ASX ANNOUNCEMENT
30 January 2024

31 December 2023 Quarterly Update and Appendix 4C

85,000 global licences, fifth straight quarter of double-digit growth with UK growing 29% in quarter and 153% year on year.

PainChek Ltd (ASX: PCK) ("PainChek" or "the Company"), developer of the world's first smart device-based pain assessment and monitoring application, is pleased to announce its quarterly activities and cashflow report (Appendix 4C) for the quarter ended 31 December 2023.

Highlights

- 5th consecutive quarter with double digit growth – 85,368 contracted licences with an ARR of $3.9M once fully implemented – 11% increase on the prior quarter and 55% increase on prior year.
- UK increases contracted licences by 29% in the quarter and 153% over prior year.
- 2% quarterly increase in recognised revenue to $660,000.
- Cumulative PainChek pain assessments exceed 4,100,000 as of 31 December – an increase of 122% over the previous year.
- We Care Group in UK contract PainChek over its 1,400 beds.
- Bolton Clarke in Australia agree PainChek's largest contract, to extend PainChek over its 8,000 beds.
- Retention rate up to 92% for the quarter.
- US FDA de Novo study in Iowa and New York progressed, data collection is expected to be completed Q1 CY24, with US FDA de Novo application submission to follow shortly afterwards.
- Infant pain assessment consumer market research validates PainChek Infants technology updates and proposed go to market strategy.
- European Patent Office (EPO) issued a Notice of Acceptance, and the patent will enable PainChek to safeguard the intellectual property of its pain assessment and monitoring technology within the European market.
- UK based publication is the first instance of PainChek's technology and research published in an overseas peer-reviewed journal.
- The Company will hold an **investor webinar** & Q&A for all shareholders and interested parties on Tuesday 30 January 2024 at 12:00 Noon AEDT, Investors can register to attend the webinar here: https://us02web.zoom.us/webinar/register/WN_cKAIMu6gRSacpLoJVAJMvw#/registration

Commentary

Philip Daffas, PainChek CEO, commented:

"The Company has had a fifth consecutive quarter of double-digit growth to 85,000 licences across 1,400 aged care facilities across three continents. PainChek is now a truly global business.

Moreover, the Company is now within touching distance of the 100,000 contracted licences milestone that would cover the core company operating costs once implemented (excluding R&D and corporate overhead) and have in

place global partnerships and a pipeline of new business that exceeds 1,500,000 bed licences - providing the basis for continued high growth and future profits.

PainChek remains the only validated and regulated digital medical device for those who cannot verbalize their pain. Our success is driven by improving the quality of life and clinical outcomes for these vulnerable people in a cost-effective manner. These outcomes have been further highlighted by the recent UK based peer reviewed publication.

Growth in the quarter includes our largest aged care contracts in Australia with Bolton Clark (8,000 beds) and the UK with We Care (1,400 beds). The latest sales in Australia takes our local aged care market penetration above 30% with a strong focus on the larger aged care groups who continue to consolidate through the purchase of smaller aged care facilities, and who are fully digitalizing their information systems. These same larger clients also have a major share in home care packages, where they will continue to expand the use of PainChek.

In the UK the sales grew by 29% in the quarter to 25,000 beds in a market that now has 500,000 bed potential, and our strong pipeline continues to expand including ongoing pilots at two of the largest players – BUPA and HC-One. We continue the positive work with the Scottish Care Inspectorate that has the potential for a full roll out potential of 38,000 aged care beds, and are pleased to confirm the commencement of the hospital pilot at Edinburgh Royal Infirmary. These successes are transforming our UK business and provide the basis for broader global expansion.

We continue building new sales in New Zealand and are working on new opportunities in Canada and mainland Europe. In the US, we are in the final stages of completing the FDA clinical study and have a clear established strategy for a rapid access to the 2,000,000 bed licences US market entry in 2024.

