



SIGNAL ADVANCE, INC.

Company Update

The Board of Directors is supplementing its disclosure and financial reports, published on OTCMarket.com and on the Signal Advance website, regarding activities since the previous Signal Advance, Inc. Annual Shareholders’ meeting. While not considered a part of this notice, the Board strongly recommends that shareholders review the full Annual, Quarterly and Current Disclosures and Financial Statements - made available publicly through the OTC Markets Disclosure and News Service (www.otcm Markets.com) under our stock symbol (SIGL). These reports are also available on the Company website (www.signaladvance.com) under “Investors”.

Reorganization

PIC Pocket, LLC (“PIC”), a limited liability company organized in the state of Nevada in July 2019, is no longer a subsidiary of Signal Advance, Inc. (“Signal”). The Board formalized the transition of the PIC subsidiary to an independent company - separating the two entities in a Board meeting held on April 14, 2023. Mr. Dubyn remains as a Manager Member of the former PIC subsidiary.

Recall that revenues, originally earned by PIC were earmarked for the exclusive use by the subsidiary. As such, those assets remain in the subsidiary. Recall, the subsidiary was the source of over \$6M in revenues as well as approximately \$3M in liabilities, that were included in the consolidated financial reports. Going forward, the financial statements of the two entities are no longer consolidated. The Signal Advance intellectual property, the basis for the Company’s equity in the subsidiary, remains in Signal - available for future use and additional development, the use of which by PIC or related entities can be re-negotiated by Signal through a Licensing Agreement in the future.

Stan Dubyn has tendered his resignation from the Board of Directors of the Company for personal reasons and has offered to continue to provide advice to Signal related to his areas of expertise. The Board of Directors accepted his resignation on the last day of his one-year term.

Cyber-Security

As digital technology has evolved in complexity and sophistication, so have the cyber-attack and hacking technologies and strategies. Cybercrime is projected to cost over \$6 trillion globally in 2021 (up from \$3 trillion in 2015) and expected to reach \$10.5B in 2025. Cybercrime is more profitable than the global trade of all major illegal drugs combined (...according to the Cisco/Cybersecurity Ventures [2019 Cybersecurity Almanac](#)).



The Company’s pursuit of defense-related applications is currently focused on cybersecurity. The Analog Guard® project integrates the Company's proprietary technology with multiple analog methodologies to provide unparalleled cybersecurity designed to eliminate remote hacking of transmitted signals and stored data files. This proprietary analog (vs. digital) encryption technology is expected to provide superior cybersecurity protection for industrial control systems IoT (Internet of Things) devices/sensors, private and public communications and data storage, wearable devices, implanted medical devices, “connected” cars as well as government, satellite, military defense controls and communications.

The Company has successfully modeled multiple implementations of the physical hardware-based analog “signal” (vs. data) encryption methodologies that exploits our proprietary phase-linked temporal non-linear modulation (“PLTNM”) technology. The technology development efforts have progressed to the physical hardware prototyping phase. The Company is updating its White Papers submissions to the DoD based on feedback received, and is also applying for a seed fund grant from the National Science Foundation.

Intellectual Property

Patents have been granted in the U.S., China, Mexico, India and Europe (see table below). In Europe, the patents were validated in France, Germany, Ireland, Italy, Spain, Switzerland (and Liechtenstein) and the United Kingdom.

Technology development related to the integration of the Company’s proprietary PLTNM technology with various modulation methodologies applied to analog signal encryption has formed the basis for an additional patent application submitted to the USPTO during the first quarter of 2023. In addition to the trademark “SIGNAL ADVANCE” (Class 9), the trademark “ANALOG GUARD” has been registered.

Patent Office	Patent No	Date Granted
China	ZL 200880015288.2	Nov. 2012
United States	8452544	May 2013
Mexico	MX/A/2009/00921	Apr. 2014
Europe	EP 08 75 4879.8	Jan. 2017
India	3465/KOLNP/2009	Aug. 2019

Executive Officers / Board of Directors

The following table sets forth the names and positions of the Signal Advance, Inc. Directors and Officers currently serving. Directors are elected during the Annual Shareholders' Meeting and serve for one (1) year and/or until their successors are elected and qualified to serve. Officers are subsequently appointed by our Board of Directors and their terms of office are at the discretion of our Board. There are no family relationships among our directors, executive officers, director nominees or significant employees. None of our current Directors are considered independent per NASDAQ listing standards.

