

PainChek Ltd ACN 146 035 127

OFFER BOOKLET

PainChek Ltd ACN 146 035 127 (**Company**) is undertaking a 1 for 20 pro rata non-renounceable entitlement offer of Shares at an issue price of \$0.028 per New Share to raise approximately \$1.59 million before costs.

The Entitlement Offer closes at 5.00pm* (Sydney time) on Wednesday, 27 July 2022.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information and requires your immediate attention. You should read both documents carefully and in their entirety, with emphasis on the risk factors detailed in Section 3 -. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. If you have any queries please call your stockbroker, accountant or other professional adviser or the PainChek Offer Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Offer Period (10.00am on Monday, 4 July 2022 to 5.00pm on Wednesday, 27 July 2022), or visit our website at www.painchek.com.

*The Company reserves the right, subject to the Corporations Act and ASX Listing Rules to extend the Closing Date for the Entitlement Offer.

Contents

Important Notices	3
Chairman’s Letter	9
Key Dates	11
What Should You Do?.....	13
Section 1 - Overview of the Entitlement Offer	15
Section 2 - How to Apply – Eligible Shareholders.....	25
Section 3 - Risk Factors	28
Section 4 - Australian Taxation	32
Section 5 - Further Information.....	35
Eligible Shareholder Declarations.....	38
Glossary	40
Corporate Directory.....	42
Annexure A – ASX Announcement	43

Important Notices

This Offer Booklet is dated 4 July 2022. Capitalised terms in this section have the meaning given to them in this Offer Booklet (including the Glossary).

This Offer Booklet is issued by PainChek Ltd ACN 146 035 127 (**Company** or **PainChek**).

This Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows entitlement offers to be offered without a prospectus. This Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus. As a result, it is important for you to read and understand this Offer Booklet in its entirety, along with the publicly available information on PainChek and the Entitlement Offer (for example, the information available on PainChek's website <https://www.painchek.com/> and on the ASX's website www.asx.com.au) and seek advice from your financial, taxation and/or professional advisor prior to deciding whether to accept your Entitlement and apply for New Shares.

Section 3 - details important factors and risks that could affect the financial and operating performance of PainChek. When making an investment decision in connection with this Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 - and Section 4 - of this Offer Booklet).

Investments in PainChek are subject to investment risk, including delays in repayment and loss of income and capital invested. Neither PainChek nor the Underwriter guarantees any return or any particular rate of return on the New Shares offered under the Entitlement Offer, the performance of PainChek generally, the repayment of capital from PainChek or any particular tax treatment.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with, and agree to the terms of the Entitlement Offer, detailed in this Offer Booklet.

No overseas offering

This Offer Booklet, the accompanying Entitlement and Acceptance Form and the ASX Announcement, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer or invitation to Ineligible Shareholders.

This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made under the Entitlement Offer, in countries other than Australia and New Zealand, except as permitted below.

No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

It is your responsibility to ensure that you comply with any laws of your jurisdiction which are applicable to you and which are relevant to you in applying for New Shares under the Entitlement Offer.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for PainChek to lawfully receive your Application Monies.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the New Shares) are in Hong Kong, you (and any such person) represent and warrant that you are a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong).

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Serbia

This document has not been, and will not be, registered with or approved by the Serbia Securities Commission or other regulator in Serbia. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Serbia except in circumstances that do not require a prospectus under the Law on the

Capital Markets of Serbia, including to persons who are "qualified investors" (as defined in the Law on the Capital Markets).

If you (or any person for whom you are acquiring the New Shares) are in Serbia, you (and any such person) represent and warrant that you are a "qualified investor" (as defined in the Law on the Capital Markets of Serbia).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the New Shares) are in Singapore, you (and any such person):

- represent and warrant that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA"));
- represent and warrant that you will acquire the New Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the New Shares is subject to the restrictions (including resale restrictions) set out in the SFA.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

If you (or any person for whom you are acquiring the New Shares) are in the United Kingdom, you (and any such person) represent and warrant that you are:

- a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and
- within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

United States - NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet and the accompanying Entitlement and Acceptance Form and ASX Announcement do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

No rights issue exception for excluded foreign Shareholders

No nominee has been appointed for excluded foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to section 606 of the Corporations Act.

Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of an Application for New Shares under the Entitlement Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

Details of the effect of the Entitlement Offer on the control of the Company are set out in Section 5.6.

Definitions and currency

Defined terms used in this Offer Booklet are contained in the Glossary. All currency amounts in this Offer Booklet are in Australian dollars unless otherwise stated.

Times and dates

All dates and times in this Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on PainChek's website at www.painchek.com. Refer to the Key Dates section for more details.

Not investment advice

Shareholders must note that the information provided in this Offer Booklet and the accompanying Entitlement and Acceptance Form does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Shareholder may require in order to determine whether or not to subscribe for New Shares. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

Past Performance

Investors should note that PainChek's past performance, including past share price performance and historical information in ASX announcements, cannot be relied upon as an indicator of (and provides no guidance as to) PainChek's future performance, including PainChek's future financial position or share price performance. The pro forma historical information is not represented as being indicative of PainChek's views on its future financial condition or performance.

Forward-looking statements

This Offer Booklet contains certain "forward looking statements" including, without limitation, projections and guidance on the performance of PainChek and the outcome of the Entitlement Offer. Forward looking statements can generally be identified by use of forward looking words such as "anticipate", "expect", "likely", "intend", "should", "could", "may", "propose", "predict", "plan", "potential", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the future performance of PainChek and the outcome and effects of the Entitlement Offer and use of proceeds. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Offer Booklet, or any events or results expressed or implied in any forward-looking statement. Forward-looking statements, opinions and estimates provided in this Offer Booklet are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, PainChek, the Underwriter, their respective affiliates and related bodies corporate, and each of their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Risks

Refer to the Section 3 - of this Offer Booklet for a summary of general and specific risk factors that may affect PainChek.

Trading New Shares

PainChek, the Underwriter and their respective affiliates and related bodies corporate will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis

of confirmation of the allocation provided by PainChek or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional advisers.

Chairman's Letter

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you to participate in PainChek's recently announced 1 for 20 pro rata non-renounceable entitlement offer (**Entitlement Offer**) of new PainChek fully paid ordinary shares (**New Shares**) at an issue price of \$0.028 per New Share (**Issue Price**).

On Friday, 24 June 2022, PainChek announced that it had received commitments from a range of institutional and sophisticated investors to raise approximately \$3 million (before costs) via an institutional placement (**Placement**), and its intention to undertake the Entitlement Offer (the Entitlement Offer and Placement are together referred to as the **Offer** or **Equity Raising**).

This Offer Booklet relates to the Entitlement Offer.

Use of Funds

Funds raised from the Equity Raising will be used as follows:

- general working capital requirements and costs of the Equity Raising;
- Sales & Marketing and Operations & Support Staff;
- product development including a core technology upgrade, development of the Infant App V2, and to support the production of the USA FDA Adult App; and
- seek to obtain US FDA clearance and provide funding to support clinical trials.

Overview of Entitlement Offer

The Entitlement Offer is being made to all eligible shareholders as defined in Section 1.2 (**Eligible Shareholders**) who are registered as a holder of Shares as at 7.00pm on Wednesday, 29 June 2022 (being the **Record Date**).

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 20 Shares of which they are the registered holder as at the Record Date for the Issue Price. Eligible Shareholders who take up their Entitlements in full may also apply for additional New Shares at the Issue Price in excess of their Entitlements (**Additional New Shares**) under the Shortfall Facility. The allocation of Additional New Shares will be limited to the number of New Shares for which valid Applications from Eligible Shareholders are not received by the Closing Date and Entitlements for New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer.

