

Appendix 4D

Half Year Report to the Australian Securities Exchange

Part 1

Name of Entity	PainChek Limited
ABN	21 146 035 127
Half Year Ended	31 December 2020
Previous Corresponding Reporting Period	Half Year Ended 31 December 2019

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	127	(30%)
Other income – R&D Grant	979	22%
Other income – Government Grant	975	95%
Total Revenue / Income	2,081	40%
Loss from continuing activities after tax attributable to members	(1,346)	(711%)
Net loss attributable to members	(1,348)	(711%)

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

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

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Part 3 – Contents of ASX Appendix 4D

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4D
Part 4	Commentary on results
Part 5	Details relating to dividends
Part 6	Net tangible assets per security
Part 7	Details of entities over which control has been gained or lost
Part 8	Details of associates and joint venture entities
Part 9	Information on audit or review

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Part 4 – Commentary on Results

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

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2019	2018
Net tangible asset backing per ordinary security	1.1 cents	0.59 cents

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	N/A
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	N/A

Name of entity (or group of entities) lost	N/A
Date control lost	N/A
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	N/A
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	N/A

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Part 8 – Details of Associates and Joint Venture Entities

Name of entity	Ownership Interest		Contribution to net profit/(loss)	
	2020 %	2019 %	2020 \$A'000	2019 \$A'000
	N/A	N/A	N/A	N/A
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

N/A

Attachments Forming Part of Appendix 4D

Attachment No.	Details
1	Interim Financial Report

Signed by Company Secretary

Ian Hobson

25 February 2021

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PainChek Limited

ABN 21 146 035 127

Half year report for the half-year ended

31 December 2020

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Corporate directory

Board of Directors

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

Company Secretary

Mr Ian Hobson

Registered Office

Unit 8, 110 Hay Street
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Principal Place of Business

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Postal Address

PO Box 226
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Website

Website: www.painchek.com

Auditors

BDO Audit Pty Ltd

Share Registry

Boardroom Pty Ltd
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Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

PCK

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Half year report for the half-year ended 31 December 2020

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Directors' report

The directors of PainChek Limited ("PainChek" or "the Company") submit herewith the financial report of the Company and its subsidiary ("Group" or "Consolidated Entity") for the half-year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

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

Mr John Murray
Mr Philip Daffas
Mr Ross Harricks
Mr Adam Davey

Operating results

During the half year the Group continued the commercialisation and development of the PainChek App and reported a loss from operations of \$1,346,150 (31 December 2019: \$9,839,949) principally due to:

- Share based payments in respect of Director performance rights and management options of \$314,396 (non-cash) (31 December 2019: \$8,348,781);
- Research and development expenditure of \$1,080,678 (31 December 2019: \$1,022,767);
- Corporate and administration expenses of \$1,134,117 (31 December 2019: \$1,498,407);
- Marketing and business development expenses of \$675,998 (31 December 2019: \$388,158);
- R&D Grant income of \$979,621 (31 December 2019: \$798,835); and
- Grant revenue of \$975,000 (31 December 2019: \$500,000)

Review of operations

Core Aged Care market:

PainChek continued to deliver sales growth within Australian residential aged care. Sales growth in the period resulted in total global licenses covering 71,318 beds, which is 123% growth year on year, and domestic sales reflects more than 30% of the Australian Residential Aged Care (RAC) market. PainChek now has 884 Aged care clients, which is 133% growth year on year, and the forward-looking revenue equates to more than \$3M Annualized Recurring Revenue (assuming client contracts are renewed) post the government grant.

In the last quarter PainChek continued its growth contracting a net additional 4,431 Residential Aged Care beds. This is across 23 different Aged Care Providers who operate 89 Residential Aged Care Facilities. This included providers such as SA Health (45 RACs), Sundale (8 RACs) and Uniting NSW/ACT (5 RACs initially).

Several large provider agreements were delayed by the re-emergence of COVID-19 outbreaks in late December and the Christmas shutdown period. These discussions have been picked up again in January, with senior stake holders of Aged Care Providers returning from leave. PainChek has a strong pipeline of Aged Care beds to support continued growth in 2021.

In February 2021 the Department of Health, in line with the initiative, will conduct an email distribution to all aged care facilities in Australia to promote the further take up of the PainChek solution. This has been conducted previously and has resulted in a material uplift in inbound enquiries and sales leads for the Company.

