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January to March 2019 Quarterly Update:

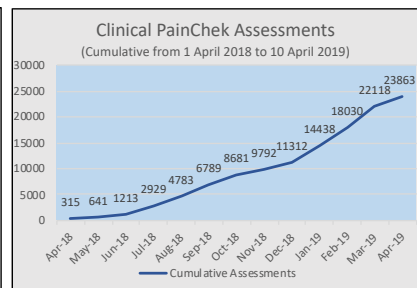
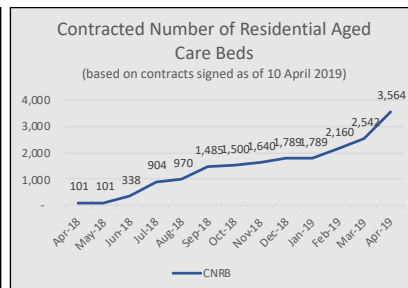
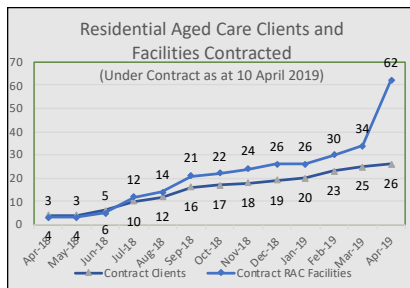
PainChek® sales momentum set to accelerate with Federal Government support

Local Sales Development:

PainChek® has enjoyed another positive sales quarter and is rapidly becoming the new standard for pain assessment within Australian Residential Aged Care. Today, more than 3,500 residents across 62 aged care sites have licensed access to the PainChek® technology. Since the 31st March 2019 we have effectively doubled our local market penetration increasing the number of contracted aged care beds from 2,160 to 3,564 and aged care facilities from 30 to 62. In addition, the number of PainChek® clinical assessments has increased from 18,030 to more than 23,000 confirming strong take up and clinical utility of the App.

New clients include a 1,000-bed license agreement with Churches of Christ in Queensland (CofCQ) who own and operate 28 Queensland RAC homes.

The license agreement followed a successful PainChek® trial at CofCQ involving a number of residents living with dementia. “The PainChek® App helped our carers identify the presence and severity of residents’ pain when their pain wasn’t obvious. This information allowed our carers to provide more effective pain management, improving the quality of life for our residents. Rolling out the PainChek® technology will mean we can better assess pain for our residents giving them access to appropriate treatment more quickly,” said Bryan Mason, Executive Director of Services of CofCQ.



The following is a summary of the B2B Australian sales and market development to the end of the quarter:

Summary of Agreements	Cumulative No. of Contracted RAC Customers	Cumulative No. of Contracted RAC's	Cumulative No. of Contracted Beds	Cumulative No. of Assessments (Active Clients)	Monthly Recurring Revenue (MRR)* as at quarter end	Annual Recurring Revenue (ARR)* as at quarter end
For the 3 months ended 31 Mar 2018	2	2	65	135	2,150	25,800
For the 3 months ended 30 Jun 2018	5	5	338	1,213	3,552	42,620
For the 3 months ended 30 Sept 2018	15	21	1,485	6,789	10,582	126,990
For the 3 months ended 31 Dec 2018	18	26	1,789	11,312	11,982	143,790
For the 3 months ended 31 Mar 2019	23	34	2,542	22,118	15,384	184,607

*Monthly Annualised Revenue (MRR) includes subscription revenue on contracts of 12 months and longer and excludes one off fees for support and training. MRR and ARR are both calculated on the basis of contracts signed as of quarter end, and include the one non-RAC contract for DSA. As such, MRR and ARR do not represent revenue recognised in the accounts for the periods ending on those dates.

Australian Government Funding:

PainChek Ltd has welcomed the announcement that the Morrison Government will invest \$5M to facilitate the implementation of the company's PainChek® app in Australian residential aged care centres (RAC's).

The announcement was made in Perth on 29th April 2019 (see ASX release of same date) by the Minister for Senior Australians and Aged Care Ken Wyatt AM at Regents Gardens Aged Care. The funding makes provision for a universal PainChek® access license for the more than 1,000 Residential Aged Care Providers in Australia and their 100,000 residents living with dementia for a one-year period. The contract is in the process of being finalized.

There are more than 220,000 residents in aged care within Australia of which around 50% are living with dementia. Undiagnosed or poorly diagnosed pain is a huge issue among that group.

PainChek CEO Philip Daffas commended the Federal Government and the Hon Ken Wyatt AM for showing genuine vision and a strong commitment to improving the care of non-verbal Australians who are in residential care.

“Better pain identification and better medication management means a better quality of life for people receiving aged care. This trial will complement the reforms already announced by the Morrison Government to improve medication management and provide a record boost to dementia prevention, treatment and support” said Minister Wyatt.

This significant investment is set to trigger widespread and long-term use of the PainChek® app within Australian Residential Aged Care. As a business we have been making good progress by approaching aged care providers individually, but this will take the penetration into Residential Aged Care to a whole new level in double-quick time.

