

**Appendix 4D
Half Year Report**



PainChek Limited ABN: 21 146 035 127

Report for the half-year ended 31 December 2024 as required by ASX listing rule 4.2A

Results for Announcement to the Market

(all comparisons to half year ended 31 December 2023)

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	1,658	27%
Other income – R&D Grant	1,374	14%
Total Revenue / Other Income	3,032	21%
Loss from continuing activities after tax attributable to members	(3,158)	(4%)
Net loss attributable to members	(3,164)	(4%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)		Not Applicable

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

This information should be read in conjunction with the 2024 Annual Report. Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2024.

Commentary on Results

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Details Relating to Dividends

N/A

Net Tangible Assets per Security

	31 Dec 2024	31 Dec 2023
Net tangible asset backing per ordinary security	0.1 cents	0.1 cents

Details of Entities Over Which Control has been Gained or Lost

N/A

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Details of Associates and Joint Venture Entities

N/A

Audit/Review Status

This report is based on the consolidated financial statements for the half-year ended 31 December 2024 which have been reviewed by the Company's independent auditor, BDO Audit Pty Ltd. The independent auditor's review report contains an emphasis of matter in relation to going concern which draws attention to Note 1 in the financial report.

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PainChek Limited

ABN 21 146 035 127

**Half year report for the half-year ended
31 December 2024**

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Corporate directory

Board of Directors

Mr John Murray	Non-Executive Chairman
Mr Philip Daffas	Managing Director
Mr Adam Davey	Non-Executive Director
Mr Ross Harricks	Non-Executive Director
Ms Cynthia Payne	Non-Executive Director

Company Secretary

Ms Natalie Climo

Registered Office

Suite 401, 35 Lime Street
Sydney NSW 2000

Principal Place of Business

Suite 401, 35 Lime Street
Sydney NSW 2000

Postal Address

Suite 401, 35 Lime Street
Sydney NSW 2000

Website

Website: www.painchek.com

Auditors

BDO Audit Pty Ltd

Share Registry

Boardroom Pty Ltd
Grosvenor Place
Level 8, 210 George Street
Sydney, NSW 2000
Tel: +61 2 9290 9600
Fax: +61 2 9290 9655

Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

PCK

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Half year report for the half-year ended 31 December 2024

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Directors' report

The directors of PainChek Limited ("PainChek" or "the Company") submit herewith the financial report of the Company and its subsidiary ("Group" or "Consolidated Entity") for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are noted below. Directors were in office for the entire period unless otherwise stated:

Mr John Murray
Mr Philip Daffas
Mr Ross Harricks
Mr Adam Davey
Ms Cynthia Payne

Operating results

During the half year the Group reported a loss from operations of \$3,157,892 (31 December 2023: \$3,299,046) principally due to:

- Cost of Sales \$1,128,403 (31 December 2023: \$903,920)
- Share based payments in respect of Director performance rights and management options of \$236,934 (non-cash) (31 December 2023: \$373,288);
- Research and development expenditure of \$2,066,971 (31 December 2023: \$2,226,094);
- Corporate and administration expenses of \$1,606,135 (31 December 2023: \$1,311,830);
- Marketing and business development expenses of \$1,151,622 (31 December 2023 \$993,903); and
- Other Income - R&D Grant of \$1,373,885 (31 December 2023: \$1,206,112).

Operating Cashflow and Funding

The Research & Development Tax incentive is being registered with AusIndustry for the year to 30 June 2024 and the Company expects to obtain a refund of \$1,373,885 by 31 May 2025.

Review of Operations

The 6 months to 31 December 2024 have seen PainChek continue to grow. Half year reported customer revenue of \$1,658,288 increased 27% over the prior corresponding 6 months to 31 December 2023, as the business has established a solid base in Australia and is continuing to expand in the United Kingdom which accounted for 33% of customer recognised revenue in the period.

PainChek remains the only validated and regulated digital medical device for those who cannot verbalize their pain.

