



PAINCHEK LTD
(ACN 146 035 127)

Share Purchase Plan Booklet

Important Notice and Disclaimer

This Booklet offers Eligible Shareholders the opportunity to purchase up to \$30,000 of fully paid ordinary shares in Painchek Ltd (ACN 146 035 127) (**PCK** or **Company**) under a share purchase plan (**SPP**).

This Booklet does not provide financial advice and has been prepared without taking into account the individual investment objectives, financial situation or needs of any investor. You should read this Booklet in its entirety and seek independent financial and taxation advice before making a decision to participate in the SPP.

The offer of New Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument grants relief from the requirement for PCK to provide a prospectus in relation to the SPP. The ASIC instrument limits the maximum amount that a shareholder is able to subscribe for under the SPP or any similar arrangement, to \$30,000 in any consecutive 12-month period.

This Booklet is not a product disclosure statement or a prospectus under the Corporations Act.

The SPP was announced to the ASX on 14 February 2024. PCK will use its best endeavours to ensure that SPP participants have a reasonable opportunity to participate equitably in the overall capital raising. Accordingly, any scale-back arrangements for SPP participants will be applied on a pro rata basis based on the number of New Shares above the \$2,000 minimum application amount that the Eligible Shareholder has applied for.

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas Shareholders. PCK has determined that it is not practical to permit Shareholders who are not resident in Australia, New Zealand or the United Kingdom to participate in the SPP. Accordingly, Shareholders who are **not** resident in Australia, New Zealand or the United Kingdom will **not** be able to participate in the SPP. The SPP does not constitute an offer of New Shares for sale in any other jurisdictions.

In particular, this Booklet may not be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

New Zealand

The New Shares are not being offered or sold 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 the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conducts Act 2013. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither this Booklet nor any other document relating to the offer of New Shares 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 Booklet 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 fewer than 150 persons

who are existing shareholders of the Company. This Booklet 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 Booklet 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 Booklet.

CHAIRMAN'S LETTER

16 February 2024

Dear Shareholder

On behalf of the Board of Directors of Painchek Ltd (ACN 146 035 127) (**PCK** or **Company**), I am pleased to offer Eligible Shareholders an opportunity to participate in PCK's Share Purchase Plan (**SPP**) to raise up to \$2.5 million (with the ability to accept oversubscriptions), which was announced to the ASX on 14 February 2024, together with the Company's further capital raising plans, including the intention to conduct a placement to raise up to an additional \$2.5 million on completion of the SPP (within the Company's placement capacity under Listing Rule 7.1) (**Top-Up Placement**). PCK is targeting a raising of \$5 million across the SPP and Top-Up Placement.

The SPP will be underwritten by Canaccord Genuity (Australia) Limited (**Canaccord**) to an amount of \$2,500,000, with the ability for the Company to accept oversubscriptions above this amount.

Directors have advised the Company of their intention to participate in the SPP, which will account for \$85,000 of the SPP funds raised.

Under the SPP, Eligible Shareholders have the opportunity to subscribe for up to \$30,000 worth of fully paid, ordinary shares in PCK (**New Shares**) at an issue price per New Share which will be equivalent to a 20% discount to the VWAP of the Company's Shares calculated over the last 5 days on which sales in the securities were recorded on ASX immediately prior to the Issue Date (being 11 March 2024) (without incurring any brokerage costs or other transactions costs).

Prior to announcement of the SPP, the last closing price for the Company's Shares on 9 February 2024 was \$0.034 with a 5 Day VWAP of \$0.033 and a 30-day VWAP of \$0.036.

The Company expects that the issue of New Shares under the SPP (to be conducted in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**)) will fall within Listing Rule 7.2, Exception 5 (and Listing Rule 10.12, Exception 4 in respect of Director participation), except for any New Shares placed with the underwriters or sub-underwriters (which will utilise the Company's Placement Capacity).

New Shares under the SPP and the Top-Up Placement will rank equally in all respects with PainChek's existing fully paid ordinary shares.

Use of proceeds

Funds raised in the SPP and Top Up placement will be applied towards achieving the following objectives:

- (a) USA market entry and commercialisation (Adult App):
 - (i) Submit Adult App US FDA De Novo regulatory clearance application by Q1/Q2 C2024 and subsequently obtain De Novo clearance targeted for Q3 CY2024.
 - (ii) Commence US market entry and commercialisation of Adult App with recruitment of US based sales manager, implementation and customer service specialists.
 - (iii) Establish initial commercial sales and agreements with US clients and accelerate sales through existing US based industry partners and targeted exhibitions and conferences.
 - (iv) Obtain professional advice on Company US location, corporate structure and set up.

- (b) Accelerate commercial growth of Adult App in international markets:
 - (i) Continue to increase market share and commercial revenues in Residential Aged Care (RAC) in ANZ, UK and Canada with recruitment of additional sales and customer services staff.
 - (ii) Continue to expand commercial sales into Home Care markets within ANZ, UK and Canada with existing RAC and Home Care clients and integration partners.
 - (iii) Commence market entry into mainland Europe with specific focus on Germany.
 - (iv) Continue commercialisation into the Hospital market and obtain first agreements with Hospitals in UK and Australia.
- (c) Commence commercialisation of the Infant App
 - (i) Commercialisation of the Infant “face only” App for initial sales in Australia during Q2 C2024 followed by UK.
 - (ii) Continue to develop the combination of novel Vocalisation and Face technology into a commercial product for direct-to-consumer sales and licencing opportunities with complimentary infant products (e.g. baby monitors).
- (d) Continue to invest in strengthening cyber security.
- (e) Completion of technology upgrade.
- (f) Working capital and costs of the offer.

Further details on the Company's fundraising plans are set out in the announcement released to the Company's ASX platform on 14 February 2024.

