

Singular Health Group Ltd: SHG

ASX Announcement

6th July 2023

Singular Health Group Ltd Appoints Master Distributor in the United States

6th July 2023 – Medical technology company Singular Health Group Limited (ASX:SHG, “Singular Health”, or the “Company”) is pleased to announce the execution of a Master Distribution Agreement (“MDA”) for its 3Dicom software in the United States of America with Charlie Golf One Solutions LLC (“CG1”).

Charlie Golf One Solutions, a Service-Disabled Veteran-Owned Small Business Concern (SDVOSBC) information technology firm based in South Florida, was previously appointed as Singular Health’s inaugural sales partner in November 2022 (*ASX Announcement: Singular Appoints US-Agent & Founding 3Dicom Partner Program Member, 9th November 2022*).

Having previously developed, deployed, scaled, and successfully exited augmented reality (AR), virtual reality (VR) and mobile applications in the defence and healthcare markets, CG1 have a proven record in commercialising software applications and have established a large network of partner organisations operating in federal government and commercial sectors.

Since their appointment as a member of Singular Health’s Partner Program in November, Singular Health has been working closely with CG1 and their partner organisations to develop an enterprise sales pipeline that encompasses several large-scale, but longer lead-time federal government agency projects and numerous corporate licensing deals, and in the short-to-medium term, enterprise sales to large healthcare institutions in South Florida.

Whilst these opportunities continue to progress through the sales process, there has been a general consensus amongst potential purchasers and early-adopters using the software that the cohesive nature of the 3Dicom software suite, which allows the secure, wireless transfer of medical images and 3D visualisation across mobile, desktop, and virtual reality, better facilitates patient education and collaboration.

Although these opportunities continue to progress, the Company can not guarantee that any, or all, of these opportunities will materialise, or result in material revenue.

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.

A summary of the key terms of the Master Distribution Agreement is set out in Annexure A.

Singular Health Group's Global Partnerships Manager, Martina Mariano, PhD, said:

"The signing of this Master Distribution Agreement is the result of many months of progressing commercial opportunities in the USA along with CG1 and their partner organisations.

"This MDA covers the distribution of Singular Health's existing 3Dicom software and does not cover several potential large-scale licensing opportunities for the underlying platform that we continue to progress separately with CG1 and other partners.

"We look forwards to continuing to work closely with Edwin and his team."

Edwin Rivera, Managing Partner of Charlie Golf One Solutions, said:

"We feel this is a natural progression in our relationship with Singular Health, allowing CG1 Solutions to expand our reach on behalf of the Singular Health Group's technology. The MDA also reflects our company's strong belief that their technology, particularly the 3Dicom Viewer, is the new standard in the industry".

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

Ends

For further information contact

Investors	Corporate
James Hill +61 413 825 646 jhill@singular.health	Steven Wood Company Secretary + 61 8 9322 7600

About Singular Health:

Singular Health Group Limited (ASX:SHG) is a medical technology company utilising advanced technologies to develop patient-specific solutions.

Singular Health's 3Dicom software solutions empower patients and practitioners to better visualise, communicate, and understand medical imaging data. 3Dicom MD® is cleared for diagnostic use in the United States

Singular 3DP, a wholly owned subsidiary of Singular Health, uses advanced 3D printing and post-processing to manufacture TGA-approved patient-specific medical devices and offers contract manufacturing & post-processing services to other medical device manufacturers.

To learn more, visit: <https://www.singular.health> and <https://investors.singular.health/>

About Charlie Golf One Solutions:

Charlie Golf One is a Service-Disabled Veteran-Owned Small Business (SDVOSB) information technology firm based in South Florida. CG1 specialize in engaging solutions that empower both enterprise and direct to consumer industries and have a strong presence in the Florida healthcare market with longstanding relationships with highly reputable healthcare providers and payers such as University of Miami, Baptist Health, Cone Health and LifeWallet.