The Issue Price represents a discount of:

- 15.2% discount to the price of Shares of \$0.033 as at the close of trading on 21 June 2022, being the last day of trading of Shares before the Entitlement Offer was announced;
- 17.5% discount to the 20-day Volume Weighted Average Price ("VWAP") of \$0.034 up to and including 21 June 2022; and
- 19.0% discount to the 30-day Volume Weighted Average Price ("VWAP") of \$0.035 up to and including 21 June 2021.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Underwriter**), subject to the terms of the Offer Management and Underwriting Agreement (see Section 1.8 for more details).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferrable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The New Shares issued under the Entitlement Offer (including any Additional New Shares issued under the Shortfall Facility) will rank equally with existing Shares on issue and will be entitled to participate in all future distributions of PainChek.

Each Director who holds Shares in PainChek, or controls an entity that holds Shares, has indicated that they will participate in the Entitlement Offer and subscribe for their full Entitlement.

Actions required to take up your Entitlement

The number of New Shares for which you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form which will be despatched to Eligible Shareholders on Monday, 4 July 2022, together with instructions on how you can access the Offer Booklet. An electronic version of the Offer Booklet is available to Eligible Shareholders at the Offer Website, www.investorserve.com.au.

As noted above, the Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferrable. If you do not participate in the Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you decide to take this opportunity to increase your investment in PainChek please ensure that you have paid your Application Monies, preferably via BPAY®, so that they are received before 5.00pm (Sydney time) on Wednesday, 27 July 2022 in accordance with the instructions set out in your personalised Entitlement and Acceptance Form.

The Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 27 July 2022

This Offer Booklet contains important information regarding the Entitlement Offer, and the Board encourages you to carefully read this Offer Booklet in its entirety and to seek appropriate professional advice before making any investment decision. In particular, you should refer to Section 3 - of this Offer Booklet for a summary of general and specific risk factors that may affect PainChek and the Entitlement Offer.

For further enquiries about the Entitlement Offer, please contact PainChek's Offer Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Offer Period.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

On behalf of the Directors of PainChek, I invite you to consider this opportunity and thank you for your continued support.

Yours faithfully,

John Murray
Non-Executive Director and Non-Executive Chairman

Key Dates

Key event	Date
Announcement of the Entitlement Offer and results of Placement	Friday, 24 June 2022
Record Date for eligibility in the Entitlement Offer	7.00pm on Wednesday, 29 June 2022
Placement Settlement Date	Thursday, 30 June 2022
Placement Allotment Date	Friday, 1 July 2022
Offer Booklet despatched	Monday, 4 July 2022
Entitlement Offer opens	10.00am on Monday, 4 July 2022
Entitlement Offer closes (Closing Date)	5.00pm on Wednesday, 27 July 2022
Announcement of results of Entitlement Offer including Shortfall (if any)	Friday, 29 July 2022
Entitlement Offer Settlement Date	Tuesday, 2 August 2022
Issue and allotment of New Shares under Entitlement Offer (including Additional New Shares) (Issue Date)	Wednesday, 3 August 2022
Despatch of holding statements for New Shares	Thursday, 4 August 2022
New Shares commence trading on ASX on a normal settlement basis	Thursday, 4 August 2022

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. PainChek reserves the right to amend any or all of these dates and times, with the consent of the Underwriter, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, PainChek reserves the right to extend the Closing Date and to accept late Applications under the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the Issue Date for New Shares under the Entitlement Offer. Any changes to the timetable will be posted on PainChek's website at www.painchek.com.

PainChek also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to issue of the New Shares under the Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to

submit their payment as soon as possible after the Entitlement Offer opens to ensure their Application is received by the Registry in time.

What Should You Do?

1. Read this Offer Booklet and the accompanying Entitlement and Acceptance Form

This Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Entitlement Offer. The Offer Booklet can be viewed at www.investorserve.com.au.

This Entitlement Offer is not being made under a prospectus. This Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus. As a result, it is important for you to read and understand this Offer Booklet in its entirety, along with the publicly available information on PainChek and the Entitlement Offer (for example, the information available on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

2. Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

An investment in New Shares is subject to both known and unknown risks, some of which are beyond the control of PainChek. These risks include the possible loss of income and principal invested. PainChek does not guarantee any return, any particular rate of return, the performance on the New Shares offered under the Entitlement Offer, the performance of PainChek generally or the repayment of capital from PainChek. In considering an investment in New Shares, investors should have regard to (amongst other things) Section 3 - and Section 4 - of this document and the disclaimers outlined in this Offer Booklet.

3. Decide what you want to do

If you are an Eligible Shareholder, you have three options available to you in relation to the Entitlement Offer:

1. take up all of your Entitlement and if you wish, apply for Additional New Shares in excess of your Entitlement under the Shortfall Facility (refer to Section 2.2);
2. take up part of your Entitlement (refer to Section 2.2); or
3. do nothing and allow your Entitlement to lapse (refer to Section 2.3).

All Shareholders who do not satisfy the criteria to be Eligible Shareholders are **Ineligible Shareholders**. Ineligible Shareholders may not take up any of their Entitlements.

Eligible Shareholders who do not participate in the Entitlement Offer, or participate for an amount less than their full Entitlement will have their percentage holding in PainChek reduced. Eligible Shareholders who participate in the Entitlement Offer will see their percentage holding in PainChek reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and whether they subscribe for Additional New Shares under the Shortfall Facility.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

4. Apply for New Shares

To participate in the Entitlement Offer, please make payment by BPAY[®], so that it is received by 5.00pm (Sydney time) on Wednesday, 27 July 2022 pursuant to the instructions set out on the Entitlement and Acceptance Form. See Section 2 - for more information.

If you take no action your Entitlement under the Entitlement Offer will lapse.

5. Questions

For further enquiries about the Entitlement Offer, please contact PainChek's Offer Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Offer Period.

Section 1 - Overview of the Entitlement Offer

1.1 Overview of Entitlement Offer

The Entitlement Offer is a non-renounceable rights offer to Eligible Shareholders of 1 New Share for every 20 held as at the Record Date at an issue price of \$0.028 per New Share (**Issue Price**) to raise approximately \$1.59 million before costs.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Underwriter**), pursuant to the terms an Offer Management and Underwriting Agreement (**Offer Management and Underwriting Agreement**) (see Section 1.8 for more details).

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Under the Entitlement Offer, Eligible Shareholders are being invited to subscribe for all or part of their Entitlement and are being sent this Offer Booklet with a personalised Entitlement and Acceptance Form. Eligible Shareholders who take up their Entitlements in full may also apply for additional New Shares at the Issue Price in excess of their entitlements (**Additional New Shares**) through the Shortfall Facility (see Section 1.4 for more details). Eligible Shareholders who have requested to receive their communications via email will be sent a personal link to their Entitlement and Acceptance Form and the Offer Booklet by email. No brokerage fees are payable by Eligible Shareholders who exercise their Entitlement or participate in the Shortfall Facility.

The Entitlement Offer is currently scheduled to close at 5.00pm (Sydney time) on Wednesday, 27 July 2022 (**Closing Date**), with New Shares to be issued on Wednesday, 3 August 2022.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in the "What Should You Do?" section of this Offer Booklet.