Details of the offer under the SPP

The SPP is underwritten by Canaccord up to an amount of \$2.5 million, with the ability for the Company to accept oversubscriptions above this amount. PCK reserves the right to scale-back applications in its absolute discretion and it may, in its absolute discretion, increase the size of the SPP. PCK will use its best endeavours to ensure that SPP participants have a reasonable opportunity to participate equitably in the overall capital raising.

Accordingly, any scale-back arrangements for SPP participants will be applied on a pro rata basis to all participants based on the number of New Shares above the \$2,000 minimum application amount that the Eligible Shareholder has applied for. In the event of a scale-back, you may be allocated New Shares to a value which is less than the parcel which you applied for and the difference will be refunded to you without interest.

Participation in the SPP is optional and is open to Eligible Shareholders, being holders of fully paid ordinary PCK shares as at 7:00pm (AEDT) on 13 February 2024 with a registered address in Australia, New Zealand or the United Kingdom who meet certain other conditions set out in clause 14 of this Booklet.

Your right to participate in the SPP is not transferrable.

If you are an institutional, sophisticated investor and would like to express interest to participate in the Top-Up Placement, please contact Iain McAdam on 0421 252 123 between 8:30am to 5:30pm (AEDT), Monday to Friday.

How to apply

If you are an Eligible Shareholder and wish to participate in the SPP, you may apply to purchase New Shares with a minimum application amount of \$2,000 and any additional New Shares in the increments shown at clause 5.2 of the Terms and Conditions, with a maximum application amount of \$30,000.

You can apply for New Shares by making payment directly by BPAY® (Australian Eligible Shareholders only) or EFT (overseas Eligible Shareholders only) in accordance with the directions given your personalised Application Form.

Your payment must be made in Australian dollars and received by 5.00pm (AEDT) on 4 March 2024 (**Closing Date**).

Timetable

The offer of New Shares under the SPP will be conducted in accordance with the following timetable*:

Timetable	
Record Date	7pm (Sydney time), 13 February 2024
Announcement of Offer	On or before Wednesday (10am Sydney Time), 14 February 2024
Offer opens (Opening Date)	16 February 2024, 9.00am (Sydney time)
Offer closes (Closing Date)	4 March 2024, 5.00pm (Sydney time)
Announcement of results of SPP	By 11 March 2024
Issue of New Shares (Issue Date)	By 11 March 2024
Commencement of trading of New Shares on the ASX (Trading Date)	By 12 March 2024
Despatch of holding statements	By 12 March 2024

***PCK may vary any of the above dates at its absolute discretion by lodging a revised timetable with the ASX, and reserves the right to close the SPP early, or extend the Closing Date.**

Important information

The offer of New Shares under the SPP is made in accordance with the ASIC Instrument which grants relief from the requirement to issue a disclosure document for the SPP.

The terms and conditions of the offer of New Shares under the SPP are set out in this Booklet. The Board of PCK encourages you to read this Booklet in its entirety and seek independent professional advice before deciding whether to participate in the SPP.

For further information regarding the SPP, how to apply or your current shareholding please call, Boardroom Pty Limited on 1300 737 760 (within Australia) or +612 9290 9600 (outside Australia) between 8:30am to 5:30pm (AEDT), Monday to Friday, or email them at corporateactions@boardroomlimited.com.au.

On behalf of the Board of Directors, I thank you for your continued support of PCK and invite you to participate in the SPP.

Yours faithfully

John Murray
Chairman
Painchek Ltd

Important Notice

You should read these Terms and Conditions carefully as you will be bound by them if you participate in the SPP.

If you participate in the SPP by making a payment by BPAY® (Australian Eligible Shareholders only) or EFT (overseas Eligible Shareholders only), you are accepting the risk that the market price of Shares may change between the date of the Offer, the date you apply for New Shares and the issue of New Shares to you. The value of the New Shares that you apply for, over time, is likely to rise and fall. Importantly, there is a risk that during the period between when you apply for New Shares and when the New Shares are issued to you, you may be able to buy Shares on the ASX at a lower price than the SPP Issue Price. After the issue of the New Shares to you, the value of these New Shares will fluctuate over time and there is no guarantee that their value will not fall below the SPP Issue Price.

1. Eligible Shareholders

- 1.1 Subject to clauses 1.2 to 1.4, you are entitled to participate in the share purchase plan (**SPP**), if:
- (a) you were registered on the Register of Painchek Ltd (**PCK**) as a Shareholder at 7.00pm (AEDT) on 13 February 2024 (**Record Date**);
 - (b) you have a registered address on the Record Date in Australia, New Zealand or the United Kingdom, and you continue to hold Shares from the Record Date to the Opening Date; and
 - (c) you are not in the United States or acting for the account or benefit of a person in the United States, (**Eligible Shareholder**).
- 1.2 Eligible Shareholders who hold Shares as a “custodian” (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547) (**Custodian**) may participate in the SPP on behalf of one or more persons whom the Custodian holds Shares on behalf of (**Custodian Beneficiaries**), provided the conditions set out in clause 4 are met.
- 1.3 Shareholders who hold Shares on behalf of persons who reside outside Australia, New Zealand, or with the consent of the Company, the United Kingdom are not entitled to participate in the SPP.
- 1.4 If you are a joint holder of Shares, you are taken to be a single registered holder of Shares for the purposes of determining whether you are an Eligible Shareholder and joint holders are entitled to participate in the SPP in respect of that single holding only.