Annexure A: Key Terms of Master Distribution Agreement

Parties	<p>Singular Health Pty Ltd ("Singular Health")</p> <p>Charlie Golf One Solutions LLC ("CG1")</p>
Scope / Products	<p>Singular Health appoints CG1 to market, licence, and support the Products (defined below) in the United States for the purposes of enhanced sales and distributions of the Products and for general strategic purposes.</p> <p>For the purposes of the MDA, the 'Products' include but are not limited to: 3Dicom Patient, 3Dicom Mobile, 3Dicom MD®, 3Dicom R&D, and 3Dicom VR and ancillary services (Products).</p>
Term	<p>The agreement has an initial term of 1 year and will automatically renew for successive (1) one-year terms unless otherwise terminated (the Term). Either party may elect not to renew the term of the agreement at any time that CG1 has 'exclusivity'. The exclusivity process is outlined below.</p>
Territory	<p>Initially, CG1 is appointed with respect to Florida, North Carolina, Georgia, Nevada, and Texas, with the potential to expand its appointment to act as distributor for Singular Health within the continental United States (the Territory).</p>
Services & Service Standards	<p>As distribution agent, CG1 is appointed to provide:</p> <ul style="list-style-type: none"> • distribution services, using all commercially reasonable efforts to identify prospective customers of Products, liaise with such customers regarding entering into licensing agreements with Singular Health and provide related contact and promotion services; and • marketing services, including marketing and promoting the Products within the Territory. <p>During the Term, CG1 agrees to provide the distribution and marketing services described above and to do so in good faith and using commercially reasonable efforts to maximise sales and licensing of the Products within the Territory, to provide regular updates to the Singular Health regarding its agency services, to keep in force any authorisation, permit or approval required to provide the agency services, to comply with all applicable laws and to not develop, sell or distribute any competing products or software within the Territory.</p>
Exclusivity	<p>CG1 has the opportunity to earn exclusive distribution rights within various territories subject to meeting certain sales targets. CG1 may earn exclusivity by meeting certain Exclusivity Targets within various Exclusivity Periods. The Exclusivity Period is divided into the following stages:</p> <ul style="list-style-type: none"> • Stage One – 9 month period commencing at the effective date; • Stage Two – 12 month period beginning 9 months after the effective date; • Stage Three – 24 month period from the end date of the Stage Two Period; • Stage Four - 24 month period from the end date of the Stage Three Period; • Upper Threshold Target - to the extent at any point during any Exclusivity Period the Distributor generates Annual Contract Value in excess of the Upper Threshold Target (summarised below) during any Exclusivity Year, the Distributor's Exclusive Appointment will progress to the Final Stage; and • Final Stage – 5 years period from the date that the Company meets the Upper Threshold Target. <p>Progression to the Final Stage may occur at any point during the Exclusivity Period.</p>

<p>Performance Targets</p>	<p>CG1 may meet performance targets set by Singular Health based on Annual Contract Value. Annual Contract Value is the aggregate of all Annual Pro-Rata Sale Value arising in respect of a particular Exclusivity Year generated from sales made in connection with CG1's appointment and services as distribution agent. The Exclusivity Targets that must be met by CG1 to continue the Exclusivity Period progression are as follows:</p> <ul style="list-style-type: none"> • Stage One Target has an Annual Contract Value target of US\$250,000; • Stage Two Target has an Annual Contract Value target of US\$1,000,000; • Stage Three Target has an Annual Contract Value target of US\$1,000,000; • Stage Four Target has an Annual Contract Value target of US\$1,250,000; • Upper Threshold Target is an Annual Contract Value target of US\$5,000,000; and • Final Stage Target is an Annual Contract Value target of US\$3,000,000.
<p>Sub-Agency</p>	<p>CG1 may appoint sub-distributors to provide the Distribution Services throughout the United States (Partners) and may sub-licence the General Licence and Marketing Licence strictly for the purpose of such Partners providing Distribution Services, provided that such Partners have the necessary expertise, resources and commercial acumen to provide the Distribution Services, as determined by the Company acting reasonably.</p> <p>CG1's entry into any subcontract with a Partner does not relieve it from any liability or obligation and CG1 will remain responsible for all obligations and services performed by any Partner to the same extent as if those obligations and services were performed by it.</p>