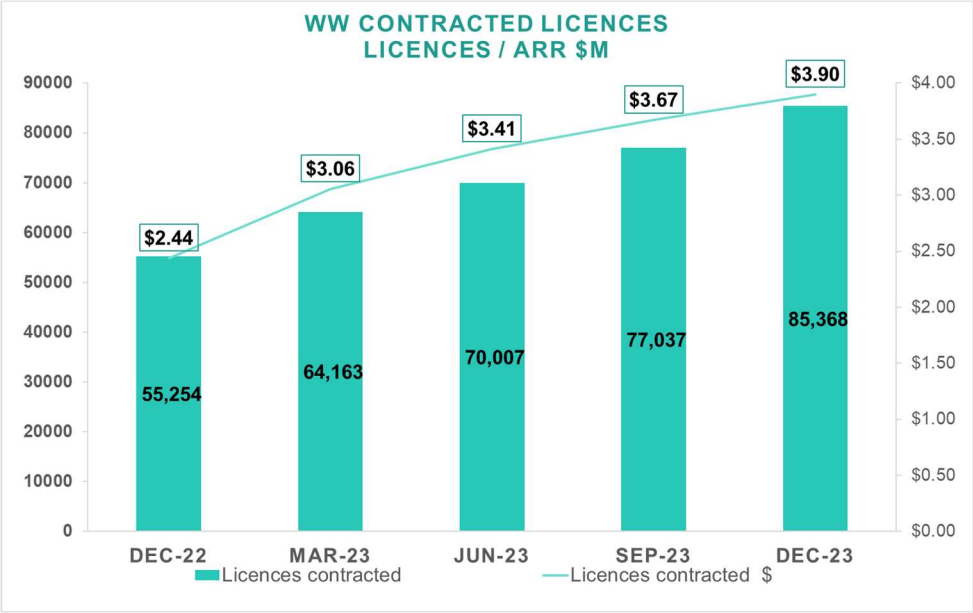
Finally, we have completed the second phase of consumer market research feedback. These consumer insights are helping to refine the PainChek Infant direct to consumer market entry scheduled to commence in Q2 CY2024".

Global Aged Care Activity Summary

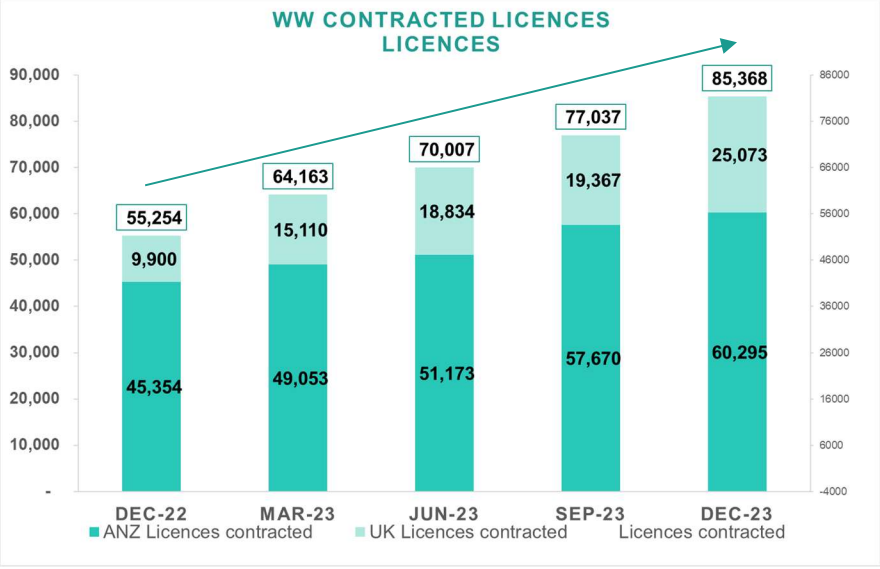
PainChek has approximately 85,000 contracted licences across almost 1,400 aged care facilities, with an ARR of $3.9M once the licences are fully implemented, an 11% increase on the prior quarter licences and 55% increase on prior year. ARR once implemented on these contracted licences increased 6% in the quarter which was impacted following a change in pricing mix with the newly-signed large enterprise contracts and a recent change in AUD:GBP exchange rates.