2. Offer

- 2.1 PCK offers each Eligible Shareholder the opportunity to purchase up to \$30,000 worth of fully paid ordinary shares in PCK (**New Shares**) under the SPP, subject to and in accordance with these Terms and Conditions.
- 2.2 The price at which New Shares may be acquired under the SPP will be equivalent to a 20% discount to the VWAP of the Company's Shares calculated over the last 5 days on which sales in the securities were recorded on ASX immediately prior to the Issue Date (being 11 March 2024) (**SPP Issue Price**).
- 2.3 By way of guidance only, prior to announcement of the SPP on 13 February 2024, the last closing price for the Company's Shares was \$0.034, with a 5 Day VWAP of \$0.033 and a 30-day VWAP of \$0.036.
- 2.4 Participation in the SPP is optional. The Offer is non-renounceable which means Eligible Shareholders cannot transfer their right to purchase New Shares to another person.
- 2.5 The Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on these same Terms and Conditions.
- 2.6 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

3. Joint holders

- 3.1 If you receive more than one Offer due to multiple registered holdings, you may apply for New Shares by way of different Application Forms, but you may not apply for New Shares with an aggregate value of more than \$30,000.

4. Custodians

- 4.1 If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, PCK will not issue New Shares under the SPP unless the Custodian certifies the following in writing to PCK:

- (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians (**Participating Beneficiaries**); or
 - (ii) that another custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian, on the Record Date, and that each Participating Beneficiary has subsequently instructed the following persons to apply for New Shares under the SPP on their behalf:
 - (iii) where sub-paragraph 4.1(a)(i) applies – the Custodian; and
 - (iv) where sub-paragraph 4.1(a)(ii) applies – the Downstream Custodian,
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary's address is located in Australia, New Zealand, with the written consent of the Company (in order to ensure the maximum limitation on the number of UK investors is not exceeded) the United Kingdom;
- (d) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph 4.1(a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph 4.1(a)(ii) applies – the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph 4.1(a)(i) applies – the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph 4.1(a)(ii) applies – the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$30,000:
 - (i) the New Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph 4.1(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;

- (g) that a copy of this Booklet was given to each Participating Beneficiary; and
- (h) where sub-paragraph 4.1(a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary,

(Custodian Certificate).

- 4.2 A Custodian Certificate can be requested from Boardroom Pty Limited via email at corporateactions@boardroomlimited.com.au. For further information about the custodian application process, a Custodian should contact the Registry, Boardroom Pty Limited on 1300 737 760 (within Australia) or + 612 9290 9600 (outside Australia) between 8:30am to 5:30pm (AEDT), Monday to Friday.
- 4.3 Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.
- 4.4 If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the \$30,000 maximum still applies and the rules relating to multiple single holdings apply (see clauses 6.5, 6.6(c) and 6.6(d)).

5. How much can I invest under the SPP?

- 5.1 Eligible Shareholders may apply for a parcel of New Shares under the SPP in accordance with the application amounts set out below in clause 5.2. The maximum investment amount under the SPP is \$30,000 worth of New Shares, subject to Scale-back. In the event PCK receives applications in excess of \$2.5 million dollars under the SPP, it will either scale back the applications (in the manner provided at clause 11 or increase the \$2.5 million in order to reduce or prevent the need for a scale-back should total demand under the SPP exceed \$2.5 million.
- 5.2 The number of New Shares issued to an applicant will be calculated by dividing the application monies by the final SPP Issue Price, which is to be determined on the basis set out at clause 2. The minimum application amount is \$2,000, increasing in increments as shown below:

Minimum	\$2,000
	\$5,000
	\$10,000
	\$20,000
Maximum	\$30,000

- 5.3 The number of New Shares will be rounded up to the nearest whole number.
- 5.4 It should be noted that the Company has the discretion to increase or decrease the size of the SPP.

6. Applying for New Shares

- 6.1 If you are an Eligible Shareholder and wish to participate in the SPP, you may apply to purchase New Shares with a minimum application amount of \$2,000 and any additional New Shares in the increments shown in clause 5.2 above, with a maximum application amount of \$30,000. If you do not wish to participate in the SPP, you may disregard this Booklet.
- 6.2 You can apply for New Shares by following the instructions on the Application Form and making payment by:
 - (a) If you are an Australian Eligible Shareholder, BPAY®: equivalent to the dollar amount of the parcel of New Shares you wish to apply for (using the BPAY® Customer Reference Number on your personalised Application Form which is required to identify your holding); or

- (b) If you are an overseas Eligible Shareholder, EFT payment: equivalent to the dollar amount of the parcel of New Shares you wish to apply for (using the unique reference number on your personalised Application Form which is required to identify your holding).

6.3 Applications are made by making a payment. You do **not** need to return your Application Form.

6.4 To be a valid application, your payment must be made in Australian dollars and must be received by the Registry by 5.00pm (AEDT) on 4 March 2024 (**Closing Date**). The time of your application will be the time at which the Registry has received your payment. If you make payment in the 24 hours before the Offer closes you must ensure that your payment is processed by your bank so that your application monies are received before 5:00PM (AEDT) on the Closing Date. If your payment is not received by this time, your application will be treated as a late application and may not be processed.

6.5 Eligible Shareholders who receive more than one Offer (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$30,000.

6.6 PCK may either accept or reject your application for New Shares at its absolute discretion. PCK may reject your application in the following circumstances (among others):

- (a) your Application Form (if returned) is incorrectly completed, incomplete or otherwise determined by PCK to be invalid;
- (b) your application and payment is not received by the Closing Date or is otherwise incomplete or invalid. Late payments will be refunded (without interest);
- (c) PCK believes that you are applying either directly or indirectly (such as through a trust) to buy more than an aggregate of \$30,000 of New Shares;
- (d) PCK believes that you and one or more other registered holders of the same or similar name or address are applying to buy more than an aggregate of \$30,000 of New Shares;
- (e) PCK believes you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements); or
- (f) your name is not recorded in the Register on the Record Date.

6.7 If your payment is for:

- (a) an amount less than \$2,000, PCK may, at its discretion, reject your application for New Shares and refund your application money in full (without interest); or
- (b) an amount greater than \$2,000 that is not equal to one of the designated amounts (see clause 5.2), PCK may, at its discretion:
 - (i) reject your application for New Shares and refund your application money in full (without interest); or
 - (ii) treat your application as if you had applied for the next lowest parcel of New Shares and refund the excess application money to you (without interest).