During COVID-19 restrictions, the PainChek clinical team has successfully delivered training remotely, having conducted over 400 virtual workshops to Aged Care providers across Australia. Combined with the PainChek online learning curriculum, 3,198 aged care clinicians have been trained and conducted a PainChek assessment in the field. More than 260,000 PainChek clinical assessments have now been conducted in aged care, reflecting 190% growth year on year and the growing client acceptance and clinical utility.

The Company increased its partnerships program for broader distribution through new agreements with Ward Medication Management in Australia, Medi-Map in New Zealand and Medi-Care in the UK.

Impact of COVID-19 and upcoming vaccine roll out on Aged Care business:

This sales growth was achieved in very difficult circumstances as the impact of growing COVID-19 infection rates resulted in a government driven global lock down within residential aged care and restricting access to all except for essential workers to aged care facilities.

PainChek has continued to deliver its sales and service programs while respecting these restrictions and limitations placed on clients. This has been achieved through PainChek's fully digitized and remote sales and delivery business model. With the availability of the COVID-19 vaccines, governments have now prioritized aged care and disability staff and residents and front-line healthcare workers as the primary recipients for vaccination in early 2021. This will result in the re-opening of aged care centers and hospitals and form the basis for re-accelerating global sales, support and research programs, continuing to deliver on the Australian government funded initiative up to June 2021.

New Market Expansion developments:

PainChek has also taken the opportunity to work with existing clients in the development of new PainChek initiatives including entering new larger healthcare market segments and the development of new PainChek products. These are core to the Company's business growth over the next 12 months.

These new initiatives include;

1. Home Care and Disabilities market - market entry:

- Four PainChek pilots with Home Care providers in Australia – these pilots are coming to a close in early 2021 and will provide the basis for entering the market locally.
- Canadian market Home Care launch in partnership with AlayaCare on 27 January 2021.
- UK market negotiations ongoing with Home Care providers.
- Initial disability license agreements with the Nulsen Group in Western Australia and the Disability Trust in Wollongong to assess pain for people living with disabilities. These pilot programs are expected to provide the basis for expansion into the disability sector in 2021.

2. Hospital Market - new applications and market entry:

- Ramsay Hospital Research Foundation research agreements now in place to assess pain management for frail patients. This study commences in Western Australia in Q1 2021 and results will be used to review hospital patient pain management within the Ramsay Hospital Group.
- Philips Healthcare – European research collaboration on pain management for patients at risk of a delirium. This is being finalised and is expected to commence post vaccine roll out for healthcare professionals in Europe.
- Ongoing partner negotiations in place in multiple markets for hospital distribution.

3. PainChek Universal Pain Assessment Solution:

Based on market feedback and client demand, PainChek has expanded the utility of the PainChek App to

include the Numeric Rating Scale (NRS). The combination of PainChek and the NRS in one point-of-care PainChek application allows carers to assess pain for both those who cannot verbalise their pain and to document the pain score of those who can self-report their pain. PainChek is evolving to become the **Universal Pain Assessment Solution** for all people in all environments.

This means PainChek can now become the sole solution for multiple healthcare professionals in assessing and documenting pain across all their patients, making PainChek even stickier with existing clients and attracting new clients. PainChek Universal App has been developed and is being tested now and is expected to be available globally during Q1 CY2021. More information can be found at <https://painchek.com/latest-publications/>.

4. PainChek Infant:

The Company is pleased to report that the PainChek Infant (Face-Only) study has been successfully completed and a publication has been written and submitted to a scientific journal for peer review. The findings support the use of PainChek Infant for procedural pain assessment with infants.

The findings showed that PainChek Infant (Face Only) has excellent correlation with Neonatal Facing Coding System and other similar tools currently in clinical use worldwide. Detailed results of the study will be made available following the peer-review and publication in a scientific journal.

PainChek is on schedule to achieve Australian (TGA) and European (CE mark) regulatory clearance for the Infants App in Q2 C2021. The results of this study will support the subsequent market launch in these markets. PainChek expects to broaden the applications of PainChek Infant, through additional clinical studies in 2021 at the Royal Children's Hospital (RCH) in Melbourne, which is currently on hold due to COVID-19.