1.2 Eligible Shareholders

The Entitlement Offer constitutes an offer only to Eligible Shareholders, being Shareholders on the Record Date who have a registered address in Australia or New Zealand, or whom the Company otherwise determines is eligible to participate, and are eligible under all applicable laws to receive an offer under the Entitlement Offer. A person in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such persons in the United States) is not entitled to participate in the Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is by reference to a number of matters, including legal requirements and the discretion of PainChek and the Underwriter. PainChek, the Underwriter and their respective affiliates and related bodies corporate disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Unless the Company otherwise determines, the Entitlement Offer is being made under this Offer Booklet and the Entitlement and Acceptance Form only to those Shareholders (**Eligible Shareholders**) who:

- (a) are registered as a holder of Shares as at the Record Date;

- (b) have a registered address on the PainChek share register that is in Australia or New Zealand, or is a Shareholder that PainChek otherwise determines is eligible to participate;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such persons in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without a prospectus or other disclosure document or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**. PainChek is of the view that it is unreasonable to make an offer under the Entitlement Offer to Shareholders outside of the above jurisdictions having regard to:

- (a) the number of Shareholders outside those jurisdictions as a proportion of total Shareholders in PainChek;
- (b) the number and value of the New Shares that would have been offered to those Shareholders outside of those jurisdictions; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

1.3 Placement

The Shares under the Placement will be issued with an issue price of \$0.028 per Share under the Company's placement capacity pursuant to Listing Rule 7.1. The Shares are anticipated to be issued on Friday, 1 July 2022, after the Record Date for the Entitlement Offer. As such, investors in the Placement cannot participate in the Entitlement Offer as Eligible Shareholders.

1.4 Shortfall Facility

In the event that there is a shortfall under the Entitlement Offer, the Shortfall Facility will allow Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). Eligible Shareholders can subscribe for Additional New Shares by completing the relevant part of the Entitlement and Acceptance Form, or through BPAY[®], please refer to Section 2.2. PainChek intends to satisfy the applications for Additional New Shares made by Eligible Shareholders wishing to participate in the Shortfall Facility as soon as possible after close of the Entitlement Offer, and issue those Additional New Shares on the Issue Date.

The Company (in consultation with the Underwriter) will retain complete discretion regarding the allocation of Additional New Shares which Eligible Shareholders subscribe for in excess of their Entitlement. Any scale-back will be applied by the Company in consultation with the Underwriter and at the Company's discretion. In the event of a scale back, the difference between the Application Monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

The allocation of Additional New Shares will be limited to the number of New Shares for which valid Applications from Eligible Shareholders are not received by the Closing Date and Entitlements for New

Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer (**Shortfall**).

There is no guarantee that those Eligible Shareholders will receive the number of Additional New Shares applied for. The Company's decision on the number of Additional New Shares to be allocated to you will be final. In accordance with the terms of the underwriting, the Underwriter will subscribe or procure subscriptions for any remaining Shortfall.

The Company will not issue Additional New Shares where the Company is aware that to do so would result in a breach of the Corporations Act (including section 606 of the Corporations Act) or the ASX Listing Rules. Eligible Shareholders wishing to apply for Additional New Shares under the Shortfall Facility must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates). The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual Shareholders do not breach the Corporations Act or the ASX Listing Rules as a result of participation in the Entitlement Offer.

1.5 Use of proceeds from Entitlement Offer

The Company intends to apply the funds raised under the Equity Raising (being the Placement and Entitlement Offer) as follows:

Use of proceeds	Amount (\$)
Sales & Marketing and Operations & Support staff	\$0.2m
Working capital to break even in Australia	\$0.6m
Product development	\$1.9m
US FDA clearance, clinical trials	\$1.5m
Costs of the Equity Raising	\$0.4m
Total	\$4.6m

1.6 Ranking of New Shares

New Shares (including Additional New Shares) will rank equally with existing Shares on issue.

1.7 Reconciliation and fractional entitlements

In any entitlement offer, investors may believe that they own more or fewer existing Shares on the Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement. If this is required, it is possible that PainChek may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement. The price at which these Shares will be issued will be the same as the Issue Price. PainChek also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Shareholders.

To the extent that the application of the offer ratio of 1 New Share for every 20 existing Shares held on the Record Date results in a fractional entitlement to New Shares for a particular Shareholder, that Shareholder's Entitlement shall be rounded to the nearest whole number of New Shares.

1.8 Underwriting arrangements and fees

Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Underwriter**) will be acting as lead manager and underwriter of the Entitlement Offer and as lead manager to the Placement. PainChek has entered into the Offer Management and Underwriting Agreement with the Underwriter in respect of the Equity Raising. The Entitlement Offer is fully underwritten, and the Placement is not underwritten.

PainChek must pay the Underwriter:

- a selling fee equal to 4% of the proceeds raised under the Placement and a management and bookrunning fee equal to 2% of the proceeds raised under the Placement; and
- an underwriting and selling fee of 4% of the proceeds raised under the Entitlement Offer and a management fee equal to 2% of the proceeds raised under the Entitlement Offer.

PainChek must also pay or reimburse the Underwriter for costs it has reasonably incurred in respect of the Entitlement Offer, including legal fees (up to a maximum of \$20,000) and reasonable out of pocket expenses (including travel expenses, marketing and communication costs, printing, postage and other distribution costs). Subject to certain exceptions, PainChek has agreed to indemnify the Underwriter, its affiliates and related bodies corporate (as that expression is defined in the Corporations Act), and their respective directors, officers and employees (each an **Indemnified Party**) against all losses suffered or incurred by an Indemnified Party, directly or indirectly, or claims made against an Indemnified Party, arising out of or in connection with (amongst other things) the Equity Raising or the Offer Management and Underwriting Agreement.

As is customary with these types of arrangements, the Offer Management and Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriter. The Underwriter may also, in certain circumstances, terminate its obligations under the Offer Management and Underwriting Agreement on the occurrence of certain termination events (in some circumstances, having regard to the materiality of the relevant event). The termination events of the Underwriter have been summarised below:

- PainChek ceases to be admitted to the official list of ASX or its Shares are suspended from trading on, or cease to be quoted on ASX;
- PainChek or a subsidiary which represents 5% or more of the consolidated assets or earnings of the Group is insolvent or a circumstance arises which is likely to result in PainChek or a subsidiary becoming insolvent;
- PainChek withdraws all or any part of the Equity Raising;
- there is an event or occurrence which makes it illegal for the Underwriter to satisfy a material obligation of the Offer Management and Underwriting Agreement or to market, promote or settle the Equity Raising;
- PainChek is unable to issue or prevented from issuing any Shares offered under the Equity Raising by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- a director or the chief executive officer or chief financial officer of PainChek is charged with an indictable offence or fraudulent conduct, any director of PainChek is disqualified under the Corporations Act from managing a corporation, or any regulatory body commences public

action against PainChek, any director of PainChek or chief executive officer or chief financial officer of PainChek;

- there is a change (or a change is announced) in the chief executive officer, chief financial officer or chairman of PainChek, other than one which has already been disclosed;
- there is an alteration of PainChek's capital structure without the prior consent of the Underwriter, other than as provided in the Offer Management and Underwriting Agreement or as a result of the Equity Raising;
- the S&P/ASX Small Ordinaries Index falls to a level which is 10% or more below the level of that index on the close of trading on the business day before the date of the Offer Management and Underwriting Agreement and closes at or below that level on:
 - any two consecutive business days after the date of the Offer Management and Underwriting Agreement; or
 - at the close of trading on the business day immediately prior to the Placement Settlement Date or Entitlement Offer Settlement Date;
- ASIC commences certain regulatory action, including applying for an order under Part 9.5 of the Corporations Act in relation to the Equity Raising, holding an inquiry or investigation (or giving notice of an intention to do so) in relation to the Equity Raising, or prosecuting (or giving notice of an intention to prosecute) or commencing proceedings against PainChek or any of its officers, employees or agents in relation to the Equity Raising, which is not withdrawn by the date that is the earlier of the business day before the Placement Settlement Date or the Entitlement Offer Settlement Date (as applicable) or 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- there is an application to a governmental agency for an order, declaration or other remedy in connection with the Equity Raising (or any part of it), which is not withdrawn by the date that is the earlier of the business day before the Placement Settlement Date or the Entitlement Offer Settlement Date (as applicable) or 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- ASIC makes a determination under subsection 708A(2) of the Corporations Act or subsection 708AA(3) of the Corporations Act;
- in the opinion of the Underwriter (acting reasonably), a cleansing notice issued in connection with the Equity Raising is defective and PainChek is required to issue a corrective notice under the Corporations Act to correct that cleansing notice;
- any material authorisation of the Group is invalid, revoked or unenforceable, breached or not complied with in a material respect;
- PainChek commits a breach of the Corporations Act, ASX Listing Rules, its constitution or other applicable laws or its constitution, solely in connection with the Equity Raising;
- a certificate which is required to be furnished by PainChek under the Offer Management and Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or

misleading or deceptive in any material respect (including by omission);

- unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Equity Raising) by ASX for official quotation of the Shares issued under the Equity Raising is refused or is not granted by the time required to issue those Shares in accordance with the timetable for the Equity Raising or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Equity Raising) or withdrawn; or
- any event specified in the timetable for the Equity Raising is delayed without the Underwriter's consent.