Approximately 58,300 licences have been implemented, an increase of 5% on the prior quarter and 29% over the prior year. The backlog of licenses to implement is 32% of contracted beds compared to 27% in the prior quarter and 18% in the prior year. This backlog growth is partially driven by the large new contracts signed in the quarter which are typically implemented through a staged rollout. PainChek has continued recruiting new staff and partners in the UK to train, implement and service the recent contracts and growing client base.

The PainChek business model is subscription SaaS based, rapidly scalable and builds long term retention with our clients. This model has now been proven for more than 5 years. The Company is exceeding standard SaaS business industry performance measures with a 90+% quarterly retention rate. PainChek is at its strongest in winning and retaining the larger, multi-facility clients who have size and capability and are in the digital transformation process. This positively aligns PainChek to the consolidating market trend.



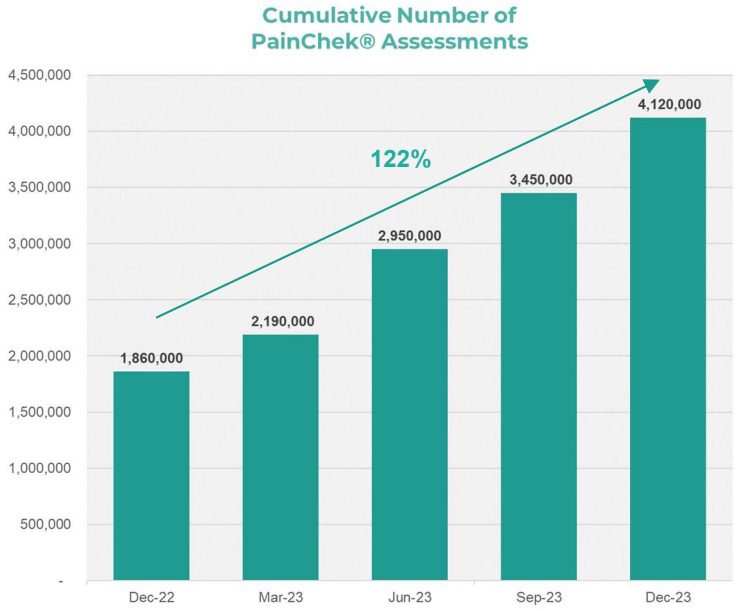
The contracted licences include 25,073 in the UK, which have increased 153% year on year:



Retention of our customers was 92% in the quarter – 92% of the PainChek subscriptions due to be renewed in the quarter have been renewed. This retention has been consistently 85%-92% over the last 12 months.

There are now more than 17,000 individual users registered as trained across in ANZ and the UK. The global PainChek utilitisation continues to grow, with 4,100,000 cumulative PainChek clinical assessments conducted as of 31

December 2023, an increase of 122% over the previous year and 19% over the prior quarter, reflecting continued strong growth in clinical use and implementation progress.



ANZ market

In ANZ PainChek has contracted 60,000 licences across ~790 aged care facilities representing approximately 32% of the Australian market. Some of PainChek's larger clients include:

- Bolton Clarke – 8,000+ beds across 85 homes
- Uniting Care Queensland – 3,750 beds across 46 homes
- BlueCross – 2,800 beds across 32 homes
- Baptist Care NSW/ACT – 2,000+ beds across 20 homes
- Ozcare – 2,000+ beds across 17 homes
- Anglicare NSW – 2,000+ beds across 21 homes

Notable Aged Care agreements in the quarter:

- PainChek has increased its contracted places/beds to extend across the whole Bolton Clarke Residential Aged Care portfolio to 8,000 licences contracted, the largest agreement for PainChek. Prior to Q2, PainChek had an agreement in place for the Allity (acquired by Bolton Clarke in late 2022) portion of the portfolio for up to 4,000 licences. The extension to the agreement adds an additional 4,000 licences to the agreement, for the use of PainChek across all Bolton Clarke Aged Care Facilities.