<u>Director/Officer</u>	<u>Title</u>
Chris Hymel	Director, President/Treasurer (Nominee)
Ron Stubbers	Director, Vice-President (Nominee)
Richard Seltzer	Director, Secretary (Nominee)

Corporate Governance

Family Relationships There are no family relationships by and between or among the Directors or other officers. None of our Directors or officers is a director or executive officer of any company that files reports with the SEC except as set forth in the "Biographies of Director Nominees" section above.

Election of Directors and Officers Directors hold office for a period of one year and/or until the next succeeding annual meeting and the election/qualification of their respective successors. Officers are elected annually by our Board and hold office at the discretion of our Board. Our Bylaws permit our Board to fill any board member vacancy.

Legal Proceedings To the knowledge of management, no director, executive officer or affiliate of the Company, or owner of record, or beneficially, of more than five percent (5%) of the Company's common stock is a party adverse to the Company or has a material interest adverse to the Company in any legal proceeding.

To the knowledge of management, during the past five (5) years, no present or former director, executive officer, affiliate or person presently nominated to become a director or an executive officer of either Company:

(1) Has filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he or she was a general partner at or within two (2) years before the time of such filing, or any corporation or business association of which he or she was an executive officer at or within two (2) years before the time of such filing;

(2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting his or her involvement in any type of business, commodities, securities or banking activities;

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting him or her for more than sixty (60) days from engaging in, or being associated with any person engaging in, any type of business, commodities, securities or banking activities;

(5) Was found by a court of competent jurisdiction in a civil action or by the SEC to have violated any federal or state securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated.

Promoters and Control Persons None.

Board Leadership and Role in Risk Oversight Our Board recognizes that the leadership structure and combination or separation of the CEO and Chairman roles is driven by the needs of a company at any point in time. The Company currently has no policy requiring combination or separation of leadership roles and our governing documents do not mandate any particular structure. This has allowed our Board the flexibility to establish the most appropriate structure for the Companies at any given time.

The Board oversees our shareholders' interest in the long-term health and the overall success of the Company and its financial strengths. The full membership of the Board is actively involved in overseeing risk management for the Company done so in part through discussion and review of our business, financial and corporate governance practices and procedures. The Board, as a whole,

reviews the risks confronted by the Company with respect to its operations and financial condition, and establishes limits of risk tolerance with respect to the Company's activities.

Meetings of the Board and Shareholder Communications Our Board conducted all of its business and approved all corporate actions during the fiscal year ended December 31, 2022 to present, by the unanimous consent of its respective members, in the absence of formal board meetings. The Company has not established policies regarding Board members' attendance at the annual meetings.

Holders of the Company's securities can send communications to the Board via mail or telephone to the Secretary at the Company's principal executive office. A shareholder who wishes to communicate with the Board may do so by directing a written request via email (IR@signaladvance.com) or addressed to our CEO at the address appearing on the first page of this proxy statement.

Code of Business Conduct and Ethics Policy Management adopted a Code of Business Conduct and Ethics that applies to our employees, officers and directors. A copy of the document may be obtained via the Shareholder communication options provided in the previous paragraph.

Committees of the Board of Directors We do not presently have separately constituted audit, compensation, nominating, executive or any other committees of our Board of Directors. Our Board does not believe that it is necessary to have such committees as the functions of such committees can be adequately performed by the Board.

The Company has not adopted any formal procedures by which security holders may recommend nominees to our Boards, however proposals may be submitted for consideration in the annual shareholders' meeting as described the section entitled "Shareholder Proposals for the 2024 Annual Meeting" found on the last page of this document.

Audit Committee Financial Expert(s): Dr. Chris Hymel, the financial expert currently serving on the Board, is responsible for the financial reporting and annual and quarterly audits and reviews. Dr. Hymel has served as Treasurer and CFO for a number of companies, both private and public including financial reports submitted to the SEC that resulted in effective registrations.

Director Independence There are currently no directors who are considered independent based on the SEC Rule § 240.10A-3 as well as NASDAQ independence standards.

Executive Compensation In the annual reports published on OTC Markets, the Company provides compensation disclosure in satisfaction of the requirements that apply to smaller public reporting companies per Regulation S-K (17 CFR Part 229, Item 401). The summary compensation table below shows certain compensation information paid for services rendered in all capacities by our executive officers whose total annual salary and bonus exceeded \$100,000 during the year ended December 31, 2022.