The Underwriter may also terminate its obligations under the Offer Management and Underwriting Agreement on the occurrence of the following termination events, only where in its reasonable opinion, such termination event has had, or is likely to have, a material adverse effect on the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of PainChek or the Group, the success or outcome of the Equity Raising, the willingness of investors to subscribe for Shares under the Equity Raising or the likely price at which Shares offered under the Equity Raising will trade on ASX, or has given rise to or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation:

- PainChek fails to perform or observe any of its obligations under the Offer Management and Underwriting Agreement;
- any of the documents required to be provided under the due diligence planning memorandum in connection with the Equity Raising, including the due diligence report, having been withdrawn, or varied without the prior written consent of the Underwriter;
- the due diligence report or the information provided by or on behalf of PainChek in relation to the due diligence program for the Equity Raising, the information documents prepared in connection with the Equity Raising or the Equity Raising is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- a representation or warranty made or given by PainChek under the Offer Management and Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- legal proceedings (other than disclosed in the Investor Presentation lodged with the ASX in connection with the Placement) against PainChek or its related bodies corporate or against any director of PainChek or its related bodies corporate in that capacity is commenced or any regulatory body commences any enquiry or public action against PainChek or its related bodies corporate;
- PainChek commits a breach of the Corporations Act, ASX Listing Rules, its constitution, or other applicable laws or its constitution, other than in connection with the Equity Raising;
- PainChek or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Equity Raising;

- a new circumstance arises which is adverse to investors and which would have been required by the Corporations Act to be included in the cleansing notice issued in connection with the Entitlement Offer had the new circumstance arisen before that cleansing notice was given to ASX;
- there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of PainChek or the Group;
- any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, is unlikely to be met in the projected timeframe;
- any statement given in a document issued in connection with the Equity Raising is or becomes false, misleading or deceptive or does not contain all information required or comply with all applicable laws;
- PainChek issues certain information documents in connection with the Equity Raising or varies or withdraws existing information documents without the prior approval of the Underwriter;
- there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or regulation, or a governmental agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be) any of which does or is likely to prohibit or regulate the Equity Raising or adversely affects the Group;
- a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or the People's Republic of China (including Hong Kong) is declared by the relevant central banking authority in any of those countries;
- trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, Euronext, the SGX, the Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect;
- the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union, or Hong Kong;
- major hostilities not existing at the date of the Offer Management and Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union, or the Peoples Republic of China (including Hong Kong)), or in relation to the existing conflict in Ukraine, there is a nuclear incident or Russia commences hostilities with any

country (in addition to the existing hostilities already commenced with Ukraine); or

- subject to certain exceptions (including permission from the Underwriter), a prescribed occurrence within the meaning of paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act occurs as if references to 'the target' were replaced with references to PainChek.

If the Underwriter terminates the Offer Management and Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations which remain to be performed under the Offer Management and Underwriting Agreement but the termination will not limit or prevent the exercise of any other rights or remedies which any of the parties may otherwise have under the Offer Management and Underwriting Agreement.

Neither the Underwriter nor any of their respective related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives, agents or advisers (the **Limited Parties**) have authorised or caused the issue of this Offer Booklet and they do not take responsibility for any statements made in this Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Limited Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Limited Parties make any representation or warranties as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warranty and agree that you have not relied on any statements made by the Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

The Underwriter and its affiliates and related bodies corporate may also hold interests in the securities of PainChek or earn brokerage, fees or other benefits from PainChek. The engagement of the Underwriter by PainChek is not intended to create any agency, fiduciary or other relationship between the Underwriter and the Ineligible Shareholders or any other investor.

1.9 Issue, quotation and trading of New Shares

PainChek currently expects that New Shares will be issued on Wednesday, 3 August 2022. PainChek will apply to ASX for the official quotation of the New Shares in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that normal trading of New Shares issued under the Entitlement Offer will commence on Thursday, 4 August 2022.

1.10 Holding statements

Security holders will be provided with a holding statement, which will set out the number of New Shares allotted to them under the Entitlement Offer. Holding statements are expected to be despatched to Eligible Shareholders on Thursday, 4 August 2022.

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. PainChek, the Underwriter and their respective affiliates and related bodies corporate each disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding

statements, whether on the basis of confirmation of the allocation provided by PainChek, the Registry or the Underwriter.

1.11 Withdrawal of the Entitlement Offer

PainChek reserves the right to withdraw all or part of the Entitlement Offer at any time (subject to applicable laws) in which case PainChek will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to PainChek will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to PainChek.

1.12 Effect on capital structure

1.12.1 Share capital

The principal effect of the Equity Raising on PainChek's issued share structure will be to increase the total number of Shares on issue. The following table sets out the number of Shares on issue prior to the announcement of the Entitlement Offer and, subject to the rounding of fractional entitlements, the total number of issued Shares at the completion of the Entitlement Offer:

Shares	Number
Shares on issue prior to announcement of the Entitlement Offer	1,132,630,382
Shares issued under the Placement	107,142,858
New Shares to be issued under the Entitlement Offer (assuming the Entitlement Offer is fully subscribed)	56,632,143
Total Shares on issue on completion of the Entitlement Offer	1,296,405,383

1.12.2 Other securities

As at the date of this Offer Booklet, the Company has on issue:

- 50,241,379 unquoted options with various vesting schedules (**Options**); and
- 8,541,782 unquoted performance rights with various vesting conditions (**Performance Rights**).

The Options and the Performance Rights do not carry any entitlement to participate in the Entitlement Offer, unless exercised or converted prior to the Record Date.

The capital structure on an undiluted basis as at the date of this Offer Booklet is 1,132,630,382 Shares and on completion of the Entitlement Offer (assuming no convertible Securities vest and are converted prior to the Record Date) would be 1,296,405,383 Shares (which includes Shares issued under the Placement).

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed. The Company has 6,957,623 Performance Rights that are subject to escrow restrictions.

1.13 Directors' interests

The relevant interest of each of the Directors of the Company as at the date of this Offer Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Name	Existing Shares		Entitlements
	Shares	%	
Mr John Murray	12,899,193	1.10%	644,960
Mr Philip Daffas	20,499,581	1.81%	1,024,979
Mr Ross Harricks	6,449,597	0.55%	322,480
Mr Adam Davey	9,990,361	0.86%	499,518
Ms Cynthia Pain	Nil	-	Nil

As at the date of this Offer Booklet, each of the Directors who hold Shares intend to take up their Entitlements in full. No Director has participated in the Placement or entered into sub-underwriting arrangements.

Section 2 - How to Apply – Eligible Shareholders

2.1 Choices available to Eligible Shareholders

Eligible Shareholders may do any one of the following:

1. take up all of your Entitlement and if you wish, apply for Additional New Shares in excess of your Entitlement under the Shortfall Facility (refer to Section 2.2);
2. take up part of your Entitlement (refer to Section 2.2); or
3. do nothing and allow your Entitlement to lapse (refer to Section 2.3).

