

Singular Health Group Ltd: SHG

ASX Announcement

10 August 2022

Singular Health secures \$800,000 Convertible Note Investment

10 August 2022 – Medical technology company Singular Health Group Ltd (ASX: SHG) (“Singular Health”, or “the Company”) is pleased to announce that it has raised AUD\$800,000 through the issuance of unsecured convertible notes (the “Convertible Notes”) to Sophisticated Investors (the “Capital Raise”).

Capital Raise

The Convertible Notes have a face value of \$10,000 per Note, with 40 (totalling \$400,000) issued to Ms Cheong Chong Ling Diamond (“Ms Diamond”) and a further 40 (totalling \$400,000) issued to Eryu Pty Ltd atf the Eryu Superannuation Fund (together the “Noteholders”). Ms Diamond is an existing substantial shareholder in the Company, with her participation in the Capital Raise indicating continued strong support of the Company.

The Convertible Notes are non-redeemable and may not be converted until their maturity date, one year from the date of issue (“the Maturity Date”). The Convertible Notes are issued with a 15% coupon rate that accrues annually on the Maturity Date.

The Convertible Notes (plus outstanding interest) may be converted into ordinary shares in the Company (“Shares”) at a conversion price equal to 75% to the five (5) trading day VWAP on the business day immediately before the Maturity Date (the “Conversion Price”). Noteholders may elect to convert all, some or none of the Convertible Notes on the Maturity Date. Any remaining balance of the Convertible Notes (plus outstanding interest) that is not converted by Noteholders will be redeemed by the Company in cash. The key terms of the Convertible Notes are summarised at the end of this announcement.

By way of example, assuming a Conversion Price equal to the Company’s Share price on 5 August 2022 (\$0.10), the Convertible Notes (if all converted and taking into account interest accrual) would convert into 9,200,000 Shares (approximately 8.9% of the Company’s current issued Share capital).

The Capital Raise was Company led, meaning no brokerage fees are payable on issue of the Convertible Notes. Arranger fees of 6% of the total quantum of the Capital Raise (equalling \$48,000) are payable by the Company to Mr Alex Yoong and Ms Diamond (“Referrers”) in connection with the issue of the Convertible Notes. In addition to these arranger fees, the Referrers will be issued one option to acquire a Share (“Option”) for each \$1.00 paid to the Company by the Noteholders, meaning that the Referrers will be issued 400,000 Options each (the “Referrer Options”). The key terms of the Referrer Options are summarised at the end of this announcement. The Company considers the issue of the Referrer Options represents strong future support for the Company’s securities and the ability to raise additional funds in the future.

The Convertible Notes and Referrer Options are issued by the Company using its placement capacity pursuant to Listing Rule 7.1.

The funds raised will be used for the Company's marketing and sales campaigns and for general working capital purposes.

Summary of Convertible Notes & Referrer Options

The key terms of the Convertible Notes are as follows:

Investment Amount:	\$800,000 AUD
Securities to be issued:	80 Convertible Notes with a Face Value of \$10,000 per Note.
Security:	The Notes are unsecured.
Maturity Date:	1 year after issue of the Convertible Notes.
Interest Rate & Payment Date:	Interest will accrue at an Interest Rate of 15% per annum on the principal amount outstanding for each Convertible Note. Interest accrues on an annual basis, capitalised into the Note on the Maturity Date, and will convert into Shares or be redeemed by the Company.
Conversion Price:	Convertible Notes may be converted into Shares at the Conversion Price of a discount of 25% to the five (5) trading day VWAP of the Company's Shares on the Business Day immediately before the Maturity Date.
Conversion Notice Period:	The Noteholders must elect to convert or redeem each of the Notes by giving a conversion notice, or redemption notice, for those notes no later than 30 days prior to the Maturity Date.
Conversion and Redemption:	<p>If the Noteholders issue a conversion notice within the notice period described above, the number of Notes (plus relevant interest accrual) the subject of that conversion notice will be converted into Shares at the Conversion Price on the Maturity Date.</p> <p>If the Noteholder issues a redemption Notice within the notice period described above, the number of Notes (plus relevant interest accrual) the subject of that redemption notice will be redeemed by the Company in cash.</p> <p>In the event the Noteholders do not issue a conversion or redemption notice within the prescribed time period, the Company may elect at its discretion to redeem or convert each Note (plus relevant interest accrual) on the Maturity Date.</p>
Restrictions on Conversion:	The Noteholders may elect to convert all, some or none of the Notes. The Notes may only be converted or redeemed on the Maturity Date.
Other Terms	The Convertible Notes are otherwise issued on standard terms, including that each Convertible Note is not transferable without the prior written consent of the Company.

	Each Convertible Note, if converted, converts into ordinary Shares, ranking equally with all other Shares on issue. The Company will apply for quotation of all Shares issued on conversion of Convertible Notes immediately following issue.
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The key terms of the Referrer Options are as follows:

No. of Options	800,000
Option Exercise Price:	\$0.24 per option
Conversion Rate:	1:1, each Referrer Option converts into one fully paid Share
Expiration Date:	Two years from date of issue
Escrow:	Shares issued on exercise of each Referrer Option are subject to a one-year escrow period from the date of issue of any shares.
Option Terms:	The Referrer Options are otherwise issued on standard terms and subject to the requirements ASX Listing Rule 6 as they relate to Options.

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

Ends

For further information contact

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About Singular Health:

Singular Health Group Limited (ASX: SHG) is a medical technology company that empowers practitioners and patients via personalised surgical planning solutions that drive better health outcomes.

Singular Health has developed a proprietary Volumetric Rendering Platform (VRP) that leverages existing 2D radiological images to generate fully immersive patient-specific 3D/VR models. Although Singular Health's VRP technology is applicable to other sectors in which the visualisation of dynamic data is crucial, with it already being utilised in the mining sector, the Company's core focus is on the medical sector.

Complementing its VRP technology, Singular Health has acquired Virtual Surgical Planning software and a 25% stake in medical-grade 3D printing company Additive Engineering. These investments represent key milestones in Singular Health's efforts to commercialise its 'Scan to Surgery' initiative, a world-first vertically integrated platform that revolutionises the planning and execution of personalised surgical procedures.

A successful full-scale commercialisation of this end-to-end personalised surgical planning platform will give Singular Health the capability to penetrate a multi-billion-dollar global market opportunity in the medical visualisation and additive manufacturing spaces.

With Singular Health, practitioners are empowered by having the ability to collaborate with producers of patient-specific medical components in real-time while patients benefit from having access to easily comprehensible and enhanced medical information.

To learn more, please visit: www.singular.health