PainChek has 3 core strategic pillars of focus for its operations, and the Company believes achieving each of these strategic goals over the next two quarters will drive shareholder value. They are:

1. US Market Entry

We are delighted to confirm the PainChek Adult App FDA De Novo regulatory clearance submission in the half year is expected to provide the basis for expansion of the PainChek business into the US, the largest healthcare market in the world with an estimated two million long term care beds, based on \$50 per annum license fee per bed equating to \$100,000,000 per annum. We've already had initial positive feedback from FDA, confirming our documentation is complete and that the review will be managed by the same executive who we originally met in 2019 – prior to the COVID delay.

This provides us added confidence PainChek will soon become the first and only FDA regulated pain assessment App to enter the US market. We're anticipating this occurring in the first half of 2025, with our first established US-based go to market partners in place.

During the half year \$378,000 (2023: \$396,000) was incurred in the FDA regulatory clearance, in addition to the internal allocation of resources to this project.

During the first quarter 2025, PainChek's business development manager will be in Canada to progress the current business opportunities in Canada and assess a suitable North America business base, local partners and key customers. The Company will also be attending the PointClickCare (PCC) US client conference in April 2025 in Las Vegas.

The North American market is the largest healthcare market in the world with 2,000,000 long term care beds. PainChek has already successfully integrated with PointClickCare (PCC) and that integration is being used across five Canadian aged care facilities while other pre-marketing activity with PCC has commenced.

PCC is the leading cloud-based healthcare software provider for North America's long-term and post-acute care (LTPAC) and senior care industries. PCC has 50% of the 2,000,000 US and Canadian long-term beds under licence.

2. Continued Growth in Adult App

PainChek has contracted approximately 100,000 contracted licences across almost 1,800 aged care facilities, with an annual recurring revenue (ARR) of \$4.8M once the licences are fully implemented. This contracted ARR, once implemented, is an increase of 23% over that of 31 December 2023.

Approximately 63,000 licences have been implemented, an increase of 15% on 31 December 2023 and 18% on 30 June 2024. There is a backlog of approximately 37,000 licenses to implement, which represents 37% of contracted beds compared to 30% at 31 December 2023 and 38% at 30 June 2024. Contracts are typically implemented through a staged rollout agreed with the customers.

The increase in Cost of Sales reflects the investment PainChek has made in recruiting new staff and partners in the UK to train, implement and service the recent contracts and growing client base.

2025 will also see the PainChek Adult App business build from the existing 100,000+ commercial licences predominantly in the aged care sector, into the new and larger home care and hospital markets. This shift is based on having established solid footholds in both these markets in the past year and is being driven by new local and international government home care policies including pain assessment guidelines and funding.

3. Direct to parent market entry of the Infant App

The PainChek Infant offering is a world first and seen as a highly desirable clinical tool by the parental target client base. The Company has engaged with new direct-to-consumer marketing specialists and channel partners to support the upcoming marketing and communications campaign.

PainChek continues to advance the commercialisation of the PainChek® Infant app, targeting the expansive global consumer market. With an opportunity encompassing up to 400 million pre-verbal children worldwide — including 150 million born to first-time parents annually — the Infant market presents significant potential.

During the half year the initial phase of testing was completed to validate key assumptions and meet learning objectives in preparation for launching and further testing on the iOS App Store which will be undertaken during Q1 CY2025. This phase was designed to deepen PainChek's understanding of value proposition, App usability, hesitations or concerns and pricing indicators.

In the process the Company engaged with a direct-to-consumer marketing specialist in Australia and also parental specialist channel partners including Kiindred and Mamma Mia. The Company is also in the process of recruiting a global sales and marketing manager to drive the global go to market strategy.