Other notable agreements in the quarter, outside of Aged Care:

- Nurse Maude Hospital – New Zealand's first established district nursing service. Nurse Maude is staffed by 1,500 people and notable because it provides district nursing, in-home care and palliative

hospital/hospice care. The organization is synonymous with quality care across New Zealand. The initial PainChek engagement is with the hospital, with scope to engage with all its care services in the near future.

- Brightwater Disability Group Homes – a leading disability support service provider in Perth, providing specialist services for adults with complex disabilities. Brightwater is rolling out PainChek across its 10 disability group homes off the back of the success of utilizing PainChek across its aged care homes since 2021.
- Homecare – PainChek continues its entry into the Home Care sector in ANZ, with 5 Home Care clients under contract, including one of the largest 25 Home Care providers by revenue. PainChek is engaged in active correspondence regarding expansion across Home Care with its existing Residential Aged Care client base including 7 of the top 25 largest Home Care providers by revenue, representing ~$615M in Home Care Package funding.
- Strategically, PainChek is now focussed on the use of PainChek for the care of those living in the community and receiving the Dementia and Cognition Supplement. This supplement is an additional payment for the care of those living with a moderate or severe cognitive impairment in the community. The total value of this supplement across the Home Care sector is ~$95M alone, in addition to package funding for these individuals.

PainChek has a strong pipeline across the ANZ market, with several large providers in the contract negotiation phase. This highlights the continued strong foot hold in the local market.

UK market

PainChek has grown significantly in the UK with ~25,000 contracted licences across 600 aged care facilities, a 153% year on year increase and 29% in the quarter. The ARR of these licences, when fully implemented, is $1.2M in a circa $25m market opportunity of 500,000 beds.

This December quarter growth has been the largest to date, 24 contracts were signed adding 6,700 beds across 142 Care Homes to the UK portfolio. The key growth driver in the UK continues to be the positive clinical outcomes being demonstrated within aged care and through government and provider funded projects. PainChek has continued recruiting new staff and partners in the UK, including Ark Training and Ash Healthcare, to train, implement and service the growing client base.

Some of PainChek's larger clients include:

- Exemplar Healthcare – 1,800 beds across 40 homes
- We Care Group – 1,400 beds across 28 homes
- Orchard Care Homes – 1,300 beds across 23 homes
- Greensleeves Trust – 1,300 beds across some 28 homes
- Harbour Healthcare – 1,200 beds across 22 homes
- Dovehaven Care Homes – 1,000 beds across 21 homes

Notable in the quarter:

- We Care Group contracted for PainChek subscription for 1,400 beds over 28 homes providing care across North and Northwest England

- A reseller agreement was signed with the leading UK aged care CMS provider, Nourish Care, to resell PainChek® using Nourish Care's strong national salesforce and with access to its client base that exceeds 100,000 beds.
- The Care Inspectorate (Scotland's regulator) Phase 2 'test of change' initiative continues to progress positively and if successful, will support a potential national rollout across Scottish care homes, giving access to 38,000 beds later this year. The recent news segment on Scottish TV (STV), a national TV network in Scotland, continues to stimulate further interest in PainChek across Scottish care homes with East Ayrshire Council and Pacific Care joining our growing portfolio of Scottish clients within the quarter.
- PainChek has submitted a Stage 2 bid for the 2-year funding of 18,000 beds across 450 aged care facilities to The Department of Health and Social Care (DHSC), in partnership with NHS England. DHSC had invited bids for the Care Tech Fund, which aims to identify care-focused technology that can help improve independence and reduce avoidable hospital admissions. This followed a successful 'Expression of interest' bid. An announcement of the successful bids is expected in Q1 C2024 from the Minister of Health and Social Care and DHSC.

