completion to be 14 days after date of this announcement or such other date as the parties mutually agree.
Cash Position	AAE to have cash reserves of approximately \$900,000 upon completion of the SHG investment.
Shareholders Agreement	Shareholders Agreement in relation to AAE to be entered into by SHG, Baxter, Tevelein and West Venture at completion, providing the following key terms: <ul style="list-style-type: none"> • each AAE shareholder has a Board nominee right for such time as it maintains a 15% shareholding; • material decisions require unanimous Board approval; • SHG has a pre-emptive right and first right of refusal, to all share issues or share transfers; and

	<ul style="list-style-type: none"> shareholders (and entities they control) will not engage in activities that compete with AAE's business. However, such restriction does not apply to SHG in connection with the joint venture it is to establish with Global3D Pty Ltd.
A.3 Reseller Agreement	
Distribution Arrangements	<p>Lyka Smith Pty Ltd (Lyka Smith) to be appointed as exclusive reseller of integrated MedVR software in Australia and New Zealand to providers of maxillofacial, cranial, dental and spinal surgery services. Exclusivity will lapse if confidential performance milestones are not satisfied.</p> <p>Lyka Smith has entered into a binding agreement to purchase 50 licenses of the MedVR, upon its integration with the virtual software planning (VSP) software (anticipated to occur within 3 months of completion of the acquisition by SHG of the VSP software). The initial licence terms will have a minimum period of 2 years and license fee of \$300 per month per license.</p>
A.4 Cooperation Agreement	
Integrated Software Promotion	<p>Lyka Smith has undertaken to use its best endeavours to promote the integrated MedVR software products, which will be developed as a result of SHG's acquisition of the virtual surgical software, and will use the software in relation to its own operations and activities, so long as the software meets the operational needs and the specifications of the client Lyka Smith is undertaking works for.</p>
A.5 3D Printing Agreement	
AAE Printing Priority	<p>Lyka Smith has undertaken to utilise the printing services offered by AAE where such services will meet the needs of Lyka Smith and the client it is undertaking works for.</p>

None of the obligations under the above agreements will be binding if Shareholders elect not to approve Resolution 1 as all aspects of the Proposed Transaction are inter conditional on the other aspects proceeding.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Sunday, 9 May 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