Marketing insights are critical to refining the app for a higher conversion rate and advancing PainChek's path to product-market fit. To achieve this, three research methods were employed over the past six months:

- Early Access Program (EAP): Through the PainChek® Infant EAP, a small group of users were engaged, generating interest from 50 participants who downloaded and began using the app.
- Webinar with Expert Insights: PainChek hosted a webinar featuring paediatric dietitian Karina Savage, which attracted over 70 RSVPs and 21 attendees. During the session, a survey was filled out by 15 people that provided valuable insights into PainChek's value proposition, pricing, and the core problem it's addressing.
- Survey via Lyssna: Using the Lyssna research platform, PainChek recruited 50 participants from its target audience to complete a detailed survey. This validated PainChek's assumptions, refined its value proposition, addressed key audience concerns, and informed pricing strategies.

These insights are being used by PainChek to develop the communications and channels to market that resonates with its audience - showcasing a clear and compelling value proposition and designed to drive higher conversion rates.

The Infant App has been approved by Apple to be placed on the iOS App Store and will be available for new EAP participants and the Google Play Store in the first quarter of 2025. This will drive further EAP recruitment as we finalise the product and communications and pricing strategy for commercial market introduction in Australia during Q2 CY2025.

Research, Development and Regulatory

In addition to the FDA de Novo clearance submission and Infant App development, the Company has continued to research and develop the core technology to expand capability into the desktop and embedded platforms for virtual and remote telehealth pain assessment platforms.

PainChek has maintained its ISO/IEC 27001 certification, an internationally recognised benchmark for information security management. This certification applies to all PainChek products in every region around the world and was audited by TÜV SÜD, an independent technical services provider, to ensure that PainChek's policies, procedures, and controls meet international standards.

PainChek invests in maintaining a robust cyber security infrastructure and information security including continuous enhancements to data protection, and risk management practices.

A PainChek Children Disabilities App is being researched following a research collaboration agreement signed in December 2024 for the development of its innovative pain assessment tool for non-verbal children with disabilities. This was signed with The Kids and Perth Children's Hospital (PCH), which is part of the Child and Adolescent Health Service and made possible by funding from the Western Australian Government's Future Health Research and Innovation Fund. The project is expected to be finished in about two years and prepared for commercialisation.

Two Hollywood Private Hospital (WA) based research projects have been underway:

- Improving pain assessment for hospitalised older adults following orthopaedic surgery using a technology-driven pain assessment: an effectiveness-implementation pilot study. The manuscript covering the effectiveness of the PainChek training is under review by the Journal of Medical and Internet Research, with data analysis of the implementation phase continuing.
- Improving pain assessment for hospitalised older adults using a technology-driven pain assessment: an effectiveness-implementation pilot study. A project has been established and ethical approval obtained for an effectiveness-implementation pilot study to improve pain assessment for hospitalized older adults with cognitive impairment in general medical ward using a technology-driven pain assessment tool. This will commence in February 2025.

Subsequent events

On 19 December 2024 PainChek announced the completion of an underwritten Entitlement Offer to raise \$5,116,469 and on that date, \$4,262,534 (before costs) was received from shareholders. A final payment of \$270,169 has been received in February and the balance of \$583,766 will be received in March 2025 to complete the Entitlement Offer

At a General Meeting of shareholders held on 26 February 2025, shareholders approved the issue of 204,657,644 Underwriter Options, exercisable at \$0.05 and expiring 12 months from date of issue.

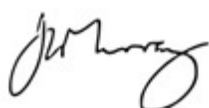
There has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors



John Murray

Chairman

28 February 2025

Auditor's independence declaration



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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF PAINCHEK LIMITED

As lead auditor for the review of PainChek Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PainChek Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2025

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

		Consolidated	
		31 Dec 2024	31 Dec 2023
		\$	\$
	Note		
Revenue	3	1,658,288	1,303,877
Other Income – R&D Grant	3	1,373,885	1,206,112
Cost of Sales		(1,128,403)	(903,920)
Research and development expenses		(2,066,971)	(2,226,094)
Marketing and business development expenses		(1,151,622)	(993,903)
Corporate and administration expenses		(1,606,135)	(1,311,830)
Share based payment expenses		(236,934)	(373,288)
Loss before income tax		(3,157,892)	(3,299,046)
Income tax expense		-	-
Loss for the period attributable to Owners of PainChek Limited		(3,157,892)	(3,299,046)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences relating to translation of foreign operations		(6,213)	18,332
Total comprehensive loss for the period		(3,164,105)	(3,280,714)
Loss per share:			
Basic and diluted (cents per share)	4	(0.2)	(0.2)