North America

One of PainChek's key strategic goals in 2024 is to enter the North America, the largest global healthcare market and where there are 2 million aged care beds. PainChek is currently in the midst of completing the FDA de-Novo application (see below) and as previously reported, has already established local US distribution partnerships with PointClickCare, Ethos Labs and InterSystems as part of the market entry strategy (post FDA clearance).

PainChek will be attending the PointClickCare US aged care client conference New Orleans on February 26-28, 2024, as part of the US pre-launch marketing activities. The conference will be attended by senior aged care executives that represent up to 50% of the US aged care market. In addition, as part of the global hospital expansion, PainChek will co-present the Edinburgh Royal pilot programme results at the InterSystems global client summit in Maryland on June 7-9 2024.

PainChek looks to continue to expand these strategic partnerships and build new partners as part of the US market entry in 2024.

US FDA (Food and Drug Administration)

- A clinical trial is being undertaken at 5 sites, in Iowa and New York, and the data will be used in the US FDA de Novo application. Data collection has been completed at the first Oaknoll Iowa site and is expected to be completed at the three other Iowa sites by the first week of February.
- The research contract for the fifth clinical site in New York has been finalized and the IRB review has been completed with minor amendments recommended to the protocol.
- Training of research staff at the New York site is scheduled for the 29-30 January, with data collection expected to commence in early February.
- Recent outbreaks of Covid-19 and Influenza A, combined with severe weather events have adversely affected progress of the clinical study, however data collection is expected to be completed Q1 CY24, with US FDA de Novo application submission for Painchek Universal to follow shortly afterwards.

Japan

PainChek remains in close contact, through its local Japan consultant, with the PMDA Japanese regulatory authorities to finalize the regulatory rating and pathway for the Japanese market. Japan has the highest dementia prevalence (2.3% of the population) among OECD countries in 2017, and is projected to reach 3.8% by 2037. [1]

Global integration partners

PainChek integrates and continues to work with aged care management and medication management systems providing PainChek with access to more than 1,500,000 aged care beds across Australia, New Zealand, the UK and North America.

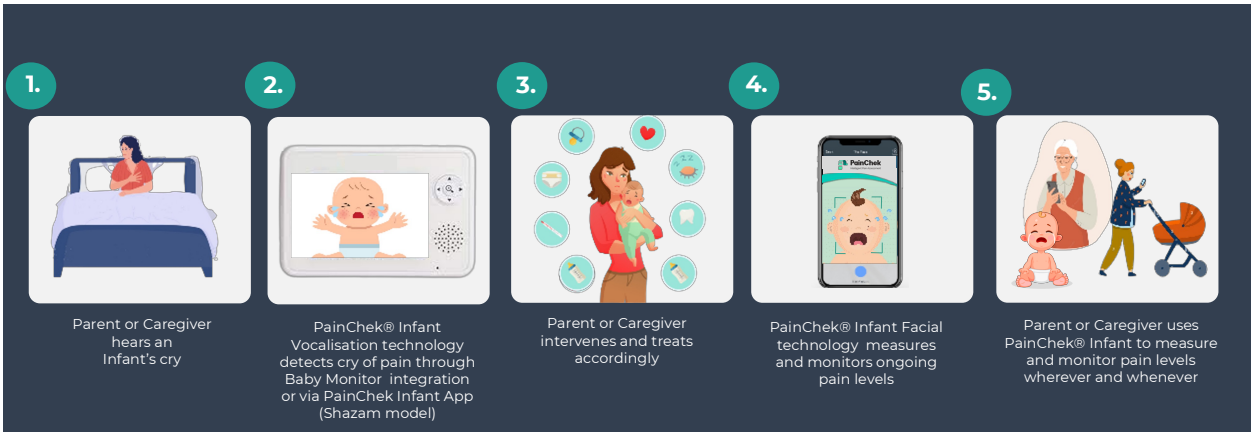
A notable recent addition is PainChek's integration with the iAgeHealth Australian telemedicine platform, enabling effective pain assessment and management for regional and remote providers. The PainChek solution is an out-of-the-box feature of iAgeHealth and is made available to all users of the platform.

