

Singular Health Group Ltd: SHG

ASX Announcement

16th March 2023

Singular Health Appoints Chinese Sales Partner and Receives First Enterprise License Order

- Singular's 3Dicom Partner Program establishes sales presence in Mainland China with appointment of Yikun Technology (Hainan) Limited as a 3Dicom Sales Partner.
- Initial order received from Yancheng N1 Peoples Hospital in China for 100 Licenses of a translated version of 3Dicom MD[®] to be used for patient education, medical training, and research.
- Enterprise license order adds up to US\$40,000 of annualised recurring revenue.

16 March 2023 – Medical technology company Singular Health Group Ltd (ASX: SHG) ("Singular Health", or "the Company") is pleased to announce the appointment of Yikun Technology (Hainan) Limited ("Yikun Tech") as Singular Health's initial Sales Partner in Mainland China.

Appointment of Chinese Sales Partner

Yikun Tech, headquartered in Sanya City, Hainan Province, has recently joined Singular Health's 3Dicom Partner Program to assist Singular Health in establishing an in-country presence on the East Coast of China.

With a number of local sales representatives and well-established relationships with hospitals in the Jiangsu Province, including Yancheng No 1 People's Hospital, Yikun Tech have been granted sales and marketing exclusivity in the Jiangsu Province with non-exclusive rights to market and sell Singular Health's non-diagnostics approved 3Dicom software throughout Mainland China.

Jiangsu Province is the fifth most populous and the most densely populated of the 23 provinces of the People's Republic of China (PRC). Hosting some of the most prestigious Chinese medical and educational institutions, it has been identified as a prime landing point for Singular's strategic expansion into the vast medical imaging market within Mainland China. Singular's partnership with Yikun is considered a strong step forward in the distribution of the 3Dicom MD[®] software due to the untapped potential the Jiangsu Province and Mainland China represent. In addition to marketing, selling, and supporting the 3Dicom software, Yikun Tech will work with Singular Health on the translation of the software and marketing materials.

The material terms of Yikun Tech's appointment as a Sales Partner are included in the Summary of Key Terms below.



Figure 1. Exterior View of the Yancheng City No. 1 People's Hospital in the Jiangsu Province, China.

Enterprise License Order from Yancheng No 1 People's Hospital

Following their appointment as Sales Partner, Yikun Tech has successfully secured an initial order of 100 annual licenses of 3Dicom MD[®] for patient education, medical research, and teaching applications from Yancheng City No 1 People's Hospital.

With an advanced radiological department, the Yancheng City No 1 People's Hospital serves over 8.3 million people across nine districts and employs 3,100 staff members¹.

Whilst 3Dicom MD[®] is not currently diagnostically approved within the People's Republic of China (PRC), the technical characteristics of the software in being able to render 2D medical images into 3D without reliance on cloud computing infrastructure has proven to be a unique selling point given that current broader internet restrictions in the PRC exclude many other applications.

This first enterprise license order of 100 3Dicom MD[®] licenses by our newly appointed sales partner allows Singular Health to work with Yikun Tech and the Yancheng No 1 People's Hospital to fully translate the 3Dicom MD[®] software, integrate the software with the hospital's current radiological workflows, and update licensing to work within the PRC.

The enterprise license order will add US\$40,000 to Singular Health's annualised recurring revenue and is payable in two installations, with a 20% deposit to be paid within 14 days, and the remainder to be paid following onboarding of at least 50 of the 100 license holders, anticipated in Q2 CY2023.

The material terms of the Enterprise license order are included in the Summary of Key Terms below.

Martina Mariano, Singular Health's Global Partnership Manager, said:

"The addition of Yikun Technology to our increasingly global 3Dicom Partner Program and their clear commitment to marketing the 3Dicom software is an exciting milestone in the commercialisation of the 3Dicom software suite.

“With the medical imaging software market in mainland China being valued at US\$613.7 million in 2020², we are confident that this order from the Yancheng City No. 1 People’s Hospital will represent the first of many commercial opportunities in the region.”

Summary of the Key Terms

Appointment of Yikun Tech to 3Dicom Partner Program

Parties	Yikun Technology (Hainan) Limited Sanya City, Hainan Province Singular Health Pty Ltd. West Perth, Western Australia
Term	12 months, followed by automatic renewal
Exclusivity	Limited to the Jiangsu Province
Minimum Sales Targets	None
Commissions	Commercial-in-confidence, however commissions range from 5 – 50% based upon volumes of sales, and/or at the discretion of Singular Health
Termination	Either party may terminate at any time upon 30 days written notice with all accrued obligations to be met.

Enterprise License Order from Yancheng City No 1 People’s Hospital

Parties	Yikun Technology (Hainan) Limited Sanya City, Hainan Province Yancheng City No.1 People’s Hospital Yancheng, Jiangsu Province Singular Health Pty Ltd. West Perth, Western Australia
Term	12 months, followed by automatic renewal on 12-month terms
Price	US\$39,995.00, paid annually
Payment Terms	20% deposit to be paid within 14 days and the remainder to be paid following onboarding of at least 50 of the 100 license holders
Termination	Either party may terminate at any time with all obligations accrued to be met.

Ends

This announcement is authorised for release by the Board of Directors of the Company.
 For further information contact

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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.

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

- Govt.chinadaily.com.cn. Yancheng City No 1 People’s Hospital, Updated May 13, 2019.
<https://govt.chinadaily.com.cn/s/201905/13/WS5cd8d60b498e079e6801fe3b/yancheng-city-no-1-peoples-hospital.html>
- Medical Imaging Market Size, Share & Trends Analysis Report by Product (X-ray, CT, MRI, Ultrasound), By End-use (Hospitals, Diagnostic Imaging Centers), By Region (APAC, MEA, North America), And Segment Forecasts, 2022 – 2030