Condensed notes to the financial statements are included on pages 10 to 15

Consolidated statement of financial position as at 31 December 2024

	Note	Consolidated 31 Dec 2024 \$	Consolidated 30 June 2024 \$
Current assets			
Cash and cash equivalents		2,880,317	3,561,593
Trade and other receivables	5	2,263,632	591,161
Total current assets		5,143,949	4,152,754
Non-current assets			
Property, plant and equipment		27,658	29,366
Total non-current assets		27,658	29,366
Total assets		5,171,607	4,182,120
Current liabilities			
Trade and other payables		2,608,094	2,639,163
Provisions		244,766	252,587
Total current liabilities		2,852,860	2,891,750
Total liabilities		2,852,860	2,891,750
Net assets		2,318,747	1,290,370
Equity			
Issued capital	6	46,835,745	43,388,677
Reserves		15,528,950	14,789,750
Accumulated losses		(60,045,948)	(56,888,057)
Total equity		2,318,747	1,290,370

Condensed notes to the financial statements are included on pages 10 to 15

Consolidated statement of changes in equity for the half-year ended 31 December 2024

<i>Consolidated</i>	Issued capital	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2023	35,180,097	14,068,134	(48,580,100)	668,131
Loss for the period	-	-	(3,299,046)	(3,299,046)
Other comprehensive income	-	18,332	-	18,332
Total comprehensive loss for the period		18,332	(3,299,046)	(3,280,714)
Issue of ordinary shares (<i>refer to note 6</i>)	3,550,000	-	-	3,550,000
Share issue costs (<i>refer to note 6</i>)	(154,947)	-	-	(154,947)
Issue of shares on exercise of options	96,000	-	-	96,000
Recognition of share based payments	-	373,288	-	373,288
Balance at 31 December 2023	38,671,150	14,459,754	(51,879,146)	1,251,758
Balance at 1 July 2024	43,388,677	14,789,750	(56,888,057)	1,290,370
Loss for the period	-	-	(3,157,891)	(3,157,891)
Other comprehensive income	-	(6,213)	-	(6,213)
Total comprehensive loss for the period		(6,213)	(3,157,891)	(3,164,104)
Issue of ordinary shares (<i>refer to note 6</i>)	4,262,533	-	-	4,262,533
Share issue costs (<i>refer to note 6</i>)	(815,465)	508,479	-	(306,986)
Recognition of share based payments	-	236,934	-	236,934
Balance at 31 December 2024	46,835,745	15,528,950	(60,045,948)	2,318,747

Condensed notes to the financial statements are included on pages 10 to 15

Consolidated statement of cash flows for the half-year ended 31 December 2024

	Note	Consolidated	
		Half-year ended	
		31 Dec 2024	31 Dec 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,614,933	1,212,535
Payments to suppliers and employees		(6,262,371)	(5,201,362)
Interest paid		(595)	-
Net cash used in operating activities		(4,648,033)	(3,988,827)
Cash flows from investing activities			
Payments for property, plant and equipment		(4,540)	(9,116)
Net cash used in investing activities		(4,540)	(9,116)
Cash flows from financing activities			
Proceeds from issue of shares	6	4,262,534	3,646,000
Payment of share issue costs	6	(306,987)	(154,947)
Net cash Inflow/(Outflow) from financing activities		3,955,547	3,491,053
Net (decrease)/increase in cash and cash equivalents		(697,026)	(506,890)
Cash and cash equivalents at the beginning of the period		3,561,593	2,512,217
Effect of foreign exchange on cash balances		15,750	(2,474)
Cash and cash equivalents at the end of the period		2,880,317	2,002,853

Condensed notes to the financial statements are included on pages 10 to 15

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Condensed notes to the financial statements for the half-year ended 31 December 2024

1. Significant accounting policies

Statement of compliance

The financial statements were approved by the board of directors and authorised for issue on 28 February 2025.