7. Issue price of New Shares under the SPP

7.1 Under the SPP, Eligible Shareholders have the opportunity to subscribe for up to \$30,000 of fully paid, ordinary shares in PCK (**New Shares**) at an issue price being equivalent to a 20% discount to the VWAP of the Company's Shares calculated over the last 5 days on which sales in the securities were recorded on ASX immediately prior to the Issue Date (being 11 March 2024) (without incurring any brokerage costs or other transactions costs) (**SPP Issue Price**).

- 7.2 The current Share price can be obtained from the ASX.
- 7.3 In accordance with the requirements of the ASIC Instrument, the Company notes that:
- (a) On the last trading day immediately prior to the announcement date of the SPP (being 9 February 2024), the closing price of the Shares traded on the ASX was \$0.034 per Share. The final SPP Issue Price will not be known until after market closing on the last trading day prior to the Issue Date.
 - (b) The 5 Day VWAP of the Company's Shares up to and including 9 February 2024 was \$0.033, with the 30-day VWAP up to that date being \$0.036.
 - (c) The method of determining the SPP Issue Price ensures that the SPP Issue Price will be a price which is less than the VWAP of the Company's Shares calculated over the last 5 days on which sales in the Company's Shares are recorded before the Issue Date).
 - (d) The market price of Shares in the Company may rise and fall between the date of the Offer, the date that you apply, or the date on which Shares are issued under the SPP.
 - (e) By making an application under the SPP, each Eligible Shareholder will be acknowledging that although the SPP Issue Price is at a discount to the 5 Day VWAP up to the Issue Date, Shares are a highly speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make the Offer and the date of issue of New Shares under the SPP. The Share prices may rise or fall and the price of Shares might trade below or above the SPP Issue Price. There can be no guarantee that trading pricing will be sustained.
- 7.4 ASX Listing Rule 7.2, Exception 5 permits the offer of shares under an SPP without shareholder approval (and without utilising the Company's placement capacity under Listing Rules 7.1 or 7.1A) subject to certain conditions, including that the issue price must be at least 80% of VWAP calculated over the 5 days on which sales in the securities were recorded, either before the day on which the issue was announced (**First Limb**) or before the day on which the issue was made (**Second Limb**). The Company has priced the SPP to fall within the Second Limb, accordingly all New Shares to be issued under the SPP (other than any New Shares to be placed with the underwriter or sub-underwriters), will not utilise the Company's Placement Capacity. This pricing also ensures the application of the Listing Rule 10.12, Exception 4, to the effect that the participation of any Director in the SPP does not require shareholder approval.
- 7.5 You agree to pay the SPP Issue Price per New Share for the number of New Shares that are allocated to you in accordance with these Terms and Conditions.

8. Number of New Shares to be issued

- 8.1 If you apply for New Shares, you will apply for a certain value, rather than a certain number of New Shares. If your application is accepted, PCK will divide the value of your application monies by the SPP Issue Price (as specified in clause 6) in order to determine the number of New Shares which, subject to Scale-back, will be issued to you.
- 8.2 If this calculation produces a fractional number, the number of New Shares you are issued will be rounded up to the nearest whole number of New Shares (refer to clause 11 for information on rounding in the event of a Scale-back).

9. The New Shares

- 9.1 New Shares will be issued on the Issue Date.
- 9.2 New Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, distribution rights and other entitlements from issue. These rights are contained in the Company's constitution (which is available for inspection at the registered office of the Company during normal business hours.)

- 9.3 PCK will apply for the New Shares issued under the SPP to be quoted on ASX. If the New Shares are not quoted on the ASX, the New Shares will not be issued and all application monies will be refunded (without interest).
- 9.4 Subject to these Terms and Conditions, the New Shares will be allotted as soon as possible after the Closing Date. The Company will send or cause to be sent to you a holding statement as soon as practicable thereafter.

10. Costs of participation

No brokerage or other transaction costs will apply to the application for, and issue of, New Shares under the SPP.

11. Scale-back

- 11.1 PCK may at its discretion scale-back the maximum number of New Shares issued to each Eligible Shareholder to the extent and in the manner that it sees fit (**Scale-back**). PCK will use its best endeavours to ensure that SPP participants have a reasonable opportunity to participate equitably in the overall capital raising. Accordingly, any Scale-back will be applied on a pro rata basis based on the number of New Shares that the Eligible Shareholder has applied for above the \$2,000 minimum application amount.
- 11.2 If a Scale-back occurs, you may receive less than the parcel of New Shares for which you have applied.
- 11.3 If a Scale-back produces a fractional number of Shares when applied to your issue of New Shares, the number of New Shares you will be allocated will be rounded up to the nearest whole number of New Shares.
- 11.4 If there is a Scale-back, your application monies may be greater than the value of the New Shares you will be issued. In such event, the excess application monies will be refunded to you without interest by direct credit (to your nominated account as recorded on the Register) or cheque as soon as practicable.
- 11.5 If demand for the SPP exceeds \$2.5 million, PCK has reserved the right to accept over-subscriptions in order to limit any Scale-back. Any increase to the amount to be raised under the SPP will be made in compliance with the Corporations Act, the ASIC Instrument and the ASX Listing Rules. The Company presently has the Placement Capacity to issue up to 178,937,439 Shares under Listing Rule 7.1, and 178,937,439 Shares under Listing Rule 7.1A.

12. Effect of the Offer

- 12.1 As the SPP Issue Price will not be known until after close of trading on the trading day immediately preceding the Issue Date, the Company cannot (at this time) calculate the maximum number of New Shares that might be issued under the SPP. However, assuming the SPP raises \$2.5 million with no over-subscriptions, and the final SPP Issue Price was in line with the 5 day VWAP calculated up to the announcement date of 14 February 2024, then as a guide only, the SPP Issue Price would be \$0.027. This would result in the issue of up to a maximum 92,592,593¹ New Shares which would represent 6.4% of existing Shares on issue prior to the SPP.
- 12.2 The table below sets out the effect on the capital structure of the Company before and after the completion of the SPP on the basis of the above assumptions (provided for indicative purposes only):

Event	Shares	% (at Completion of raise)
Existing Shares	1,435,849,410	93.9%
SPP - New Shares ² \$2.5 million)	92,592,593	6.1%

¹ The number of New Shares may also vary due to rounding.