The Entitlement Offer is a pro rata offer to Eligible Shareholders only. If you are an Eligible Shareholder, a copy of your personalised Entitlement and Acceptance Form will be mailed to you.

2.2 Take up all or part of your Entitlement and Additional New Shares

If you wish to take up your Entitlement in full (including applying for Additional New Shares under the Shortfall Facility referred to in Section 1.4) or in part, you may pay by cheque, money order or via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. You can only make payment by BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. If you do not have an account that supports BPAY® transactions, please contact the PainChek Offer Information Line for further instructions.

When making payment by BPAY®, please ensure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) found on your personalised Entitlement and Acceptance Form. Eligible Shareholders who have requested to receive their communications via email will be sent a personal link to their Entitlement Form and the Offer Booklet by email. If you have multiple holdings and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, you will be deemed to have applied only for New Shares on the holding to which that CRN relates, or alternatively your Application may not be recognised as valid and may be rejected.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

To apply and pay via BPAY®, you should:

- read this Offer Booklet and the Entitlement and Acceptance Form in their entirety (also available online at www.investorserve.com.au) and seek appropriate professional advice if necessary;
- make your payment in respect of the full Application Monies via BPAY® for the number of New Shares you wish to subscribe for (being the Issue Price of \$0.028 per New Share multiplied by the number of New Shares) so that it is received by no later than the Closing Date, being 5.00pm (Sydney time) on Wednesday, 27 July 2022.

When making payment via BPAY® you are not required to return the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.4 (Implications of making an Application), including the Eligible Shareholder declarations referred to in the Entitlement and Acceptance Form.

To apply and pay by cheque or money order:

You should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque or money order in Australian currency for the amount of the Application Monies, payable to "PainChek Ltd" and crossed "Not Negotiable".

Your cheque or money order must be:

- for an amount equal to \$0.028 multiplied by the number of New Shares you are applying for;
- In Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of the cheque or money order for Application Monies (or the amount for which the cheque or money order clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for, you will be taken to have applied for such lower number of whole New Shares as your clear Application Monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Your cheque or money order, together with your completed personalised Entitlement and Acceptance Form should be mailed or return to the relevant address shown below and must be received and cleared by no later than 5.00pm (Sydney time) on Wednesday, 27 July 2022. Given potential delays to postal services, it is recommended that Eligible Shareholders apply via BPAY.*

Mailing Address: Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001	Hand Delivery Address: Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
---	--

Cash payment will not be accepted. Receipts for payment will not be issued.

If you take up all or part of your Entitlement and your payment of the Application Monies is received in cleared funds by the Closing Date, being 5.00pm (Sydney time) on Wednesday, 27 July 2022, New Shares are expected to be issued to you on the Issue Date being Wednesday, 3 August 2022. Your payment of the Application Monies will not be accepted after the Closing Date, and no New Shares will be issued to you in respect of such late Application.

Any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been taken up) will be issued to any applicants under the Shortfall Facility, and the Underwriter will subscribe for or procure subscriptions for the remaining Shortfall in accordance with the Offer Management and Underwriting Agreement. If the amount of Application Monies is insufficient to pay in full for the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies. Alternatively, your Application will be rejected.

2.2.1 *Refund of Application Monies*

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after issue. No interest will be paid to applicants on any Application Monies received or refunded.

2.3 Take no action and allow all of your Entitlement to lapse

If you are an Eligible Shareholder and you do nothing, the Entitlements in respect of your Shares will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in PainChek will be diluted to the extent that New Shares are issued to other Shareholders.

2.4 Implications of making an Application

Completing and returning an Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY® will be taken to constitute a representation by the Eligible Shareholders that they:

- have received a copy of this Offer Booklet accompanying the Entitlement and Acceptance Form, and have read them in their entirety;
- make the Eligible Shareholder declarations referred to in the Entitlement and Acceptance Form and on page 38 of this Offer Booklet; and
- acknowledge that once a BPAY® payment is made in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Enquiries

This Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Entitlement Offer. If you:

- have questions in relation to the existing Shares upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please call PainChek's Offer Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Offer Period. If you have further questions you should contact your professional adviser.

Section 3 - Risk Factors

PainChek's activities are subject to a number of risks which may impact future financial performance and the market price at which New Shares trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, other risks are outside of PainChek's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in the share market and risks specific to an investment in PainChek's business.

The list of risk factors is not exhaustive and investors should read this Offer Booklet in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares.

3.1 Successful commercialisation of Adult App in international markets

PainChek has commenced selling its Adult App in Australia and certain international markets, being the United Kingdom, New Zealand and Singapore. Expansion of PainChek's products to international markets is still in early stages and there is no certainty of comparable success in these jurisdictions to that of Australia. Such success will depend on market acceptance and adoption of PainChek's products. Market acceptance of PainChek's products will depend on many factors, including positive clinical trial results (where additional clinical trials are required) and PainChek's ability to develop and market products that are recognised and accepted as reliable, efficacious and cost effective. Clinical evidence may be based on trials conducted by third parties, and as such, PainChek will be partially reliant on the accuracy and efficiency of the trials and reports produced by those third parties. There is no guarantee that adoption of PainChek's existing products and new products will be substantial or sufficient to meet PainChek's sales objectives. If sufficient market acceptance in international markets is not achieved, the growth of PainChek's revenue may slow or decline which will have an adverse impact on PainChek's operating and financial performance.

3.2 Successful commercialisation of Infant App in international markets

PainChek has not commenced selling the Infant App, and its success will depend on market acceptance and adoption of the product. PainChek has received regulatory approval in the European Union, United Kingdom and Australia. In the USA the Infant App is available for use as a Clinical Decision Support device initially for use by Healthcare Professionals. Market acceptance of PainChek's products will depend on many factors, including positive clinical trial results (where additional clinical trials are required) and PainChek's ability to develop and market products that are recognised and accepted as reliable, efficacious and cost effective. Clinical evidence may be based on trials conducted by third parties, and as such, PainChek will be partially reliant on the accuracy and efficiency of the trials and reports produced by those third parties. There is no guarantee that adoption of PainChek's existing products and new products will be substantial or sufficient to meet PainChek's sales objectives. If sufficient market acceptance in international markets is not achieved, the growth of PainChek's revenue may slow or decline which will have an adverse impact on PainChek's operating and financial performance.

3.3 Regulatory approvals

The distribution of PainChek's products is subject to obtaining or maintaining regulatory approvals and other clearances issued by appropriate governmental authorities and regulatory bodies. Regulatory approvals and clearances are also required to enter new markets such as the United States. These processes typically involve new clinical trials and may take extended periods of time and incur unplanned costs, with no certainty of success. Any delay in the receipt of regulatory approvals may result in a delay to the intended launch date of

certain products, which will delay revenue and adversely affect PainChek's financial performance. If PainChek is unable to obtain any of these required regulatory approvals, PainChek's ability to achieve its growth objectives by expansion of its product offerings or geographic expansion of sales may be materially impaired.

3.4 Delays resulting from Covid-19

The Covid-19 pandemic has delayed commencement of planned clinical trials in 2022 for the Infant App and approval from the U.S. Food and Drug Administration ("FDA") for the launch of the Adult App in the United States. In addition, the pandemic has seriously disrupted the operations of Residential Aged Care ("RAC") facilities globally. This has resulted in some existing RAC customers delaying full implementation of the Adult App, and potential RAC customers from agreeing to subscribe to the Adult App. If the Covid-19 pandemic continues to delay planned clinical trials and the FDA approval of PainChek's Adult App for an extended period of time this will have an adverse impact on PainChek's growth plans.

3.5 Competition

Other companies may develop competing products or services which assess and monitor pain in target market segments. PainChek's failure to compete effectively against existing competitors and potential new entrants could have a material adverse effect on PainChek's operating and financial performance.