Children's and Infant App

The Infant market opportunity extends to up to 400 million pre-verbal children of which 150 million are born to first time parents each and every year. PainChek Infant is the world's only regulatory cleared medical device to assess infant's pain severity levels. The market opportunity is significant and includes: a) **Health care professionals**: to assess pain in the hospital and GP market sectors, and b) **Direct to Home Carers**: a unique assessment tool for parents and family members to assess and document infant's pain in the home environment.

PainChek Infant AI has been trained to assess pain across two technologies within existing smart phones and other products such as baby monitors. The PainChek facial AI uses camera technology to scan and analyze infant facial features that are indicative of pain. In addition, PainChek vocalisation AI now also utilizes microphone-based technology to analyze the infants voice to differentiate between a cry of pain versus a cry of no pain. The following graphic provides an overview of the combined capability:

PAINCHEK® INFANT
Making Infant Pain Visible…and Audible



The world's first AI-enabled pain assessment tool for infants.

30 | PainChek

Given this is PainChek's first venture into the global direct to consumer market, PainChek has just completed a 2nd phase of consumer market research (with parents) that has positively validated the utility of the upgraded PainChek Infant features and the proposed route to market for PainChek Infant. The consumer feedback confirmed the following:

- Positive feedback on the real-world performance of PainChek® Infant Adaptive Video revised facial detection system. PainChek incorporated its adaptive video analysis mode option into its PainChek Infant to address the issue of head movement associated with infants crying.
- The new "cry of pain/cry no pain" vocalisation discrimination feature was confirmed as a highly desirable new feature to help them assess and manage their infant's pain.
- Feedback also highlighted first time parents as the initial primary target group for the PainChek Infant App Feedback also provided significant insights on the direct-to-consumer marketing and influencer channels and the preferred baby monitors and other infant apps that we could partner with as part of the go to market strategy.

The Company is taking these learnings to build the direct-to-consumer channels, partnerships, and educational tools to commence the Infant App sales and marketing in Australia during Q2 C2024. In the first phase, the App will feature the facial AI capability prior to the subsequent introduction of the newly developed vocalisation AI feature. PainChek plans to extend to overseas markets later in 2024.

<u>Clinical Research</u>

- PainChek® is pleased to advise of a new publication focused on PainChek's technology in international journal 'Frontiers in Psychiatry', its first international peer reviewed paper by an independent researcher. It is titled "Clinical impact of a multifaceted intervention aimed at decreasing distress in people living with

dementia: evaluating the Reconnect program." It was conducted in conjunction with Orchard Care Homes and a research team led by its Group Director of Quality, Cheryl Baird. The paper confirmed the improvements in pain medication and reductions in stress related incidents over a two-year period since the introduction of PainChek into the Orchard Care clinical programme. The full study is available for viewing at https://www.painchek.com/wp-content/uploads/2023/12/Baird-et-al-2023-Clinical-impact.the-Reconnect-Program.pdf