Total post capital raising	1,528,443,003	100% (rounded)
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Notes:

1. Assumes no increase to the SPP size (noting PCK has reserved the right to accept over-subscriptions above \$2.5 million).
2. Assumes an SPP Issue Price of \$0.027 per Share. The final SPP Issue Price will not be known until closing of trading on the last trading day prior to the Issue Date and may be higher or lower.
3. PCK also has:
 - a. 64,900,000 options on issue with various exercise prices and expiry dates;
 - b. 15,964,049 performance rights on issue with various exercise prices and expiry dates.

Those convertible securities and their impact on the fully enlarged capital structure is not shown in the above table.
4. The impact of a Top-Up Placement is not demonstrated.

13. Risks

- 13.1 There is a risk that the market price of Shares may change between the date of the Offer, the date you apply for New Shares and the issue of New Shares to you. Accordingly, the value of the New Shares that you apply for, over time, is likely to rise and fall. Importantly, there is a risk that during the period between when you apply for New Shares and when the New Shares are issued to you, you may be able to buy Shares on the ASX at a lower price than the SPP Issue Price. After the issue of the New Shares to you, the value of these New Shares will fluctuate over time and there is no guarantee that their value will not fall below the SPP Issue Price. There are also a number of general and specific risks which may affect PCK. Please refer to the "Key Risks" in Annexure A for a non-exhaustive summary of the general and specific risks that may affect PCK.
- 13.2 This document is not a prospectus and has not been lodged with ASIC. This document does not contain the types of disclosure required to be contained in a prospectus. You must rely on your own knowledge of PCK, previous disclosures made by PCK to the ASX, and, if necessary, consult your professional financial and tax advisers before making a decision to participate in the SPP.

14. Foreign offering restrictions

This Booklet does not constitute an offer New Shares in the Company in any jurisdiction in which it would be unlawful. In particular, this Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

14.1 New Zealand

The New Shares are not being offered or sold 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 the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conducts Act 2013. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

14.2 United Kingdom

Neither this Booklet nor any other document relating to the offer of New Shares 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 Booklet or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Booklet is issued on a confidential basis in the United Kingdom to fewer than 150 persons

who are existing shareholders of the Company. This Booklet 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 Booklet 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 Booklet relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Booklet.

15. Effect of applying for New Shares and representations

- 15.1 If you submit a BPAY® (Australian Eligible Shareholders only) or EFT payment (overseas Eligible Shareholders only) you will be deemed to have submitted an application for the maximum amount of New Shares that the payment will cover, and:
- (a) you acknowledge that you have read, understood and irrevocably and unconditionally agree to these Terms and Conditions and the application in full and you agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
 - (b) you acknowledge that you are an Eligible Shareholder and that you are lawfully permitted to accept the Offer and participate in the SPP;
 - (c) you acknowledge that you reside in Australia, New Zealand or the United Kingdom;
 - (d) if you have a registered address in Australia, New Zealand or the United Kingdom, you warrant that you continued to hold Shares from the Record Date to the Opening Date;
 - (e) you certify that the total of the application price for the following does not exceed \$30,000:
 - (i) the New Shares the subject of your application;
 - (ii) any other New Shares or any Shares that you acquired under any arrangement similar to the SPP in the 12 months before the date of your application;
 - (iii) any other New Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in such Shares,even though you may have received more than one Offer or received Offers in more than one capacity;
 - (f) if you are a Custodian and are applying on behalf of a Custodian Beneficiary on whose behalf you hold Shares, you acknowledge and agree that:
 - (i) you are a Custodian as that term is defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547;

- (ii) you held Shares on behalf of the Custodian Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Custodian Beneficiary has been given a copy of this document;
- (iii) you are not applying for New Shares on behalf of any Custodian Beneficiary with an aggregate application amount of more than \$30,000 under the SPP;
- (iv) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (g) you acknowledge your application is irrevocable and unconditional;
- (h) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (i) you authorise PCK to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor details;
- (j) you acknowledge that PCK may at any time determine that your Application Form is valid, in accordance with this Booklet, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (k) you acknowledge that no interest will be paid on any application monies held pending the issuance of the New Shares or subsequently returned to you for any reason;
- (l) you accept that PCK at its absolute discretion can make reductions in issuance of New Shares under a Scale-back;
- (m) you acknowledge that PCK is not liable for any exercise of its discretions referred to in this Booklet;
- (n) you accept the risk associated with any refund that may be dispatched to you to by cheque to your address or by direct credit to your nominated bank account as shown on the Register;
- (o) if you are acting as a trustee, nominee or Custodian, each beneficial Shareholder on whose behalf you are participating is resident in Australia, New Zealand, or with the written consent of the Company, the United Kingdom and you have not sent this Booklet or any materials relating to the SPP outside Australia, New Zealand or, with the written consent of the Company, the United Kingdom;
- (p) you agree to be bound by the constitution of PCK;
- (q) you acknowledge that neither PCK nor the Registry has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy New Shares, and that this Booklet has been prepared without taking into account the objectives, financial situation or needs of individuals;
- (r) you are aware, and accept the risk, that the market price of Shares may change including (without limitation) between the date of the Offer, the date you apply for New Shares and the issue of New Shares to you (and accordingly the value of New Shares applied for, over time, is likely to rise and fall) and you accept the risk that during the period between when you apply for New Shares and when the New Shares are issued to you, you may be able to buy Shares on the ASX at a lower price than the SPP Issue Price;
- (s) you represent that you are not in the United States nor subscribing for New Shares for the account or benefit of a person in the United States;
- (t) you agree not to send any materials relating to the SPP to any person in the United States or that is or is acting for the account or benefit of a person in the United States;