Likely Developments and Overview of Group Strategy

Having successfully penetrated the Residential Aged Care market in Australia with the PainChek Adult App, we have commenced the business expansion plans with pilot commercial and research programmes in the Home Care, Hospital and Disabilities sectors. These are all larger markets than Aged Care and can provide more significant long-term growth. The introduction of the Universal PainChek App planned for Q2 C2021 will support this drive and expand PainChek's application as a pain assessment solution for all people in all locations. This will also lead to the release of a consumer retail version of the App.

The Company remains focused on delivering the 100,000 aged care bed licenses within the Australian aged care sector as per the federal government dementia grant by June 2021 within the core Australian market. Our approach to executing our strategy continues to partner with existing industry players to reach our target market as well as selling direct to enterprise customers.

The sales process has also been supported through established partnerships with all the major Australian vendors of Care Management Systems (CMS) for the aged care sector who cover more than 200,000 aged care beds. These integrations ensure a fully automated and paperless documentation of all of PainChek assessments for aged care homes into their client information systems. We have seen integration with these CMS companies accelerate PainChek take up, especially for the larger RAC and support providers.

We continue to progress our overseas expansion strategy which has been slowed down by the impact of COVID-19 globally within aged care. PainChek UK has continued its sales progression and relationship with PCS UK, has broadened partnerships with aged care providers and maintained its own direct UK sales capability. These developments will hold us in good stead as the country rolls out the vaccine in aged care and access re-opens in 2021.

The UK base will remain a geographical hub for European market entry during calendar 2021. In the past year we have extended market entry and partnerships into Canada and New Zealand. We continue to receive strong interest from other international markets, which will further expand our commercial progress and global market reach.

In USA, we have submitted the pre-submission request to FDA and await their response, which has been delayed due to the impact of COVID-19. We estimate the initiation of the study work in Q2-Q3 calendar 2021. The cost of this work is budgeted, and we anticipate completing the De Novo submission for the PainChek Adult App during calendar 2021, and FDA clearance is expected during CY2022.

Our business strategy continues to include the release of a Children's App for assessing pain in young children. Having successfully completed the development and clinical validation work of the "face only" infants App (0-1 years of age) we are projecting TGA and CE mark regulatory clearance in Q2 C2021 and subsequent market entry into Australia and Europe. The PainChek Children's App serves a potentially larger market than the Adult App with a large hospital market and home care market opportunity. Globally there are more than 400 million children at any one time between the age of 0-3 years. The PainChek Children's App is scheduled to be delivered in 3 age group versions ranging from 0-1 years of age (infants), 1-3 years (toddlers) and 3 years+.

We will continue our patent and trade-mark approval application processes in order to achieve approvals in expanded national jurisdictions.

Subsequent events

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

Auditor's independence declaration

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

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

On behalf of the directors



John Murray
Chairman

25 February 2021

Auditor's independence declaration



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

As lead auditor for the review of PainChek Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 25 February 2021

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020

		Consolidated	
		31 Dec 2020	31 Dec 2019
		\$	\$
Note			
	Continuing operations		
	Revenue	126,898	183,649
	Other Income – R&D Grant	979,621	798,835
	Other income – Government Grant	975,000	500,000
	Cost of Sales	(222,480)	(63,347)
	Foreign exchange	-	(973)
	Research and development expenses	(1,080,678)	(1,022,767)
	Corporate and administration expenses	(1,134,117)	(1,498,407)
	Marketing and business development expenses	(675,998)	(388,158)
	Share based payment expenses	(314,396)	(8,348,781)
	Loss before income tax	(1,346,150)	(9,839,949)
	Income tax benefit	-	-
	Loss for the period attributable to Owners of PainChek Limited	(1,346,150)	(9,839,949)
	Other comprehensive income, net of income tax	(2,488)	8
	Total comprehensive loss for the period	(1,348,638)	(9,839,941)
	Total comprehensive loss attributable to:		
	Owners of PainChek Limited	(1,348,638)	(9,839,941)
	Loss per share:		
	Basic and diluted (cents per share)	(0.1)	(1.0)