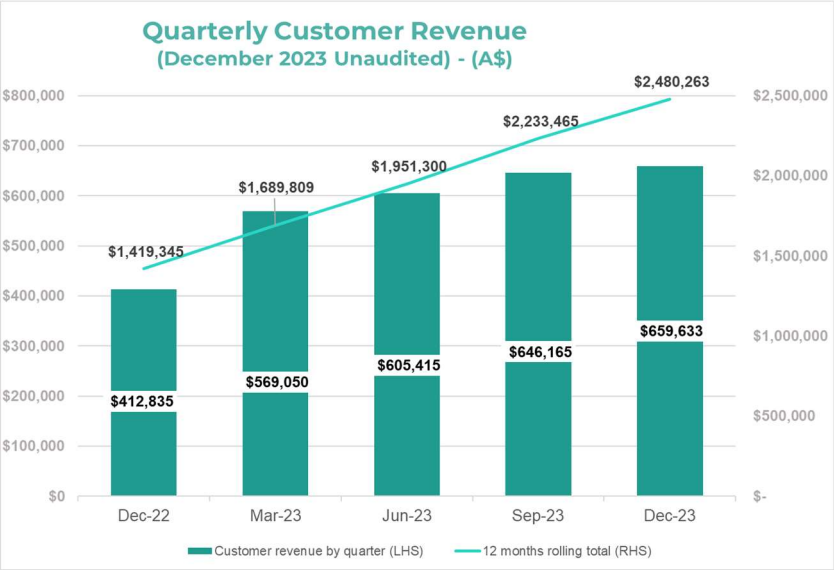
- Decoding study – As pain is highly subjective and that different individuals respond in different ways, PainChek pain assessments capture this response, and a study is being undertaken to evaluate individuals' pain experiences, by looking at patterns and clusters in pain features exhibited dependent on pain intensity. The study is looking at approximately 2.2 million PainChek assessments in its database. The pattern analysis has been completed and cluster analysis is expected to be finalized by the end of February 2024. The value of this research comes in relation to using an individual's pain experience to personalize their pain management.
- Hollywood Private Hospital Implementation Study – This study involves older adults who have undergone orthopedic surgery and to evaluate the feasibility and utility of PainChek's technology driven pain assessment app. Hollywood is part of the global Ramsey Hospital group and this study has the potential to expand use of PainChek across the Ramsey group of hospitals in Australia and overseas. Data analysis has been completed is currently being finalized for the feasibility and clinical utility evaluation.

Regulatory & Quality:

- The European Patent Office (EPO) issued a Notice of Acceptance for patent application (No. 15833312.0), "A Pain Assessment Method and System". This will enable PainChek to safeguard the intellectual property of its pain assessment and monitoring technology within the European market. This includes exclusive rights to the commercialisation of its technology across the 39 member states of the European Patent Organisation. This new patent is in addition to the existing patents granted in the USA, Japan, and China providing intellectual property protection of our technology across the largest healthcare markets in the world. The patent protection for all these regions is until 2035.

Financial Update

- The recognised revenue from customers was $659,633 (unaudited) for the quarter and year to date, a 2% increase over previous quarter and a 60% increase over the December 2022 quarter. Quarterly and trailing 12 month recognised revenue have continued to increase:



Cashflow

- The Tranche 2 share placement was completed and $777,000 was received after costs of the placement. The Tranche 2 share placement followed the Annual General Meeting (AGM) in November 2023 and included cash received from the directors of $210,500 and approved at the AGM.
- Receipts from customers in the quarter were $630,000 (Q2 FY24: $594,000). There is underlying increase in recognised revenue, however, Customers paying in advance for the PainChek subscription have an uneven distribution of renewal dates throughout the year, which accounts for some seasonality in receipts.
- Research and development payments were $1,228,000 (Q2 FY24: $480,000). The increase is milestone payments on the core technology upgrade and the US FDA clinical trials. The core technology upgrade is complete, the FDA clinical trials will continue in Q3 FY24.
- Advertising and Marketing payments were $217,000 (Q2 FY24: $149,000).
- Staff Costs payments were $1,150,000 (Q2 FY24: $903,000). The quarterly increase follows payment of commissions and bonuses for the FY23 year.
- Administration and Corporate costs decreased to $485,000 (Q2 FY24: $582,000).
- In accordance with ASX Listing Rule 4.7C.3, the amount of $112,500 stated in section 6.1 of the Appendix 4C paid to related parties and their associates related to director fees and salaries for the quarter. The company made payments to directors during the period of $112,500: $50,000 to non-executive and $62,500 to executive directors.

This announcement has been approved for release by the Board.

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About PainChek

PainChek® is the world's first regulatory-cleared medical device for the assessment of pain, enabling best-practice pain management for people living with pain in any environment, from those who cannot reliably self-report their pain, those who can, and for those whose ability to self-report their pain fluctuates.

