

31 October 2016



*Improving the quality of life for people in pain through novel,  
cost effective pain assessment tools*

ePAT Technologies Limited

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## QUARTERLY REPORT

The Company's first quarterly cash flow report (Appendix 4C) since re-listing on ASX is attached and reflects the completion of the successful capital raising and the activities to undertake the reverse acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd.

The recent ePAT ASX re-listing has secured the capital, along with a strong Board and Management team, to successfully commercialize the first ePAT App for people with dementia.

"The availability of a more objective and automated system for the detection and monitoring of pain for people with dementia will have a significant impact on reducing the cost and improving the quality of healthcare delivery in the aged care sector. Healthcare professionals, aged care nurses and care workers alike are eagerly awaiting the ePAT solution" said ePAT Managing Director, Philip Daffas.

"ePAT is well positioned in the development of the initial product, clinical trials and regulatory approval pathways. Over the next few weeks we will be progressing on all fronts to commercialize the first ePAT App in 2017.

I am looking forward to meeting with our key Australian based healthcare professional collaborators and our international technology suppliers over the next weeks to as we extend our global reach and capabilities".

### 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 with their carers.

### ePAT's 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.

For further information contact:

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## +Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

**EPAT TECHNOLOGIES LIMITED**

**ABN**

Quarter ended ("current quarter")

21146035127

**30-09-16**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.0</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(250)	(250)
	(f) administration and corporate costs	(230)	(230)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(480)</b>	<b>(480)</b>
<b>2.0</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.0</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	4,733	4,733
3.2	Proceeds from issue of convertible notes	300	300
3.3	Proceeds from exercise of share options		

3.4	Transaction costs related to issues of shares, convertible notes or options	(278)	(278)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.1</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,754</b>	<b>4,754</b>

<b>4.0</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	4,274	4,274
4.1	Cash and cash equivalents at beginning of quarter/year to date	80	80
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(480)	(480)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,754	4,754
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>4,354</b>	<b>4,354</b>

<b>5.0</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> <b>\$A'000</b>	<b>Previous quarter</b> <b>\$A'000</b>
5.1	Bank balances	4,354	80
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,354</b>	<b>80</b>

<b>6.0</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter</b> <b>\$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	92
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

<b>7.0</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.0	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9.0	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	104
9.2	Product manufacturing and operating costs	
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	91
9.6	Administration and corporate costs	132
9.7	Other (capital raising / transaction costs for ePAT acquisition)	566
9.8	<b>Total estimated cash outflows</b>	<b>893</b>

10.0	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Electronic Pain Assessment Technologies (EPAT) Pty Ltd	
10.2	Place of incorporation or registration	WA	
10.3	Consideration for acquisition or disposal	\$4.2m (non-cash)	
10.4	Total net assets	Nil	
10.5	Nature of business	Mobile medical application for pain assessment	

#### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 31 October 2016

Print name:

Ian Hobson

#### Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.