Condensed notes to the financial statements are included on pages 10 to 14

Consolidated statement of financial position as at 31 December 2020

	Note	Consolidated	
		31 Dec 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		12,416,462	6,120,090
Trade and other receivables	7	1,156,922	77,599
Total current assets		13,573,384	6,197,689
Non-current assets			
Property, plant and equipment		18,357	17,952
Total non-current assets		18,357	17,952
Total assets		13,591,741	6,215,641
Current liabilities			
Trade and other payables		908,259	1,971,631
Provisions		112,047	115,553
Total current liabilities		1,020,306	2,087,184
Total liabilities		1,020,306	2,087,184
Net assets		12,571,435	4,128,457
Equity			
Issued capital	8	30,738,987	21,261,767
Reserves	9	12,407,019	12,095,111
Accumulated losses		(30,574,571)	(29,228,421)
Total equity		12,571,435	4,128,457

Condensed notes to the financial statements are included on pages 10 to 14

Consolidated statement of changes in equity for the half-year ended 31 December 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	17,755,759	3,200,925	(16,835,762)	4,120,922
Loss for the period	-	-	(9,839,949)	(9,839,949)
Other comprehensive income				
Foreign exchange gains / losses	-	8	-	8
Total comprehensive loss for the period	-	8	(9,839,949)	(9,839,941)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (refer to note 8)	1,000,000		-	1,000,000
Share issue costs (refer to note 8)	(55,696)		-	(55,696)
Issue of shares on exercise of options (refer to note 8)	2,561,704	-	-	2,561,704
Recognition of share-based payments	-	8,348,781	-	8,348,781
Balance at 31 December 2019	21,261,767	11,549,714	(26,675,711)	6,135,770
Balance at 1 July 2020	21,261,767	12,095,111	(29,228,421)	4,128,457
Loss for the period	-	-	(1,346,150)	(1,346,150)
Other comprehensive income				
Foreign exchange gains / losses	-	(2,488)	-	(2,488)
Total comprehensive loss for the period	-	(2,488)	(1,346,150)	(1,348,638)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (refer to note 8)	10,000,000		-	10,000,000
Share issue costs (refer to note 8)	(522,780)		-	(522,780)
Issue of shares on exercise of options (refer to note 8)	-	-	-	-
Recognition of share-based payments	-	314,396	-	314,396
Balance at 31 December 2020	30,738,987	12,407,019	(30,574,571)	12,571,435

Condensed notes to the financial statements are included on pages 10 to 14

Consolidated statement of cash flows for the half-year ended 31 December 2020

	Note	Consolidated	
		Half-year ended	
		31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		81,162	129,248
Payments to suppliers and employees		(3,301,792)	(2,832,513)
Interest received		8,897	30,776
Rebates and grants received		67,500	500,000
Net cash used in operating activities		(3,144,233)	(2,172,489)
Cash flows from investing activities			
Payments for property, plant and equipment		(32,254)	(9,369)
Net cash used in investing activities		(32,254)	(9,369)
Cash flows from financing activities			
Proceeds from issue of shares		10,000,000	3,561,704
(Payment) of share issue costs		(522,781)	(55,696)
Net cash Inflow/(Outflow) from financing activities		9,477,219	3,506,008
Net (decrease)/increase in cash and cash equivalents		6,300,732	1,324,150
Cash and cash equivalents at the beginning of the period		6,120,090	4,562,476
Effect of foreign exchange on cash balances		(4,360)	-
Cash and cash equivalents at the end of the period		12,416,462	5,886,626

Condensed notes to the financial statements are included on pages 10 to 14

Condensed notes to the financial statements for the half-year ended 31 December 2020

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Group for the year ended 30 June 2020 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 25 February 2021.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The fair value of financial assets and financial liabilities approximate their carrying values due to their short-term nature. The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared to the most recent annual financial statements.

Going concern basis

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

As disclosed in the financial statements, the consolidated entity has net operating cash outflows for the half year of \$3,144,233 and as at 31 December 2020 has cash and cash equivalents of \$12,416,462). The consolidated entity also generated a loss after tax of \$1,346,150.

On 11 August 2020 the Group completed a placement from professional and sophisticated investors and raised \$10,000,000 before costs. Accordingly, existing cash reserves and the proceeds from the placement are considered to be adequate to fund the planned expenditure for at least 12 months from the date of this report.

Having carefully assessed the consolidated entity's forecasts and its ability to effectively manage expenditures and cash flows from operations, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future.

