

## MOU AND STRATEGIC PLACEMENT WITH PROVIDER NETWORK SOLUTIONS FOR COMMERCIAL PILOT AND ROLLOUT OF SINGULAR HEALTH'S 3DICOM SOFTWARE

### HIGHLIGHTS

- Singular Health (Singular Health) and Provider Network Solutions (PNS), a Miami-based Managed Service Organisation (MSO) with more than 3.7 million Member Plans under management, have signed a Memorandum of Understanding (MOU) for Singular Health's 3Dicom software and agreed to a A\$500,000 cornerstone equity investment in Singular Health.
- The MOU provides a definitive pathway towards an initial commercial pilot, a subsequent full-scale rollout throughout the PNS network, and a planned National rollout to PNS' wider network.
- Singular Health's Medical File Transfer Protocol (MFTP) enables access to imaging data across disparate PACS networks, regardless of location, resulting in a potential reduction of duplicate imaging costs to payors, risk providers and MSOs. Duplicate medical imaging is estimated to cost the US healthcare industry over USD\$30 billion per annum<sup>1</sup>.
- Completion of a successful equity placement of A\$3.7M at \$0.09 per share, including A\$500,000 cornerstone investment by PNS. Placement funds will be used towards further development of 3Dicom software, MOU implementation and advancement towards a commercial pilot program along with working capital.

**20<sup>th</sup> November 2024** – Medical technology company Singular Health Group Limited (ASX: SHG) (Singular Health or the Company) is pleased to announce a Memorandum of Understanding (MOU) with Provider Network Solutions (PNS) to collaborate on a technical proof-of-concept and commercial pilot within the PNS Network.

PNS is a Miami-based Managed Service Organisation (MSO) with operations in Florida, Texas, and Puerto Rico, managing the provision of healthcare for more than 3.7 million Member Plans.

Throughout 2024, Singular Health in collaboration with PNS, has co-designed a forward workplan and bespoke solution to demonstrate the feasibility of Singular Health's 3Dicom solution in solving multiple, highly valuable workflows, within PNS's network to target the reduction in duplicate imaging and improving access to imaging across disparate PACs systems along with applying analysis to historical and recent images.

<sup>1</sup> Smith-Bindman R, Kwan ML, Marlow EC, et al. Trends in Use of Medical Imaging in US Health Care Systems and in Ontario, Canada, 2000-2016. *JAMA*. 2019;322(9):843–856. doi:10.1001/jama.2019.11456.

PNS estimates duplicate imaging costs approximately USD\$35.00 per member per month across its 3.7 million Member Plans. Singular Health's Medical File Transfer Protocol (MFTP) enables access to imaging data across disparate PACS networks, regardless of location, resulting in a potential reduction of duplicate imaging costs to payors, risk providers and other MSOs across the US healthcare industry.

### **Provider Network Solutions (PNS)**

Founded in 1998, Provider Network Solutions (PNS) has grown to become the leading Managed Service Organisations (MSOs) for Speciality Care in the State of Florida. As an MSO, Provider Network Solutions is engaged by Health Care Plans (health insurers) to manage the administration of health care and benefits for members (patients) within those healthcare plans.

Following more than 26 years of growth, PNS now manages the health care of more than 3.7 million Member Plans across Florida. Based on the average per capita healthcare spending in the United States of \$13,493<sup>2</sup>, PNS is responsible for managing up to \$48 billion of healthcare services and benefits each year.

In recent years, PNS has expanded to Puerto Rico and Texas, and, in August 2023, they established a joint venture with Healthcare Outcomes Performance Company (HopCo), the largest orthopaedic value-based care organisation in the United States, to create HopCo Network Solutions.

Through the HopCo Network Solutions JV, PNS, and consequently Singular Health, have access to a nationwide network of payors, tens of thousands of specialist providers, and tens of millions of potential patient users.

### **Memorandum of Understanding**

Singular Health and Provider Network Solutions have entered into a Memorandum of Understanding (MOU) which includes collaboration across the following phases:

#### **Phase 1: Technical Proof-of-Concept**

Singular Health shall deploy a bespoke solution, leveraging existing 3Dicom functionality, within a sandboxed environment in Puerto Rico or the US Mainland. This environment will mirror PNS' production settings and enable a low-risk demonstration of the bespoke 3Dicom solution tailored to meet the requirements of PNS whilst still occurring in-country and with the ability to fine-tune the software to ensure compatibility with particular use cases. The parties can provide each other notice to terminate the MOU during this phase. After completion of Phase 1, the parties will enter separate agreements as set out below.

Importantly, Singular Health's technical staff have already been able to demonstrate all sub-components of the proof-of-concept. It is therefore anticipated that the solution as a whole will be deployed in early 2025.