- (u) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or other securities laws of any state or other jurisdiction of the United States, and accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registrations requirements of the US Securities Act and any other applicable US state securities laws;
- (v) you acknowledge that the New Shares will only be offered and sold outside the United States in "offshore transactions" (as defined in and in reliance on Regulation S under the US Securities Act);
- (w) if in future you decide to sell or otherwise transfer the New Shares, you will do so in a regular way on ASX where neither you nor any person acting on your behalf know, or have reasons to know, that the sale has been pre-arranged with, or that the purchase is, a person in the United States; and
- (x) you acknowledge that you have not distributed this Booklet or any other documents relating to the Offer to, any person in the United States or elsewhere outside Australia or New Zealand (in compliance with clause 14). Failure to comply with these restrictions may result in violations of applicable securities laws.

16. Timetable

16.1 Subject to clause 16.2:

- (a) **(Record Date)** the Offer is made to all persons registered as holders of Shares at 7.00pm (AEDT) on 13 February 2024 whose address in the Register was in Australia, New Zealand or the United Kingdom;
- (b) **(Opening Date)** the Offer opens at 9:00am (AEDT) on 16 February 2024;
- (c) **(Closing Date)** the Offer closes at 5.00pm (AEDT) on 4 March 2024. PCK reserves the right to close the SPP early, or to extend the Closing Date;
- (d) **(Issue Date)** PCK proposes to issue the New Shares by 11 March 2024;
- (e) **(Trading Date)** PCK expects trading on ASX of the New Shares issued under the SPP to commence by 12 March 2024; and
- (f) **(Despatch Date)** the date on which transaction confirmations are sent to Shareholders and, if applicable, a direct credit deposit to your nominated account is made, or refund cheque is despatched, as a result of any Scale-back being applied to your application, is expected to be 12 March 2024.

16.2 PCK may vary any of the above dates in clause 16.1 at its absolute discretion (even if the Offer has been opened, or payments or Application Forms have been received) by lodging a revised timetable with ASX.

17. Underwriting

The SPP is underwritten by Canaccord Genuity (Australia) Limited up to the amount of \$2.5 million. A summary of the termination events under the underwriting agreement between PCK and Canaccord Genuity (Australia) Limited are provided in Annexure B.

18. Legislative instrument compliance

A registered holder of Shares will be ineligible to participate in the SPP if their participation would be in breach of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

19. Dispute resolution, waiver, withdrawal, suspension, and termination

- 19.1 PCK may settle, in any manner it deems appropriate, any difficulties, anomalies, or disputes which may arise in connection with the operation of the SPP and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 19.2 PCK reserves its right to waive strict compliance with any provisions of this Booklet and to amend or vary these Terms and Conditions set out in this Booklet and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where PCK does not notify you of that event.
- 19.3 If the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money refunded to you.

20. Privacy

- 20.1 PCK and the Registry are bound by the *Privacy Act 1988 (Cth)* in relation to the collection, use and disclosure of any personal information about you. Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of PCK. This information must continue to be included in the public register if you cease to be a Shareholder.
- 20.2 PCK and the Registry may collect personal information to process your application, implement the SPP and administer your Shareholding. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 20.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of PCK and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 20.4 The Registry's privacy policy is available on its website: <https://boardroomlimited.com.au/wp-content/uploads/2023/12/Privacy-Policy-Online-Version.pdf>. PCK's privacy policy is available on its website: <https://www.painchk.com/privacy-policy/>. Each privacy policy contains information about how you may seek access to, and correction of, your personal information and also contains information about how you can complain about a breach of the Privacy Act and how such a complaint will be dealt with.

21. Governing Law

This Booklet and the Offer are governed by the laws in force in New South Wales, Australia. Any dispute arising out of or in connection with the Terms and Conditions, or the Offer, will be determined by the courts of New South Wales, Australia. By accepting this Offer, you agree to submit to the exclusive jurisdiction of the courts in New South Wales, Australia.

22. Additional Provisions

- 22.1 The Company may amend the terms of the Offer at any time. Any material amendments will be announced to the ASX.
- 22.2 The Company may terminate or otherwise withdraw the Offer at any time. Any termination or withdrawal will be announced to the ASX, and any application monies received will be returned without interest.
- 22.3 The Company may act or omit to act in relation to the Offer (including applying the terms of the Offer) in its absolute discretion. The Company may settle any difficulty or question or fact or interpretation in relation to the Offer in any manner it thinks fit, whether generally or in relation to any Eligible Shares, application or New

Share. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with these Terms and Conditions (subject to compliance with the law, the Instrument and ASX Listing Rules). The Board or any delegate may exercise the powers of the Company under the terms of the Offer.

23. Glossary

The following definitions apply throughout this Booklet unless the context requires otherwise. A reference to a clause is a reference to a clause in these Terms and Conditions.

5 Day VWAP the volume weighted average price of a Share on the last 5 days on which sales in the Shares were recorded prior to a specified date.

AEDT Australian Eastern Daylight-saving Time (being Sydney time).

Application Form your personalised application form enclosed with this Booklet.

ASIC Australian Securities and Investments Commission.

ASIC Instrument *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

ASX ASX Limited (ACN 008 624 691) or the market operated by it as the context requires.

Booklet this document.

Closing Date 5.00pm (AEDT), 4 March 2024 (or such other date as PCK determines, in its absolute discretion).

Corporations Act *Corporations Act 2001* (Cth).

Custodian a custodian as defined in paragraph 4 of the ASIC Instrument.

Custodian Beneficiaries has the meaning given in clause 1.2.

Custodian Certificate has the meaning given in clause 4.

Director a director of Painchek Ltd.

Downstream Custodian has the meaning given in clause 4.1.