Name & Position	Year or Period	Salary	Bonus	Stock Awards ¹	Options Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation ²	Total
C Hymel CEO/CFO	2022	0	0	\$144,000	0	0	0	\$10,026	\$154,026
R Stubbers COO	2022	\$96,000	\$1,000	\$53,000	0	0	0	0	#150,000

(1) Non-cash compensation: Equity issued for services rendered

(2) Reimbursement of medical and professional development expenses

Other than as set forth in the table above regarding the Company CEO/CFO, no executive officer's total annual compensation exceeded \$100,000 during our last fiscal period. The Company had entered into a consulting agreement with Dr. Chris M. Hymel, the Companies' CFO, whereby his annual compensation was \$144,000 per year (paid in cash or equity), plus limited reimbursement of professional development and medical expenses. Dr. Hymel is expected to devote essentially full-time (at least 40 hours/week) on activities related to the Companies. The term of the agreement is year-to-year but may be terminated by giving four (4) weeks written notice. Eligible medical and professional development expenses were either paid or reimbursed in cash and annual compensation for services rendered has been in the form of equity, specifically common stock.

The Company entered into a consulting agreement with Ron Stubbers, the Company COO, whereby his annual compensation was \$150,000 per year (paid in cash or equity). Mr. Stubbers is expected to devote essentially full-time (at least 40 hours/week) on activities related to the Company. The term of the agreement is year-to-year but may be terminated by giving four (4) weeks written notice.

All other directors and executive officers received less than \$100,000 in compensation in the form of cash or equity in exchange for their services. One executive officer received a \$1,000 bonus and none received, or is owed, deferred compensation. There are no employment contracts, compensatory plans or arrangements (except as referenced above for the Companies' CEO and COO), including payments to be received from the Company with respect to any executive officer of the Companies which would result in payments to any such person due to his or her resignation, retirement or other termination of employment with the Companies or their subsidiaries, any change in control of the Companies or a change in the person's responsibilities following a change in control of the

Companies. Nor are there any agreements or understandings for any director or officer to resign at the request of another person. None of the Companies' directors or executive officers is acting on behalf of or will act at the direction of any other person.

Compensation Pursuant to Plans There is no retirement, pension, profit-sharing, or other plan covering any of our officers and/or directors. The Company has adopted no formal stock option plans for our officers, directors and/or employees but reserves the right to adopt one or more stock options plan(s) in the future. Presently, there is no plan to issue additional equity in the Company or options to acquire the same to our officers, directors or their affiliates or associates except for compensation of directors and officers as described previously.

Security Ownership of Certain Beneficial Owners

The Company is authorized to issue 200,000,000 shares of common stock, with no par value. Holders of common stock are entitled to one (1) vote per share on all matters subject to shareholder vote. The common stock has no cumulative, preemptive or other subscription rights. All of the presently issued shares of common stock are fully paid and non-assessable. The Board of Directors may declare dividends payable to holders of common stock out of legally available funds. If the Company is liquidated or dissolved, holders of shares of common stock will be entitled to share ratably in any assets of the Company remaining after satisfaction of all of its liabilities.

The following table sets forth the number of shares of common stock that are beneficially owned as of May 1, 2023 by any person known by us to be the beneficial owner of more than five percent (5%) of the outstanding shares of our common stock (affiliate), each of our directors and executive officers, and all officers, directors and any affiliates as a group.

The persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the shareholder's name, subject to community property laws, where applicable.

Signal Advance, Inc. Officers/Directors & Control Persons Holdings

Officers, Directors & Control Persons (>5%)	Affiliation	Residential Address	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding
Chris Hymel	CEO, CFO, Dir.	Rosharon, Texas	18,868,897	Common	45.68%
Richard Seltzer	Secretary, Dir.	Houston, Texas	1,372,384	Common	3.32%
Ron Stubbers	COO, Dir.	Houston, Texas	968,500	Common	2.34%
Officers/Directors/Control Persons			21,110,231		51.34%

Certain Relationships and Related Transactions The Company currently leases office space from its CEO, on a month-to-month basis, at a rate of \$700 per month. In addition, Signal Advance, Inc. secured the right to use the proprietary intellectual property through a license agreement with Dr. Hymel, in exchange for equity (Common Stock).

Other than the CEO and COO compensation and related transactions, discussed previously, since the Company's formation, there has not been, nor is there currently proposed, any transaction or series of similar transactions with related parties to which the Company was or will be a party 1) in which the amount involved exceeds \$120,000; and 2) in which any director, executive officer, shareholder who beneficially owns five percent (5%) or more of the Company's Common Stock, or any member of their immediate family, had or will have a direct or indirect material interest.