3.6 Customer retention

There is no certainty that existing RAC customers in Australia who have signed up to receive a free 12-month trial of PainChek's products (under which those license fees are subsidised by the Australian Federal Government) will continue using PainChek's products once their free trial ends and they are required to pay the subscription fees for PainChek products. Further, there is also no guarantee that existing paying customers will elect to renew their existing contracts when those contracts become due for renewal.

3.7 Product Development

PainChek's business is dependent on the continued improvement of existing products and development of new products utilising current or other potential future technology. PainChek cannot guarantee that any products under development will result in the launch of a commercially viable product. If PainChek does not develop new products and product enhancements on a timely basis, the products may become obsolete over time and revenues, cash flow, profitability and competitive position will suffer. Difficulties or delays in research, development or production of new products and services or failure to gain market acceptance of new products and technologies may reduce future revenues and adversely affect PainChek's competitive position.

3.8 Intellectual property protection

The value of PainChek's products is dependent on PainChek's ability to protect its intellectual property, including by trademarks, copyright, patent and moral rights. Any failure to adequately protect its intellectual property rights could have an adverse impact on PainChek's operating and financial performance. PainChek is in the process of developing and protecting its intellectual property, and currently has granted patents in the United States, Japan and China. PainChek is awaiting patent protection in Australia and Europe. PainChek's Australian patent application for its computer assisted pain assessment tool is being opposed at the Patent Office by an unknown party. PainChek has responded to the opposition and will defend at an initial hearing expected in Q3 CY2022, the timeline for final resolution is not currently known and there is no guarantee that this defence will be successful. There is a risk that each pending patent application will not be granted. PainChek's intellectual property rights are dependent on legal protections. However, these protections do not guarantee that PainChek will have commercially significant protection of its intellectual property or that its

competitive position will be maintained. Further, actions that PainChek takes to protect its intellectual property may not be adequate or enforceable. The prosecution of intellectual property rights claims are costly and time consuming and their outcome is uncertain. Failure by PainChek to protect its intellectual property rights could have an adverse impact on PainChek's operating and financial performance.

3.9 Dependence on technology suppliers

PainChek's business relies on its ability to attract and retain in-house or third party technology suppliers. PainChek has contractual agreements in place with third parties such as nViso and Darwin Digital for support and development of its applications. Any inability or failure of suppliers to supply PainChek with relevant products or services may adversely affect PainChek's operating and financial performance. Given the evolution of technology and future capabilities that may be required, PainChek plans to develop further in-house technology and additional suppliers.

3.10 Dependence on key personnel

PainChek currently has a small team of employees and contractors and depends on key people for its success. There is no certainty that key people can be retained or additional resources recruited to execute PainChek's business plans. There is a risk that the departure of such personnel, or any delay in their replacement, could have a significant negative impact on management's ability to operate the business and achieve financial performance targets.

3.11 Risk of shareholder dilution

PainChek is an emerging company which is not yet profitable or cash flow breakeven. The Company may need to raise further funding (via equity or debt financing) to reach cash flow breakeven or to fund growth initiatives. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

3.12 Failure to manage growth

PainChek's future success depends on its ability to manage growth in revenue, employee number and the customer base. Failure to appropriately manage growth could result in failure to retain partners and customers which could adversely affect operating and financial performance.

3.13 Investment risks

There are risks associated with any stock market investment, including the demand for PainChek securities, which may increase or decrease and PainChek securities may trade above or below the Issue Price on the ASX. If PainChek issues new securities, an existing securityholder's proportional interest in PainChek may be reduced. The market price of PainChek securities may be affected by factors unrelated to the operating performance of PainChek such as stock market fluctuations and volatility and other factors that affect the market as a whole.

3.14 Macro-economic risks

Changes to economic conditions in Australia and internationally, investor sentiment and international and local stock market conditions, changes in fiscal, monetary and regulatory policies which may impact economic conditions such as interest rates and inflation and consequently the performance of PainChek.

3.15 Taxation changes

An investment in securities involves tax considerations which differ for each securityholder depending on their individual financial affairs. Changes in tax law or changes in the way taxation laws are interpreted, may impact PainChek's tax liabilities or the tax treatment of a securityholder's investment.

3.16 Litigation risk

In the ordinary course of business, PainChek may be involved in litigation disputes from time to time. Litigation disputes with third parties may adversely impact the financial performance and industry standing of the business.

3.17 Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in PainChek Shares. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of PainChek Shares and the financial performance of the Company. No assurance or guarantee of future performance or profitability of PainChek or the value of PainChek Shares is given.

Section 4 - Australian Taxation

4.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (CGT), goods and services tax (GST) and stamp duty implications of the Entitlement Offer for certain Eligible Shareholders.

The comments in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of trading in securities);
- are subject to the 'TOFA provisions' in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to the Shares; or
- acquired the Shares in respect of which the Entitlement Offer is issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

PainChek and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature. It is strongly recommended that each Eligible Shareholder seeks their own independent professional tax advice applicable to their particular circumstances.

This taxation summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

4.2 Issue of Entitlements

The issue of the Entitlements should not, in and of itself, result in any amount being included in your assessable income.

4.3 Exercise of Entitlements

Eligible Shareholders who exercise their Entitlements will acquire New Shares. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Shares. Each of the New Shares will constitute a separate asset for CGT purposes.

The total cost base (and reduced cost base) of the New Shares should equal the Issue Price for the New Shares plus certain incidental costs incurred in acquiring the New Shares. The cost base should be allocated across the New Shares on a reasonable basis.

Each of the New Shares will be taken to be acquired on the day that the Entitlement in respect of the New Share is exercised.

4.4 Distributions on New Shares

Future distributions made in respect of New Shares will be subject to the same income taxation treatment as distributions made on existing Shares held in the same circumstances.

4.5 Disposal of New Shares

On disposal of a New Share (referred to in this section as a "Share"), you will make a capital gain if the capital proceeds on disposal exceed the total cost base of the Share. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the Share.

As each individual Share is a separate CGT asset, the disposal of a Share will constitute a disposal for CGT purposes of each individual Share. Accordingly, the capital proceeds referable to the disposal of each Share will need to be determined by apportioning the total capital proceeds received in respect of the disposal of the Share on a reasonable basis.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months (not including the dates of acquisition and disposal of the Shares) should be entitled to discount the amount of any capital gain resulting from the disposal of the Shares (after the application of any current year or carry forward capital losses).

The CGT discount applicable is currently 50% for individuals and trustees and 33 1/3% for complying superannuation entities. The CGT discount is not available for companies that are not acting as trustee for a trust. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Shares, the capital loss can only be used to offset capital gains. The capital loss cannot be used to offset ordinary income. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year. In the case of corporate investors, this will require the satisfaction of separate loss recoupment tests.

4.6 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Entitlement Offer will lapse and the Eligible Shareholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any adverse income tax implications for the Eligible Shareholder.

4.7 Tax file number

If a Shareholder has quoted their Australian business number (ABN), tax file number (TFN) or an exemption from quoting their tax file number in respect of an existing Share, this quotation or exemption will also apply in respect of any New Shares acquired by that Shareholder.

Tax may be required to be deducted by PainChek from any distributions at the highest marginal tax rate if an ABN or TFN has not been not quoted, or an appropriate TFN exemption has not been provided.

4.8 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Entitlement Offer.

Section 5 - Further Information

5.1 Offer Booklet availability

Those Eligible Shareholders will receive a letter from the Company and their personalised Entitlement and Acceptance Form with information about how to view and access copy of this Offer Booklet. Please read the Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

Payment of Application Monies may be made via cheque, money order or via BPAY[®] using the information contained on your personalised Entitlement and Acceptance Form or accessed at www.investorserve.com.au (see Section 2.2 for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

5.2 Continuous disclosure requirements

Under the Corporations Act, PainChek is considered a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under the ASX Listing Rules, PainChek has an obligation (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Shares. Such information is available to the public from the ASX at www.asx.com.au.