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

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

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB 8 "Operating Segments" states that similar operating segments can be aggregated to form one reportable segment. The Group operates predominantly in one segment, being the sale of its pain assessment solutions. The primary financial statements reflect this segment..

3. Revenue

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Interest income	8,896	30,776
Revenue from contracts with customers	50,502	152,873
Government incentives	67,500	-
Total revenue	126,898	183,649

4. Other income – Government Grant

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Government grant	975,000	500,000

The Government grant income relates to recognition of grant income received in advance last year from the Australian Government to fund the trial of the PainChek application for Australians with dementia living in residential aged care facilities.

5. Share Based Payments

During the half year, the following share based payments were issued:

Employee options

1,000,000 options were granted to an employee on 23 September 2020 and 500,000 options were granted to an employee on 28 October 2020. The vesting period is 25% vest after 12 months of the grant date and the balance in quarterly instalments over the next 3 years, subject to continued employment. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The following table lists the inputs to the model used for valuation of the unlisted options:

Item	Inputs	
	23 September 2020	28 October 2020
Grant date	2020	2020
Volatility (%)	100%	100%
Risk free interest rate (%)	0.47%	0.47%
Expected life of option (years)	4.5	4.5
Expected dividend yield	Nil	Nil
Exercise price per terms and conditions	\$0.09	\$0.095
Underlying security price at grant date	\$0.094	\$0.092
Expiry date	23 March 2025	28 April 2025
Value per option	\$0.068	\$0.065

Director Performance Rights

373,308 performance rights vested and were issued to directors on 29 July 2020 following shareholder approval at the AGM on 20 November 2019. The fair value of the performance rights at grant date are determined using the share price at date of grant which is then expensed over the vesting period.

6. Loss per share

Basic and diluted loss per share (cents per share)

Consolidated	
31 Dec 2020	31 Dec 2019
(0.1)	(1.0)

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

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss for the half-year attributable to the owners of the Company	(1,346,150)	(9,839,949)

	Consolidated	
	31 Dec 2020	31 Dec 2019
	No.	No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,097,420,968	943,304,550

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

7. Trade and other receivables

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Other receivables	101,842	69,094
R&D grant receivable	979,621	-
Prepayments	75,459	8,505
Total trade and other receivables	1,156,922	77,599

8. Issued capital

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Fully paid Ordinary shares	30,738,987	21,261,768

	Consolidated			
	31 December 2020		30 June 2020	
	No.	\$	No.	\$
Balance at beginning of the reporting period	1,035,522,400	21,261,767	906,658,727	17,755,759
Issued pursuant to capital raising	90,909,091	10,000,000	6,896,552	1,000,000
Capital raising costs	-	(522,780)	-	(55,696)
Issued on conversion of options	-	-	121,967,121	2,561,704
Issued on conversion of performance rights	373,308	-	-	-
Balance at end of period	1,126,804,799	30,738,987	1,035,522,400	21,261,767

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

9. Reserves

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Balance at beginning of the reporting period	12,095,111	3,200,925
Variation of 90,198,155 Director option terms	-	8,117,834
Employee options vesting expense	201,402	544,770
Director performance rights vesting expense	112,994	245,204
Foreign exchange	(2,488)	(13,622)
Total reserves at end of period	12,407,019	12,095,111

Option movement during the period:

Options

	Consolidated	
	31 Dec 2020	30 June 2020
	No.	No.
Balance at beginning of the reporting period	32,241,379	144,760,224
Issue of employee options	1,500,000	6,000,000
Issue of free attaching options (Capital Raising)	-	3,448,276
Exercise of options	-	(121,967,121)
Balance at end of period	33,741,379	32,241,379

Performance Rights

	Consolidated	
	31 Dec 2020	30 June 2020
	No.	No.
Balance at beginning of the reporting period	1,306,578	-
Issue of director performance rights	-	1,306,578
Conversion of director performance rights	(373,308)	-
Balance at end of period	933,270	1,306,578

Foreign Exchange

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Balance at beginning of the reporting period	(13,622)	-
Movement in period	(2,488)	(13,622)
Balance at end of period	(16,110)	(13,622)

10. Commitments and contingencies

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

11. Subsequent events

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

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position at 31 December 2020 and performance of the Consolidated Entity for the period ended on that date.

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

On behalf of the directors



John Murray
Chairman
25 February 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PainChek Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PainChek Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 25 February 2021

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