Eligible Shareholder has the meaning given in clause 1, and does not include Shareholders with a registered address outside of Australia, New Zealand or the United Kingdom on the Record Date.

Issue Date 11 March 2024 (or such other date as PCK determines, in its absolute discretion, subject to ASX requirements).

New Shares the Shares to be issued under the SPP.

Offer the offer in clause 2.

Opening Date 9.00am (AEDT), 16 February 2024.

Participating Beneficiaries has the meaning given in clause 4.1.

PCK Painchek Ltd (ACN 146 035 127).

Placement Capacity the Company's capacity to issue new equity securities without shareholder approval pursuant to Listing Rules 7.1 and 7.1A.

Record Date 7.00pm (AEDT) on 13 February 2024.

Register the register of Shareholders.

Registry Boardroom Pty Limited (ACN 003 209 836).

Scale-back has the meaning given in clause 11.1.

Share a fully paid ordinary share in PCK.

Shareholder a registered holder of Shares.

Shareholding a holding of Shares.

SPP the share purchase plan offer made to Eligible Shareholders under this Booklet.

SPP Issue Price has the meaning given to the term in clause 2.1. See also clause 7.

Terms and Conditions or SPP Terms and Conditions the terms and conditions of the SPP set out in this Booklet.

Top-Up Placement a back-end placement of Shares by PCK to institutional, sophisticated and exempt investors, to raise an aggregate of \$5 million together with the SPP, as announced on 14 February 2024.

Trading Date 12 March 2024 (or such other date as PCK determines, in its absolute discretion).

VWAP means the volume weighted average price of a Share.

Annexure A Key Risks

There are a number of general and specific risks which may affect Painchek Ltd (ACN 146 035 127) (**PCK or Company**). A summary of the general and specific risk factors that may affect PCK are set out below.

- A. **Successful commercialisation of Adult App in international markets:** PCK has commenced selling its Adult App in Australia and certain international markets, being the United Kingdom, New Zealand and Canada. Expansion of PCK'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 PCK's products. Market acceptance of PCK's products will depend on many factors, including positive clinical trial results (where additional clinical trials are required) and PCK'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, PCK 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 PCK's existing products and new products will be substantial or sufficient to meet PCK's sales objectives. If sufficient market acceptance in international markets is not achieved, the growth of PCK's revenue may slow or decline which will have an adverse impact on PCK's operating and financial performance.
- B. **Successful commercialisation of Infant App in international markets:** PCK has not commenced selling the Infant App, and its success will depend on market acceptance and adoption of the product. PCK has received regulatory approval in 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 PCK's products will depend on many factors, including positive clinical trial results (where additional clinical trials are required) and PCK'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, PCK 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 PCK's existing products and new products will be substantial or sufficient to meet PCK's sales objectives. If sufficient market acceptance in international markets is not achieved, the growth of PCK's revenue may slow or decline which will have an adverse impact on PCK's operating and financial performance.
- C. **Regulatory clearances:** The distribution of PCK's products is subject to obtaining or maintaining regulatory clearances issued by appropriate governmental authorities and regulatory bodies. Regulatory 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 PCK's financial performance. If PCK is unable to obtain any of these required regulatory clearances PCK's ability to achieve its growth objectives by expansion of its product offerings or geographic expansion of sales may be materially impaired.
- D. **Cyber security and privacy risks:** The technological infrastructure that PCK has in place may be subjected to external cyber attacks or security breaches, which could cause the Company to lose control of its core systems or lose data, which could include personal information in some cases, despite the privacy controls that the Company has in place. If an attack or breach of this kind does occur, this could result in a breach of law by the Company or the breach of its contractual obligations, which may have a material adverse effect on PCK's business and its reputation.
- E. **Future Funding:** The Company is not yet profitable and will require ongoing funding to meet its objectives and continue as a going concern. There can be no certainty that the Company can raise the funds required. Any equity financing will be dilutive to Shareholders and may be undertaken at lower prices than the then market price. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.
- F. **Competition:** Other companies may develop competing products or services which assess and monitor pain in target market segments. PCK's failure to compete effectively against existing competitors and potential new entrants could have a material adverse effect on PCK's operating and financial performance.
- G. **Customer retention:** There is no guarantee that existing paying customers will elect to renew their existing annual or multiple annual contracts when those contracts become due for renewal.
- H. **Product Development:** PCK's business is dependent on the continued improvement of existing products and development of new products utilising current or other potential future technology. PCK cannot guarantee that any products under development will result in the launch of a commercially viable product. If PCK 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 PCK's competitive position.
- I. **Intellectual property protection:** The value of PCK's products is dependent on PCK'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 PCK's operating and financial performance. PCK is in the process of developing and protecting its intellectual property, and currently has granted patents in the United States, Europe, Japan and China. PCK's intellectual property rights are dependent on legal protections. However, these protections do not guarantee that PCK will have commercially significant protection of its intellectual property or that its competitive position will be maintained. Further, actions that PCK 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 PCK to protect its intellectual property rights could have an adverse impact on PCK's operating and financial performance.

