

**28<sup>th</sup> April 2017**

## **Company Announcements/Australian Securities Exchange**

### **ePAT Technologies (ASX:EPT) - Quarterly Cash Flow Statement**

#### **Highlights**

- All Business Milestones on track and on time for Dementia App commercialization in Q4 2017
- iOS (alpha version) “Apple” App receives positive healthcare professional feedback at Australian Pain Society conference during April 2017
- Aged Care needs and government policies continue to drive need for ePAT App solutions
- Chief Technology Officer now in place to support commercialization

#### **Summary of Key Developments:**

ePAT continues to meet its commercial and development milestones and is making excellent progress towards approval and market release of the dementia pain assessment App in Q4 2017.

The iOS App (Alpha version) was delivered on time in early April and was presented at the Australian Pain Society in Adelaide during April 9<sup>th</sup>-12<sup>th</sup> where 800 pain specialists were in attendance.

The Australian Pain Society conference was the first time ePAT exhibited at a medical conference. The full ePAT team attended the conference and received positive feedback and strong interest in the ePAT App from a broad range of potential customers including large aged care providers, pain assessment and rehab clinics, and hospital-based anesthetists. The feedback positively endorsed the ePAT App and has provided ePAT with a good network of healthcare professional pain specialists to support the Australian market entry.

The technical file for regulatory approval is being compiled incorporating the completed validation studies and the product information set. This is scheduled for completion during Q2 2017. As ePAT is a Class 1 medical device we plan to be in a position to submit the technical file and self certify for CE Mark and TGA approval in Q3 2017 - followed by local market launch in Q4 2017. These timelines are as per our prospectus timetable.

The next iOS App (beta version) will be used in the implementation studies with BUPA in Victoria – these studies are scheduled to commence in Q2 2017 and are expected to be completed in time to provide clinical utility data to support the market launch.

**Intellectual Property:** During the past quarter we commenced national patent filings in Australia, US, European Union, Japan and China.

We have continued to build the video library for the Children's App in preparation for the Children's App development later this year.

### **Financial Update:**

The March 2017 quarter cash flow shows the cash expenditure during the period totaled \$275k (net of R&D tax incentive received of \$53k) and cash at bank at the end of the quarter amounted to \$3.28m.

These funds are expected to be sufficient to commercially launch the ePAT Dementia App and develop the Children's App.

The cash burn was less than expected due to delayed receipt of invoices from major suppliers. These will be paid in the current quarter, hence the increased expected cash burn in this next quarter of approximately \$705k.

All other operating expenses remain on plan.

### **Personnel:**

In April Scott Robertson joined the ePAT team as the Chief Technical Officer. Scott has a strong background in designing, deploying and managing enterprise software systems. Scott will be instrumental in building the capability and infrastructure required to effectively launch the ePAT App's in Australia and on a global basis.

### **Supportive market conditions:**

The challenge and cost of providing effective care for people with dementia has resulted in new reports and policy developments by Alzheimer's Australia and the Australian Health and Aged Care government.

- Alzheimers Australia February 2017 report on the "Economic Cost of Dementia" calls for care and support in the community that fosters independence and effective support for informal carers.
- The Australian Government Department of Ageing and Aged Care passed the Consumer Directive Care (CDC) Act into law as of February 27<sup>th</sup> 2017. The main objective of CDC is to offer aged care consumers more choice and flexibility about the types of care and services they receive, how they are delivered, by whom and when.

The ePAT App is a solution that can help facilitate these critical healthcare shifts.

Our vision is that the first ePAT App will be a cost effective pain assessment and monitoring tool that improves the quality of life for people with dementia and is simple and accurate enough to be used by any carer in any environment.

### **Meeting our Milestones:**

The ePAT team is focused on delivering on its products, building customer engagement and developing the go to market strategy for effective launch of the first ePAT App by the end of 2017.

Local and international market interest in the ePAT Apps continue to grow and we are looking to work with a number of potential business partners to optimize the range of market opportunities.

ePAT is well positioned to continue to achieve our business milestones and is grateful for the continued support of our shareholders.

The company is committed to keeping the market updated on our progress during the next quarter.

Further information is available at [www.epattechnologies.com](http://www.epattechnologies.com)

**About ePAT:**

ePAT Technologies Limited is an Australian based company which is developing mobile medical applications that are intended to provide pain assessment for individuals that are unable to communicate verbally with their carers.

**The ePAT business:**

The ePAT business has evolved from research undertaken by Curtin University in Western Australia over the past 3 years. ePAT now owns the intellectual property resulting from Curtin University's research on the ePAT Apps.

ePAT's technology, a mobile application (**ePAT App**), uses cameras in smartphones and tablets to capture a brief video of the person, which is analysed in real time using facial recognition software to detect the presence of facial micro-expressions that are indicative of the presence of pain.

This data is then combined with other indicators of pain, such as vocalisations, behaviours and movements captured through the ePAT App to calculate a pain severity score.

Due to its ease of use and its reproducibility, it is intended that the ePAT App will be able to be used in the first instance to detect and measure a person's pain, and then further measurements can be used to monitor the effectiveness of pain management provided to the person.

The ePAT App is being developed and will be rolled out globally in two phases: first, the ePAT App for Dementia for persons who have lost the ability to communicate with their carers, and the second, the ePAT App for Children who have not yet learnt to speak.

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