The PainChek® app is available on smartphones and tablets and combines PainChek's AI pain assessment tool, which intelligently automates the multidimensional pain assessment process, with the Numerical Rating Scale (NRS). This hybrid functionality allows accurate, consistent pain assessment at the point of care, and for care to be considered in PainChek's detailed reporting suite, PainChek® Analytics.

Globally, PainChek® has attained regulatory clearance as a medical device in Australia, Canada, the European Union, New Zealand, Singapore, Malaysia, and the United Kingdom, with FDA review in the United States currently in progress.

PainChek® has contracts with over 1,000 aged care facilities, with more than 4,000,000 digital pain assessments conducted to date, and is trusted by thousands of nurses, carers, and clinicians.

Using PainChek®, facilities can:

- Ensure greater consistency, continuity, and diagnostic certainty in pain assessment and management by decreasing subjectivity and removing unintentional assessor bias
- Streamline the pain assessment process for time-poor carers, with access to the PainChek® tool, the NRS, pain trends, and charting in one solution
- Simplify record-keeping and documentation to demonstrate compliance and support funding claims, with all historical pain assessment data in one place
- Enhance engagement with GPs and allied healthcare professionals

Clinical studies conducted in Australian and UK residential aged care centres have been published in various peer-reviewed journals including the Journal of Alzheimer's Disease. An article in BMC Geriatrics indicates that PainChek® is a valid and reliable instrument to assess the presence and severity of pain in people with moderate-to-severe dementia living in aged care. Further information on clinical studies can be found here.

PainChek® has successfully supported accurate pain assessment and management for thousands of adults worldwide living with dementia, disability, or other conditions impacting their ability to self-report pain. Building on the success of this technology, the clinically validated PainChek® Infant app identifies and detects six facial action units indicative of pain in infants aged one month to 12 months.

The need for PainChek as a best-practice pain management solution also extends to older people living at home and with access to home care packages that enable long-term home living. PainChek is expanding into home care by partnering with home care and disability service providers.

For more information, visit: https://painchek.com

+Rule 4.7B

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PAINCHEK LTD

ABN	Quarter ended ("current quarter")
21146035127	31/12/2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.0	**Cash flows from operating activities**		
1.1	Receipts from customers	630	1,223
1.2	Payments for		
	(a) research and development	(1,228)	(1,708)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing	(217)	(366)
	(d) leased assets		
	(e) staff costs	(1,150)	(2,053)
	(f) administration and corporate costs	(485)	(1,067)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	0	0
1.8	Other (GST)	27	35
1.9	**Net cash from / (used in) operating activities**	**(2,423)**	**(3,935)**

2.0	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(11)	(13)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	0	0
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(11)**	**(13)**

3.0	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	777	3,456
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**777**	**3,456**

4.0	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,671	2,512
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,423)	(3,935)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(13)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	777	3,456
4.5	Effect of movement in exchange rates on cash held	(11)	(18)
4.6	**Cash and cash equivalents at end of period**	**2,003**	**2,003**

5.0	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter** **$A'000**	**Previous quarter** **$A'000**
5.1	Bank balances	2,003	3,091
5.2	Call deposits	0	0
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,003**	**3,091**

6.0	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	113
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.0	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end** **$A'000**	**Amount drawn at quarter end** **$A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.0	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,423)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,003
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	2,003
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	0.8

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. A R&D incentive refund of over $1,000,000 is expected at the end of March, a technology upgrade has been completed, which included $100,000 in the quarter and there were one off staff payments of $179,000 in the quarter.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The company is currently exploring a variety of fundraising options. The company has successfully raised funds from investors and current shareholders in the past and expects this support to continue going forward and in the current quarter Q3 FY24.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Activities will be financed by commercial sales, fundraising from shareholders and an R&D incentive refund. The company will continue its core business operations and existing strategic projects utilising the $2.0m cash at bank while limiting any new initiatives or new people recruitment till funds are raised.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30/01/2024

Authorised by: By the board

(Name of body or officer authorising release - see note 4)

Notes

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.