PainChek is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

5.3 No authorisation beyond information contained within this Offer Booklet

Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by PainChek in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Offer Booklet.

5.4 No cooling-off rights

Cooling-off rights do not apply to a subscription for New Shares under the Entitlement Offer. This means that you cannot withdraw your Application once it has been accepted.

5.5 Notice to nominees and custodians

The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from PainChek in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is not available to, and they must not purport to accept the Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder;

- Ineligible Shareholders who were ineligible to participate in the Entitlement Offer; or
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In particular, persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

PainChek is not required, and does not undertake to, determine whether or not any Shareholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. PainChek is not able to advise on foreign laws. Eligible Shareholders who are nominees or custodians are therefore advised to seek independent advice as to how to proceed.

5.6 Effect of the Entitlement Offer on the control of PainChek

The potential effect of the issue of New Shares pursuant to the Entitlement Offer on the control of PainChek and the consequences of that effect will depend on a number of factors, including the current holdings of PainChek Shareholders and the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer and the extent to which Eligible Shareholders participate in the Shortfall Facility.

The maximum total number of New Shares proposed to be issued under the Entitlement Offer is 56,632,143, which will constitute approximately 4.37% of the Shares on issue following completion of the Entitlement Offer (subject to rounding and assuming no other Shares, other than Shares issued under the Placement, are issued or Securities exercised or converted to Shares).

The potential effect the Entitlement Offer will have on the control of PainChek is as follows:

- if all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of PainChek;
- in the event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Entitlement Offer and Ineligible Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement;
- the proportional interests of Shareholders who are not Eligible Shareholders (being Ineligible Shareholders) will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

PainChek does not believe that any person will increase their voting power in PainChek pursuant to the Entitlement Offer in a way that will have any material impact on the control of PainChek. In particular, no person presently has a relevant interest in more than 20% of Shares, and no person is expected to have a more than 20% relevant interest in Shares following the Entitlement Offer.

5.6.1 Substantial holders

As at the date of this Offer Booklet, the substantial shareholders of the Company are:

Name of substantial holder	Percentage of Shares held	Entitlement
Peters Investments Pty Ltd	9.98%	5,650,000

Any increase in the voting power of the substantial Shareholder set out above in the table will depend upon whether they choose to participate in the Entitlement Offer and take up their full Entitlement and the extent to which they elect to apply for Additional New Shares under the Shortfall Facility.

5.7 Consents

Statements included in this Offer Booklet, or any statement on which a statement in this Offer Booklet is based, are not made by the directors, officers, employees, partners, agents and advisers of PainChek, but by PainChek itself. To the maximum extent permitted by law, each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet other than references to its name.

5.8 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts of New South Wales, Australia.

Eligible Shareholder Declarations

In making an Application for New Shares under the Entitlement Offer, you will be making the declarations to PainChek that you:

- have read and understand the Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, the constitution of PainChek;
- acknowledge the statement of risks in Section 3 - (“Risk Factors”) of this Offer Booklet and that investments in PainChek are subject to risks;
- authorise PainChek to register you as the holder of New Shares issued to you under this Entitlement Offer;
- declare that all details on the Entitlement and Acceptance Form are complete, accurate and up to date;
- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling-off period under the Entitlement Offer and that once PainChek receives either your personalised Entitlement and Acceptance Form, your payment of Application Monies via BPAY® or both, that you may not withdraw or change your Application;
- agree to apply for and be issued with up to the number of New Shares shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPAY®, at the Issue Price of \$0.028 per Share;
- authorise PainChek, the Underwriter, the Registry and their respective related bodies corporate, affiliates, officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- authorise PainChek to correct any errors in your Entitlement and Acceptance Form or other forms provided by you;
- were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- represent and warrant (for the benefit of PainChek, the Underwriter and their respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Shares are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Offer Booklet is not a prospectus and does not contain all of the information that you may require in order to assess an investment in PainChek and is given in the context of PainChek’s past and ongoing continuous disclosure obligations under the Corporations Act and the ASX Listing Rules;
- acknowledge that neither PainChek, the Underwriter, nor any of their respective related bodies corporate, directors, officers, employees, agents, consultants or advisers, guarantee the performance of the New Shares offered under the Entitlement Offer or the performance of PainChek, nor do they guarantee the repayment of capital from PainChek;
- acknowledge and agree that:
 - determination of eligibility of investors is determined by reference to a number of matters, including legal and regulatory requirements, logistical an registry constraints and the discretion of PainChek and/or the Underwriter;

- each of PainChek and the Underwriter, and each of their respective affiliates and related bodies corporate, and their respective directors, officer, employees, advisers, agents and intermediaries disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- represent and warrant that you:
 - are an Eligible Shareholder and the law of any other jurisdiction does not prohibit you from being given the Offer Booklet, the Entitlement and Acceptance Form, nor does it prohibit you from making an Application and you are otherwise eligible to participate in the Entitlement Offer;
 - are not an Ineligible Shareholder and it is lawful for PainChek to extend the Offer to you and for you to accept the Offer without the Company being required to take any further action in the relevant jurisdiction concerned;
- acknowledge and agree that you are responsible for ensuring that your applying for New Shares under the Offer does not breach any laws or regulations in the relevant jurisdiction;
- represent and warrant that there has been no breach of any such laws and regulations and all necessary approvals and consents have been obtained by you to the extension of the Offer to you and your acceptance of the Offer;
- acknowledge and agree that the information in this Offer Booklet remains subject to change without notice;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Shares for the account or benefit of such person in the United States);
- understand and acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of, a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing the Entitlements or the New Shares in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- have not and will not send this Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form has a registered address in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, otherwise satisfies the criteria of an Eligible Shareholder and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person;
- make all other representations and warranties set out in the Offer Booklet; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and/or of your holding of Shares on the Record Date.

Glossary

Defined Term	Meaning
Additional New Shares	New Shares forming part of the Shortfall for which Eligible Shareholders may apply for in excess of their Entitlement.
Application	an application for New Shares under the Entitlement Offer.
Application Monies	monies received from an applicant in respect of their Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates (i.e., the Australian Securities Exchange).
ASX Announcement	the announcement released to ASX on Friday, 24 June 2022 in relation to the Equity Raising and annexed as Annexure A to this Offer Booklet.
ASX Listing Rules	the listing rules of ASX.
Board or Director	the board of directors of the Company.
Closing Date	5.00pm (Sydney time) on Wednesday, 27 July 2022.
Company or PainChek	PainChek Ltd ACN 146 035 127.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Eligible Shareholder	has the meaning given in Section 1.2.
Entitlement	the entitlement to subscribe for 1 New Share for every 20 Shares held on the Record Date by Eligible Shareholders.
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Offer Booklet upon which an Application can be made.
Entitlement Offer	means the offer of New Shares to Eligible Shareholders, as described in Section 1 -.
Entitlement Offer Settlement Date	Tuesday, 2 August 2022.
Equity Raising or Offer	the Placement and the Entitlement Offer.
FDA	the U.S. Food and Drug Administration.
Group	PainChek and its related bodies corporate (as that term is defined in the Corporations Act).
Ineligible Shareholder	a Shareholder that is not an Eligible Shareholder.
Issue Date	Wednesday, 3 August 2022 in respect of New Shares issued under the Entitlement Offer.
Issue Price	the issue price per New Share, being \$0.028 per New Share.
New Share	a Share offered under the Entitlement Offer (including any Additional New Shares).
Offer Booklet	this booklet dated 4 July 2022, including the ASX Announcement.
Offer Period	the period from the date the Entitlement Offer opens until the Closing Date.
Options	has the meaning given in Section 1.12.2.
Performance Rights	has the meaning given in Section 1.12.2.
Placement	the institutional placement announced referred to in the ASX Announcement.
Placement Settlement Date	Thursday, 30 June 2022.