Basis of preparation

The consolidated financial statements comprises PainChek Limited (referred to as the “Company” or “Parent Entity”) and its controlled entities (together referred to as the “Consolidated Entity” or the “Group”) and is a listed public Company, incorporated and domiciled in Australia. The Group principal activities are development and commercialization of mobile medical device applications that provide pain assessment for individuals that are unable to communicate with their carers.

The financial report is presented in Australian dollars.

Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity has net operating cash outflows for the year of \$4,648,033 (2023: \$3,988,827) and net current assets of \$2,318,747 (30 June 2024: \$1,290,370). The consolidated entity also generated a loss after tax of \$3,157,892 (2023: \$3,299,046). The Group has received \$270,169 in February 2025 and will receive \$583,766 in March 2025 to complete the entitlement offer.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following conditions:

- the successful commercialisation of its intellectual property in a manner that generates sufficient operating cash inflows; and
- the ability of the consolidated entity to raise sufficient capital as and when necessary.

These conditions give rise to material uncertainty which may cast significant doubt over the consolidated entity’s ability to continue as a going concern. The directors believe that the going concern basis of preparation is appropriate due to its recent history of raising capital and the significant progress made on exploiting its intellectual property, control over discretionary expenditure projects and conversion of customers onto commercial terms.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

No new or amended standards became applicable for the current reporting period and the group had no change to its accounting policies.

2. Segment information

Operating segments are presented using the 'management approach', where information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Group operates predominantly in one segment, being the sale of its pain assessment solutions. The primary financial statements reflects this segment.

3. Revenue and R&D

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Interest income	46	-
<i>Revenue from Contracts with Customers</i>		
Software subscriptions – Recognised over time	1,521,134	1,284,565
Training – Recognised at a point in time	137,108	19,312
Total revenue	1,658,288	1,303,877

Research & Development Tax Incentive

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Research & Development Tax Incentive	1,373,885	1,206,112
Total research & development tax incentive	1,373,885	1,206,112

Research and development tax incentive

The consolidated entity is eligible for the Commonwealth Government research and development tax incentive. To be eligible the Company must meet stringent guidelines on what represents both core and supporting activities of research and development. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received which generally coincides with lodgement of the return with the regulatory body.

4. Loss per share

Consolidated	
31 Dec 2024	31 Dec 2023

Basic and diluted loss per share (cents per share)

	(0.2)	(0.2)
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The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

Consolidated	
31 Dec 2024	31 Dec 2023
\$	\$
(3,157,892)	(3,299,046)

Loss for the half-year attributable to the owners of the Company

Consolidated	
31 Dec 2024	31 Dec 2023
No.	No.
1,648,583,670	1,364,086,827

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share

Options on issue are considered to be anti-dilutive while the group is making losses.

5. Trade and other receivables

Consolidated	
31 Dec 2024	30 June 2024
\$	\$
Trade receivables	355,193
Other receivables	166,504
Prepayments	69,464
Research & Development grant receivable	-
Total trade and other receivables	591,161

6. Issued capital

Consolidated	
31 Dec 2024	30 June 2024
\$	\$
46,835,745	43,388,677

1,807,762,509 fully paid ordinary shares (June 2024:
1,635,829,171)

	31 Dec 2024	31 Dec 2024
	Number	\$
Movements during the period		
Balance at beginning of the period	1,635,829,171	43,388,677
Placement – issued at \$0.027 (FY23: \$0.028) per share	-	-
Share Purchase Plan – issued at \$0.0251	-	-
Placement – issued at \$0.0251	-	-
Entitlement issue – exercise price \$Nil (FY23: \$0.025)	170,501,357	4,262,534
Exercise of Options	-	-
Exercise of performance rights – exercise price \$0.00	1,431,981	-
Capital raising costs (net of tax)	-	(815,466)
Balance at end of period	1,807,762,509	46,835,745