- J. **Dependence on technology suppliers:** PCK's business relies on its ability to attract and retain in-house or third party technology suppliers. PCK has contractual agreements in place with third parties such as Darwin Digital for support and development of its applications and has commenced development of its own proprietary technology to alleviate future supplier risks. Any inability or failure of suppliers to supply PCK with relevant products or services may adversely affect PCK's operating and financial performance. Given the evolution of technology and future capabilities that may be required, PCK plans to further develop in-house technology and additional suppliers.
- K. **Underwriting Risk:** PCK has entered into an agreement with Canaccord Genuity (Australia) Limited (**Underwriter**) with respect to the SPP (**Underwriting Agreement**). The Underwriter's obligation to underwrite the SPP is subject to customary terms and conditions, including the termination rights for the Underwriter in specific circumstances, which are summarised in Annexure B. If the Underwriting Agreement is terminated for any reason, then PCK may not receive the full amount of the \$2.5 million SPP, its financial position may change, and it may need to take other steps to raise capital.
- L. **Dependence on key personnel:** PCK 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 PCK'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.
- M. **Risk of shareholder dilution:** PCK 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.
- N. **Failure to manage growth:** PCK'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.
- O. **Investment risks:** There are risks associated with any stock market investment, including the demand for PCK securities, which may increase or decrease and PCK securities may trade above or below the issue price on the ASX. If PCK issues new securities, an existing securityholder's proportional interest in PCK may be reduced. The market price of PCK securities may be affected by factors unrelated to the operating performance of PCK such as stock market fluctuations and volatility and other factors that affect the market as a whole.
- P. **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 economics conditions such as interest rates and inflation and consequently the performance of PCK.
- Q. **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 PCK's tax liabilities or the tax treatment of a securityholder's investment.
- R. **Litigation risk:** In the ordinary course of business, PCK 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.
- S. **Other risks:** The above risks should not be taken as a complete list of the risks associated with an investment in PCK shares. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of PCK shares and the financial performance of the Company. No assurance or guarantee of future performance or profitability of PCK or the value of PCK shares is given.

Annexure B Underwriting Agreement Termination Events

Painchek Ltd (ACN 146 035 127) (**PCK** or **Company**) has entered into an agreement with Canaccord Genuity (Australia) Limited (**Underwriter**) with respect to the SPP (**Underwriting Agreement**). The Underwriter's obligation to underwrite the SPP is subject to the terms and conditions of the Underwriting Agreement, including termination rights in specific circumstances. The Underwriter may, without cost or liability to themselves and without prejudice to certain rights under the Underwriting Agreement or for damages arising out of any breach by PCK of its representations, warranties or obligations under the Underwriting Agreement, by notice in writing to PCK terminate its obligations under the Underwriting Agreement if any of the below listed Termination Events occurs.

Those Termination Events that are marked with an asterisk (*) are qualified termination events and will only give rise to a right of the Underwriter to terminate if, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have a Material Adverse Effect; or could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The term "Relevant Company" means PCK and each subsidiary of PCK.

Termination Events

- **(Indices fall):** any of the All Ordinaries Index or the Standard and Poors/ASX Small Ordinaries Index as published by ASX closes at any time after the date of this Agreement at a level that is 10.0% or more below its level as at the close of trading on the Business Day prior to the date of this Agreement.
- **(No Official Quotation):** ASX has indicated before the Shortfall Notice Deadline Date that Official Quotation will not be granted in accordance with the Timetable or will be granted with such conditions attached so as to represent a Material Adverse Effect, or having been granted, is subsequently withdrawn, withheld or qualified.
- **(Restriction on allotment):** the Company is prevented from allotting the Offer Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.
- **(Non-compliance with class orders):** it transpires that the Share Purchase Plan or the Offer do not contain all the information required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, or equivalent ASIC relief, is or becomes unavailable to the Company, or is not expected to become available to the Company.
- **(Misleading Share Purchase Plan):** it transpires that there is a statement or omission made by the Company including without limitation a statement or omission in connection with the Share Purchase Plan or an ASX announcement relating to the Offer and that statement or omission is or becomes misleading or deceptive or likely to mislead or deceive.
- **(ASIC or other prosecution):** ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the Offer, the Share Purchase Plan or the Company.
- **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application.
- **(Secondary Trading):** it transpires that the Company is unable to issue a notice under Section 708A(6) of the Corporations Act in relation to secondary trading of the Offer Shares, the Shortfall Shares or Shares issued pursuant to the Top-Up Placement (if any).
- **(Authorisation):** any authorisation which is material to anything referred to in the Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter.
- **(Indictable offence):** a director or a senior manager of a Relevant Company is charged with an indictable offence.
- * **(Default):** default or breach by the Company of any term, condition, covenant or undertaking under this Agreement.
- * **(Hostilities)** there is an outbreak of hostilities not existing at the date of this Agreement or an escalation of existing hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America or the People's Republic of China.
- * **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect.
- * **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
- * **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or an adverse change, or an event occurs that is likely to give rise to an adverse change, in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company (in so far as the position in relation to any Relevant Company affects the overall position of the Company) including, without limitation, if any financial forecast disclosed to ASX prior to the date of this Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time.

- * **(Public statements)**: without the prior approval of the Underwriter (acting reasonably) a public statement is made by the Company in relation to the Offer or the Share Purchase Plan.
- * **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.
- * **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation".
- * **(Change in Act or policy)**: there is introduced, or there is an official public announcement on behalf of the Government of the Commonwealth of Australia of any State or Territory of Australia of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any new Act, prospective Act or budget, or the Reserve Bank of Australia, the Government of the Commonwealth of Australia or any State or Territory of Australia adopts or make an official public announcement of a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than an Act, budget or policy that has been announced before the date of this Agreement).
- * **(Prescribed Occurrence)**: a Prescribed Occurrence occurs.
- * **(Suspension of debt payments)**: the Company suspends payment of its debts generally.
- * **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company.
- * **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company after the date of this Agreement and is not set aside or satisfied within 7 days.
- * **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims disclosed to the ASX prior to the date of this Agreement.
- * **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company, other than one which has already been disclosed to ASX or the Underwriter before the date of this Agreement, before Completion without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).
- * **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company.
- * **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days (excluding any variation to the Timetable that has been consented to by the Underwriter).
- * **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs.
- * **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter.
- * **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer.
- * **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company.
- * **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the People's Republic of China, France, Germany, Canada, South Korea, India, Saudi Arabia or Switzerland.
- * **(Shares are not fully paid ordinary)**: all Shares issued pursuant to the Offer and in accordance with the terms of this Agreement must, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company and will be free of all encumbrances.
- * **(Suspension)**: the Company is removed from the Official List or, after the date of this Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.