Record Date	7.00pm (Sydney time) on Wednesday, 29 June 2022.
Registry	Boardroom Pty Limited ACN 003 209 836.
Securities	any securities, including shares, options and performance rights, issued or granted by the Company.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	the registered holder of a Share.
Shortfall	has the meaning given in Section 1.4.
Shortfall Facility	the offer of Additional New Shares to Eligible Shareholders that have fully subscribed to the Entitlement Offer as described in Section 1.4.
Underwriter	Canaccord Genuity (Australia) Limited ACN 075 071 466.
Offer Management and Underwriting Agreement	the Offer Management and Underwriting Agreement between PainChek and the Underwriter dated 24 June 2022, as described in Section 1.8.
United States or U.S.	United States of America, its territories and possessions, any state of the United States and the District of Columbia.
U.S. Securities Act	the U.S. Securities Act of 1933, as amended.

Corporate Directory

PainChek Ltd ACN 146 035 127

Registered Office

Unit 401, 35 Lime Street
Sydney NSW 2000

Offer Information Line

1300 737 760 (from within Australia)
+61 2 9290 9600 (from outside Australia)

Open between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Offer Period

Offer Website

www.investorserve.com.au

Underwriter

Canaccord Genuity (Australia) Limited ACN 075 071 466
Level 62, 25 Martin Place
Sydney, NSW, 2000, Australia

Legal Adviser

HWL Ebsworth Lawyers
Level 14, Australia Square
264-278 George Street
Sydney NSW 2000

Registry

Boardroom Pty Limited ACN 003 209 836
Level 12, 225 George Street
Sydney NSW 2000

Annexure A – ASX Announcement

PainChek \$3.0m placement and underwritten \$1.59m entitlement offer

- **\$1.59m underwritten non-renounceable pro-rata entitlement offer**
- **\$3.0m placement to professional and sophisticated investors**
- **Funding to support acceleration of PainChek’s commercial rollout and further regulatory and clinical program development**
- **The placement was well supported by a number of international senior executives within the healthcare and medical tech sectors**

PainChek Ltd (ASX: PCK) (“PainChek” or “the Company”), developer of the world’s first smart phone-based pain assessment and monitoring application, is pleased to announce a fully underwritten non-renounceable pro-rata entitlement offer of New Shares to Eligible Shareholders on the basis of one (1) New Share for every twenty (20) Shares held at the Record Date, each at an issue price of \$0.028 to raise \$1.59 million before costs (**Entitlement Offer**) and the placement of 107.1 million New Shares to professional and sophisticated investors (**Placement**) to raise \$3.0 million before costs.

Funds raised from the Equity Raising will be used for:

- Sales & marketing and operations & support staff;
- Product development including a core technology upgrade, development of the Infant App V2, and to support the production of the USA FDA Adult App;
- Seek to obtain US FDA clearance and provide funding to support clinical trials; and
- General working capital requirements and costs of the Equity Raising;

Entitlement Offer & Placement

The Company is pleased to offer shareholders the opportunity to subscribe for PainChek shares under a non-renounceable pro-rata Entitlement Offer of New Shares on the basis of one (1) New Share for every twenty (20) Shares held at the Record Date, at an issue price of \$0.028 per share.

The Entitlement Offer will include the ability for shareholders to apply for additional shares not taken up by other shareholders.

As at the Record Date, the Company will have on issue 1,132,630,382 Shares. The Company expects that approximately 56,632,143 New Shares will be issued under the Entitlement Offer to raise approximately \$1.59 million.

The Offer is being made in conjunction with a placement to professional and sophisticated investors of 107,142,858 Shares being issued at the same price as the Offer of \$0.028 per Share (**Placement Shares**) which will raise \$3.0 million. Placement participants will not be eligible to participate in the Entitlement Offer. The Placement was well supported by a number of international senior executives within the healthcare and medical tech sectors.

New Shares under the Placement and Entitlement Offer will rank equally in all respects with PainChek’s existing fully paid ordinary shares.

Canaccord Genuity (Australia) Limited is Lead Manager to the Placement and Lead Manager and Underwriter to the Entitlement Offer.

More information regarding the Entitlement Offer will be set out in the Offer Document to be circulated to shareholders in accordance with the timetable of Key Dates below. The Offer Document will be accessible from the ASX and PainChek's website, www.asx.com.au and www.painchek.com respectively from 4 July 2022.

Shortfall Facility

The Entitlement Offer will include a shortfall facility, under which Eligible Shareholders who have taken up their full Entitlement under the Entitlement Offer can apply to take up additional New Shares in excess of their Entitlements, that have not been taken up by other Shareholders (Shortfall Facility). Eligible Shareholders who subscribe for their full Entitlement will be entitled to subscribe for additional New Shares under the Shortfall Facility. Applications will be allocated at directors' discretion, subject to applicable laws and scale back in accordance with the policy described in the Prospectus.

Indicative Timetable

Key event	Date
Announcement of the Entitlement Offer and results of Placement	Friday, 24 June 2022
Record Date for eligibility in the Entitlement Offer	7:00pm on Wednesday, 29 June 2022
Placement Settlement Date	Thursday, 30 June 2022
Placement Allotment Date	Friday, 1 July 2022
Offer Booklet despatched	Monday, 4 July 2022
Entitlement Offer opens	Monday, 4 July 2022
Entitlement Offer closes (Closing Date)	5:00pm on Wednesday, 27 July 2022
Announcement of results of Entitlement Offer including Shortfall (if any)	Friday, 29 July 2022
Entitlement Offer Settlement Date	Tuesday, 2 August 2022
Issue and allotment of New Shares under Entitlement Offer (including Additional New Shares) (Issue Date)	Wednesday, 3 August 2022
Despatch of holding statements for New Shares	Thursday, 4 August 2022
New Shares commence trading on ASX on a normal settlement basis	Thursday, 4 August 2022

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. PainChek reserves the right to amend any or all of these dates and times, with the consent of the Underwriter, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, PainChek reserves the right to extend the Closing Date and to accept late Applications under the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the Issue Date for New Shares under the Entitlement Offer. Any changes to the timetable will be posted on PainChek's website at www.painchek.com.

Subject to the consent of the Underwriter, PainChek also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to issue of the New Shares under the Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Shares is subject to the discretion of ASX.

For more information, please contact:

Philip Daffas

CEO, PainChek

philip.daffas@painchek.com

+61 406 537235

Authorised by:

The Board of Directors, PainChek Ltd

About PainChek®

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

Pain often goes unrecognised and under-treated in people with communication difficulties. PainChek Universal is a clinically validated smartphone-based medical device that enables best practice pain assessment for all people, everywhere.

PainChek Universal is a complete point-of-care solution that combines the existing PainChek® App with the Numerical Rating Scale (NRS). This enables best-practice pain management for all residents living with pain in any environment — from those who cannot verbalise pain to those who can, and those who fluctuate between the two.

The PainChek® App uses artificial intelligence and facial recognition to detect pain in those who cannot self-report. This gives a voice to those who cannot verbalise pain, whilst also driving objectivity and consistency in all assessments. For those who can self-report, PainChek Universal also includes access to the Numerical Rating Scale, a well-established standard used to document pain levels amongst these individuals. PainChek Universal also supports pain assessment using both tools at the point of care, for those people whose ability to communicate fluctuates.

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 infants who

have not yet learnt to speak. Both the adult and infants products have received regulatory clearance in numerous markets including Australia, Europe, UK, NZ, Singapore and Canada.

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 homebased family carers for ongoing pain assessments or clinical data review.

To find out more, visit www.painchek.com