#### **Phase 2: Commercial Planning and Budgeting of Pilot Program**

Following the satisfaction of Phase 1, or earlier, if all the parties agree, each party will negotiate in good faith the development of a Pilot Program in Puerto Rico or the US Mainland. During such negotiations, ongoing pricing discussion (such as software licensing, fee for clicks or others) and any bespoke development will be finalised. Phase 2 is anticipated to be completed by mid-2025.

#### **Phase 3: Implementation of Pilot Program**

The parties will work together and implement the Pilot Program which includes customizing the radiology imaging repository, integrating it with existing PACS systems and monitoring key metrics such as reduction

<sup>2</sup> <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/historical#:~:text=U.S.%20health%20care%20spending%20grew,trillion%20or%20%2413%2C493%20per%20person.>

in duplicate imaging. This Phase runs concurrent with Phase 1 and 2 and is anticipated to complete mid-2025.

#### Phase 4: Upon success of Pilot Program – the Planning of National Rollout

Upon success of the Pilot Program, the Parties will work together on the following:

- a) Develop a plan for scaling up the solution across additional facilities and end users with different use cases and scale up potentially to a nationwide USA rollout.
- b) Allocate resources and budget for scaling up the project. This includes payment of any development work, software license, and network fees payable to SHG to be prior agreed.

This Phase is anticipated to be completed during the second half of calendar year 2025.

#### \$3.7M Placement to fund Proof of Concept and Commercial Pilot

Singular Health has received binding commitments for AUD\$3,700,000, to be completed through the placement of 41,111,111 new fully paid ordinary shares at AUD\$0.09 per share, a 6% premium to the 15-day and 30-day VWAP of \$0.085.

The raising was well supported with PNS subscribing for AUD\$500,000, existing shareholder Marin & Sons subscribing for AUD\$200,000 and the remaining \$3,000,000 allocated to sophisticated and wholesale investors and institutional funds.

This capital raise is not subject to shareholder approval as it has been conducted using the Company's existing Listing Rule 7.1 Listing Rule 7.1A (10%) placement capacity. The capital raising is anticipated to settle Wednesday 27 November 2024.

The \$500,000 subscribed for by PNS is anticipated to settle in mid-February 2025 and the shares issued to PNS will be subject to 9-month escrow from their date of issue.

Wallabi Group acted as lead manager to the capital raising (**Lead Manager**). As consideration for the services provided, the Company will issue 9,000,000 options to the Lead Manager, exercisable at \$0.15 each, on or before the date which is 3 years from the date of issue.

#### **Provider Network Solution's CEO, Dr Jose Pelayo, said:**

"We are pleased to be moving forward towards a commercial pilot of the 3Dicom software, a solution that has shown promise in being able to reduce duplicate imaging, which is a significant cost burden within the broader US healthcare system.

"Duplicate imaging results in a cost of approximately USD\$35.00 per member per month. We currently have over 3.7m member plans managed directly under PNS alone. We estimate ~25% to 30% of our annual cost of imaging relates to unnecessary, duplicate imaging. As a leading MSO in Florida, focused on efficient and seamless customer care practices, Provider Network is looking to address this significant cost issue via Singular Health's MFTP solution."

#### **Singular Health's Managing Director and CEO, Denning Chong, commented on the strategic agreement with PNS saying:**

"Following many months of due diligence, preliminary technical and commercial discussions, and in-person representations, we are pleased to be able to announce this strategic agreement with Provider Network Solutions.

"We look ahead to the technical proof-of-concept which is expected to commence in the coming days and to solidify our relationship with PNS in the coming weeks and months.

“Our focus on providing solutions to MSOs is part of Singular’s scalable business model that would ultimately lead to significant contracts. Our collaboration with PNS during 2024 has given us confidence in our 3Dicom software and its application to other MSOs in the substantial US market.”

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

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### **About Singular Health**

Singular Health is a Western Australian, ASX-listed (ASX: SHG) medical technology company on a mission to create a seamless and integrated healthcare ecosystem where the full value of medical imaging records is unlocked, enabling universal access and promoting interoperability to maximise patient outcomes.

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.

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

### **About Provider Network Solutions**

Provider Network Solutions (PNS) is the market leader and innovator in Specialty MSO and Third-Party Administrative services, managing Governmental and Commercial lines of business to align Health Plans, Primary Care Physicians, and Specialists in a comprehensive ecosystem.

PNS optimizes the delivery of specialty healthcare, guided by advanced analytics and an NCQA Accredited UM Program while adhering to regulatory requirements and information systems security guidelines.

PNS’s mission is to be the Premier Value-Based Specialty Ecosystem organization, which provides Health Plan partners with a Specialty network of providers who ensure quality patient care through compassion while adhering to “Best Practice” guidelines. PNS strives to enhance Specialists with greater access to patients seeking their service while maintaining complete data integrity and a robust security platform.

To learn more, visit <https://www.providernetworksolutions.com/>