

PainChek to receive \$1.25M milestone payment from Department of Health

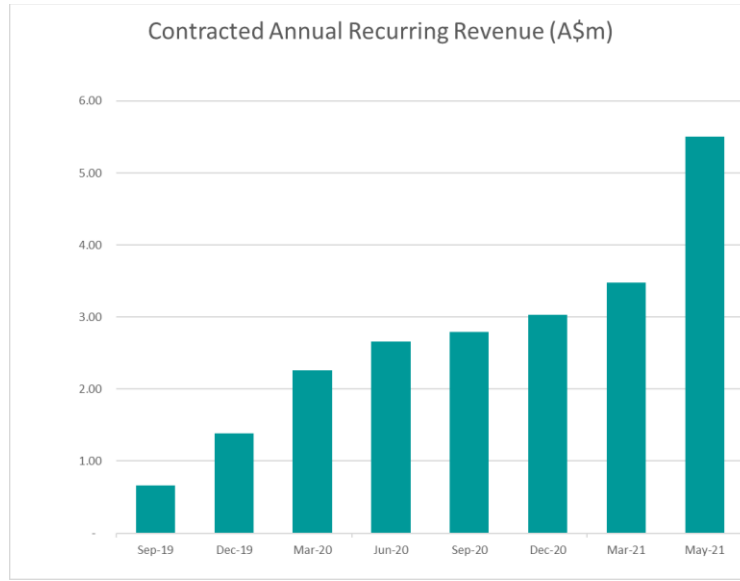
HIGHLIGHTS

- Recent milestone of 127,000 Australian Residential Aged Care approved beds under license includes 82,982 dementia category beds under the government funded agreement.
- Triggers a \$1.25M payment by the Australian Department of Health.
- Total beds under contract equates to \$5.5M normalised ARR post government trial*.
- Projected ARR has the ability to cover PainChek's existing core Australian business costs.
- Licensed Agreements now cover more than 435 Residential Aged Care providers that operate 1601 Residential Aged care facilities – 60% of the Australian aged care bed market.
- Global business growth, including expansion into home care and hospital markets, expected as PainChek Universal and PainChek Infant app is rolled out in 2021.

PainChek® Ltd (ASX: PCK) ("PainChek®" or "the Company"), developer of the world's first smart phone-based pain assessment and monitoring application, recently announced a key milestone of 127,000 licensed Australian Residential Aged Care (RAC) approved beds (see ASX announcement 3 June 2021) across more than 1600 Aged Care Facilities reflecting 60% of the Australian market. The Company is now pleased to confirm this includes 82,982 dementia-specific beds, funded as part of the Federal Government grant to accelerate use of PainChek's pain assessment technology in aged care.

These dementia-specific bed numbers are projected to result in a \$1.25M milestone payment (full payment of the third tranche of the grant and partial payment of the fourth tranche) to PainChek, that will be receivable in June 2021 and recognised as Government funded revenue in FY22.

With the total number of beds now under PainChek license, the Company is projected to generate \$5.5M Annual Recurring Revenue (ARR) normalised post the government funded 12-month period*.



PainChek® CEO Philip Daffas said:

“We take this opportunity to thank the Federal Government and Department of Health for their support in this process. We set out to accelerate PainChek’s application into Residential Aged Care and to help improve the care for those people living with dementia. Both goals are on track to be achieved, and a large number of Australian aged care providers and facilities are now reporting on the positive clinical benefits of PainChek for their residents and staff.

“In addition, \$5.5M of projected ARR means that, as a Company, we have established a client base that can cover our existing core business costs in Australia, even though our current Australian RAC agreements represent just 2% of the global RAC market opportunity.”

PainChek is now entering the overseas aged care markets and the larger global home care and hospital markets through the PainChek Adult Universal App and the Infant App, both of which recently received international regulatory clearance.

*Normalised ARR is post completion of the government grant reflecting contracted or standard pricing on completion of the trial. It assumes all clients implement the PainChek App and enter a standard PainChek contract after the initial 12-month grant period. So far 75% of PainChek’s existing clients have entered into agreements that have second year commercial terms post completion of the government grant period.

This release has been authorised for release by CEO Philip Daffas.

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About PainChek®

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

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

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

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

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

To find out more, visit www.painchek.com