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

7. Reserves

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Balance at beginning of the reporting period	14,789,750	14,068,134
Share based payments reserve	745,413	710,369
Foreign currency translation reserve	(6,213)	11,247
Total reserves at end of period	15,528,950	14,789,750

Reconciliation of movement in reserves

	Share based payments reserve	Foreign exchange reserve	Total
	\$	\$	\$
Opening balance	14,844,106	(54,356)	14,789,750
Foreign exchange gain/loss recognised	-	(6,213)	(6,213)
Issue of options to underwriters*	508,479	-	508,479
Share based payments reserve	236,934	-	236,934
Total reserves at end of period	15,589,519	(60,569)	15,528,950

* At a General Meeting of shareholders held on 26 February 2025, shareholders approved the issue of 204,657,644 Underwriter Options, exercisable at \$0.05 and expiring 12 months from date of issue.

8. Commitments and contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

9. Subsequent events

On 19 December 2024 PainChek announced the completion of an underwritten Entitlement Offer to raise \$5,116,469 and on that date, \$4,262,534 (before costs) was received from shareholders. A final payment of \$270,169 has been received in February and the balance of \$583,766 will be received in March 2025 to complete the Entitlement Offer

At a General Meeting of shareholders held on 26 February 2025, shareholders approved the issue of 204,657,644 Underwriter Options, exercisable at \$0.05 and expiring 12 months from date of issue.

There has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10. Share Based Payments

Performance rights

No new performance rights were issued during the period and there was no change in the terms and conditions of the performance rights issued in prior periods

Options

Options are routinely granted to employees. The vesting period is 25% vest after 12 months of the grant date and the balance in quarterly instalments over the next 3 years, subject to continued employment. In addition, those granted on 23 September 2020, 1 September 2021, 1 September 2022 and 28 September 2023 have a further restriction that the underlying shares cannot be disposed of until 2 years after grant date.

Options have also been issued to shareholders as part of an Entitlement Offer, those options vest immediately. Set out below are summaries of options granted :

	Average exercise price per share option	Number of options
As at beginning of period	\$0.0492	63,350,000
Granted during the period under Entitlement Offer	\$0.0500	170,501,357
Forfeited during the period	\$0.1100	(3,000,000)
	-	-
Exercised during the period (refer note 6)		
As at end of period	\$0.0490	230,851,357
Vested and exercisable at end of period		208,735,732

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 31 December 2024	Share options 30 June 2024
Granted to employees:				
26 March 2020	26 September 2024	\$0.110	-	3,000,000
23 September 2020	23 March 2025	\$0.090	1,000,000	1,000,000
26 February 2021	25 August 2025	\$0.084	5,000,000	5,000,000
24 March 2021	24 September 2025	\$0.075	7,000,000	7,000,000
1 September 2021	1 March 2026	\$0.051	9,500,000	9,500,000
1 September 2022	1 March 2027	\$0.030	25,750,000	25,750,000
15 October 2023	15 April 2028	\$0.041	12,100,000	12,100,000
Granted to Shareholders:				
19 December 2024	19 December 2025	\$0.050	170,501,357	-
Total			230,851,357	63,350,000
Weighted average remaining contractual life of options outstanding at end of period			1.2 years	2.3 years

Fair value of options granted

On 19 December 2024 the company issued 170,501,357 shares and shareholders who subscribed for these shares were given one new option for every share subscribed for. The options expire on 19 December 2025 and have an exercise price of \$0.05. These options are part financing and are not valued.

No new options were issued to employees during the half-year. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	31 Dec 2024	31 Dec 2023
	\$	\$
Options issued under employee option plan	165,230	130,839
Performance rights	71,704	242,449
Total	<u>236,934</u>	<u>373,288</u>

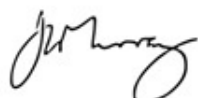
Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position at 31 December 2024 and performance of the Consolidated Entity for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



John Murray
Chairman
28 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PainChek Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PainChek Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 28 February 2025