We are well positioned to roll out PainChek rapidly through a range of training programmes and partners including on-line training capabilities and we will be working hard to implement PainChek® as quickly as possible across nominated aged care homes.

This program will also help refine how the app gets integrated into every day clinical care in the aged residential setting working with our current and future Care Management System providers in Australia.

Other local market segments:

Having established a solid base within Residential Aged Care, we will be broadening PainChek® App use into other market segments in Australia including hospitals, GP, home care operators and direct to home family members for the remainder of 2019.

These market segments are significantly large in their own right and our rapid implementation into Aged Care will help facilitate faster entry into these market segments.

International Expansion:

We continue to make positive progress with strategic partners in the UK, Singapore and New Zealand and target to have commercial agreements in place in each market by the end of June 2019, further expanding our commercial progress and global market reach.

Federal Drug Administration:

During April 2019 we had a positive teleconference meeting with Federal Drug Administration (FDA) and have submitted more data in relation to obtaining regulatory clearance in the USA. FDA advised there is no predicate for PainChek® in the USA thus confirming the De Novo application as the route to the USA market clearance. We are scheduling a face to face meeting with FDA in the USA prior to June 30th 2019 as part of the regulatory process. We still project FDA clearance for the PainChek® Adult App during 2020.

Patents:

We continue to make positive progress with our national patent filings for the PainChek® App in all key jurisdictions including Europe, US, Japan and Australia.

PainChek Children's App:

The Children's App is complete featuring new technology that enables the facial detection system to capture children's facial pain features even during rapid head movement. We are finalizing the ethics approval and contractual agreement for the clinical trial with a leading children's hospital in the east coast of Australia. While these negotiations have taken longer than originally projected, we believe the collaboration will be significant to deliver on our regulatory clearances and long-term development for a range of children's apps. We project commencement of the clinical trial prior to June 2019 and initial regulatory clearance prior to the end of calendar 2019.

Summary:

In two years the PainChek® Adult App has been clinically proven, regulatory cleared and is now in the process of being Government funded. These are all significant milestones for a medical device and achieved in a very short timeframe. The rapid sales progress made in Australian Residential Aged Care during the past year is clear to see and reflects the transformational impact on pain management and better medication treatment for residents living with dementia and other communication difficulties.

The Australian Federal Government funding and integration with care management systems will now accelerate the uptake in Australia and provide the base for global expansion into large untapped markets where 50 million people are living with dementia.

The PainChek children's App version is close to starting clinical trials in a leading Australian children's hospital and serves an even larger market, where globally there are more than 400 million children between the aged of 0-3 years.

The Company's quarterly cash report (Appendix 4C) follows. The Company has been focussed on tightly managing cash expenditure and has delivered the sales growth referred to above whilst maintaining staffing levels.

The Company has welcomed those option holders who have elected to exercise their options during the quarter which has provided \$350,000 additional capital.

The Company is on target to achieve its commercial milestones for calendar 2019 and become the new global gold standard for pain assessment in multiple healthcare market segments.

Philip Daffas

30th April 2019

Enquiries:

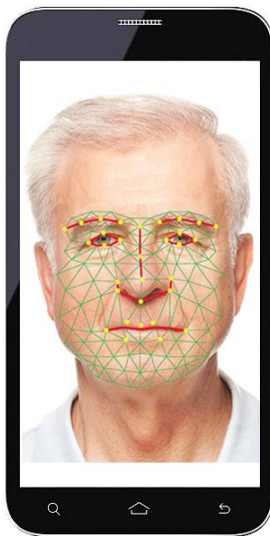
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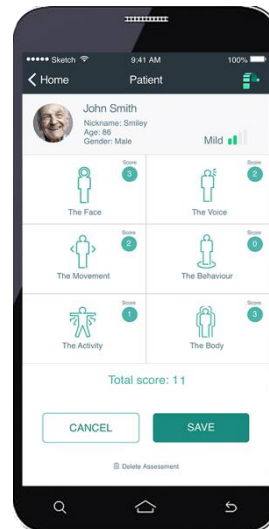
About PainChek:

PainChek® Ltd is an Australian based company that develops pain assessment technologies.

PainChek® is a smart-phone based medical device using artificial intelligence to assess and score pain levels in real time and update medical records in the cloud. PainChek® records a short video of the person's face and analyses the images that indicate pain and records them.



PainChek® artificial intelligence assesses facial micro-expressions that are indicative of the presence of pain



PainChek® six domains of pain assessment that calculates pain severity score

Next, the caregiver uses PainChek® to record their observations of other pain related behaviours that complete the assessment. Finally, PainChek® calculates an overall pain score and stores the result allowing the caregiver to monitor the effect of medication and treatment over time.

PainChek® is being rolled out globally in two phases: first, PainChek® for adults who are unable to effectively verbalise their pain such as people with dementia, and second, PainChek® for Children who have not yet learnt to speak.

The PainChek® Shared Care Program is a PainChek® licensing model which enables a professional carer to share their resident or patient data securely with other healthcare professionals or designated home-based family carers for ongoing pain assessments or clinical data review.

To find out more, visit www.painchek.com