We intend to announce preliminary voting results at the Annual Meeting, and publish final results with OTC Markets and on the Company website within four (4) days of the Annual Meeting. You may obtain a copy of this and other reports, free of charge, available on our website at www.SignalAdvance.com or by using one of the following methods:

- Mail: Signal Advance, Corporate Secretary
2520 County Road 81, Rosharon, Texas 77583
- Telephone: (713) 510 7445 or (800) 997-9219 (toll free)
- Fax: (253) 252 8631
- Email: IR@SignalAdvance.com

Shareholders may obtain information relating to your own share ownership in Signal Advance, Inc. by contacting the Company's stock transfer agent.

Nevada Agency and Transfer Company

50 West Liberty, Suite 880, Reno, Nevada 89501
 Telephone: (775) 322-0626 Fax: (775)-322-5623
 Email: StockTransfer@NATCO.com

Signal Advance, Inc. Selected Financial Summary (Unaudited)

BALANCE SHEETS
As of March 31, 2023

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Current Assets		
Cash or Cash Equivalent	\$ 181,955	\$ 237,284
Total Current Assets	<u>181,955</u>	<u>237,284</u>
Fixed Assets		
Property and Equipment, net	62,290	62,213
Total Fixed Assets	<u>62,290</u>	<u>62,213</u>
Other Assets		
Available for Sale Securities	47,135	36,352
Intangible Property	348,069	378,776
Research & Development	768,339	713,559
Total Other Assets	<u>1,163,544</u>	<u>1,128,687</u>
TOTAL ASSETS	<u>\$ 1,407,788</u>	<u>\$ 1,428,184</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Line of Credit - Shareholder	0	14,750
Total Liabilities	<u>\$ 0</u>	<u>\$ 14,750</u>
Shareholders' Equity		
Capital Investment	8,183,420	8,095,738
Retained Earnings	(6,682,303)	(6,424,093)
Net Income	(93,328)	(258,210)
Total Shareholders' Equity	<u>\$ 1,407,788</u>	<u>\$ 1,413,434</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 1,407,788</u>	<u>\$ 1,428,184</u>

STATEMENTS OF OPERATIONS
For The Three-Month Period Ended March 31, 2023

	<u>January - March 2023</u>	<u>January - December 2022</u>
Ordinary Income/Expense		
Income	\$ 800	\$ 0
Expense		
General and Administrative	18,065	41,267
Amortization	57,683	56,185
Depreciation	8,552	10,537
Professional Services	20,611	107,799
Total Expense	<u>\$ 104,911</u>	<u>\$ 215,788</u>
Net Ordinary Income	<u>\$ (104,111)</u>	<u>\$ (215,788)</u>
Other Income/Expense		

Other Income Unrealized Gain/(Loss)	10,783	(42,422)
Net Other Income	\$ 10,783	\$ (42,422)
Net Income	\$ (93,328)	\$ (258,210)

Other Matters

The Notice of Annual Shareholders’ Meeting provides for:

1. the election of directors for Signal Advance, Inc.;
2. the ratification of the Board of Directors’ actions and decisions since the last shareholders' meeting;
3. approval of the minutes of the previous annual shareholders’ meeting of Signal Advance, Inc.; and
4. the transaction of such other business, as may properly come before the meeting.

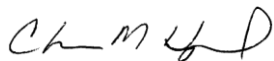
As of the date of this proxy statement, the Board of Directors do not intend to present to the meeting any other business, and it has not been informed of any business intended to be presented by others. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will take action and vote proxies, in accordance with their judgment of such matters. Action may be taken on the business to be transacted at the meeting on the date specified in the Notice of Meeting or on any date or dates to which such meeting may be adjourned.

Shareholder Proposals for the 2024 Annual Meeting

Any shareholder who intends to present a proposal at the 2024 Annual Meeting of Shareholders must ensure that the proposal is submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 and received by the Corporate Secretary of SIGL 120 days before we begin to print and mail our proxy materials for next year’s meeting (we suggest on or before January 1, 2024).

We still have a great deal of hard work ahead and we remain encouraged and optimistic regarding the long-term value we will provide to our shareholders. On behalf of Signal Advance, Inc. management, I would like to again thank you for your continued support. We strongly believe we have the motivation, expertise, and strategic approach necessary to create the future we envision and we look forward to reporting on our progress as we continue to execute our business plan. If you have questions, comments or concerns, please contact us at the following email address: IR@signaladvance.com.

By Order of the Board of Directors



By: Chris M. Hymel, CEO

Signal Advance, Inc.
Rosharon, Texas
May 15, 2023