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ePAT Pain Assessment App Secures Regulatory Clearance

- ePAT App is now cleared for use as a medical device in Australia (TGA) and CE marked for European markets
- Regulatory clearance is a key business milestone and requirement by the ePAT customer base
- Australian Commercialisation of the ePAT App remains on schedule for Q4 2017 and Europe during 2018

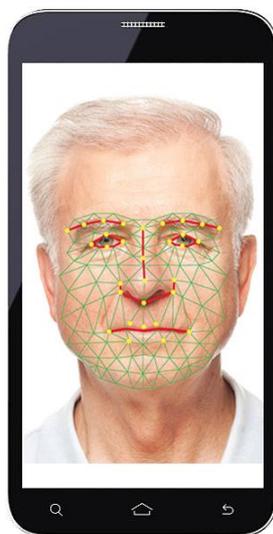
The ePAT pain assessment App has been CE marked and is included on the TGA Australian Register of Therapeutic Goods (ARTG) as a Class 1 medical device.

The ePAT App's intended use is "to assess and monitor pain in people who cannot verbalise such as people with dementia or communication difficulties"

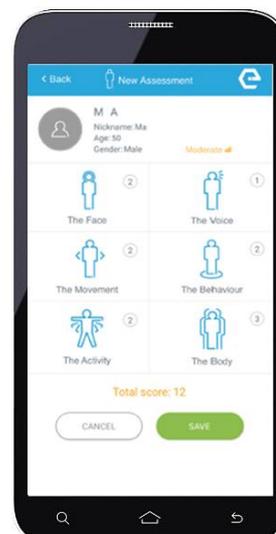
Company CEO Philip Daffas said he was delighted the ePAT App now meets the regulatory requirements that enable it to be promoted in these key international markets.

"This is a critical milestone in the commercialization of the ePAT App. We are now in a position to implement our commercialisation plans in the final quarter of 2017 as we had originally planned," said Daffas.

The ARTG inclusion and CE marking are essential for medical device products to be launched in Australia and the European Economic Area (EEA).



ePAT artificial intelligence assesses facial micro-expressions that are indicative of the presence of pain



The ePAT App six domains of pain assessment that calculates pain severity score

This provides ePAT with market access to two large geographies which combined represent more than 30% of ePAT's initial global market opportunity.

"Our healthcare professional customers and consumers will look for ARTG inclusions (TGA clearance) and CE marking on our App to confirm that the organisation has taken the required steps to confirm the performance and safety of the ePAT App," added Daffas. "Our commercial model will be based on a subscription model that fits with the needs of the Enterprise market, i.e. the carers in aged care centers, and carers for home use. We believe this will allow for rapid take up and provide a solid base for the long term business"

In addition, being a Class 1 medical device differentiates the ePAT App from the multitude of "wellness" apps on the market that typically have not gone through the regulatory process and are not recognized as medical devices.

ePAT has a defined commercialisation strategy that will see it generate recurring revenues from a range of revenue sources. Primarily it plans to sell via a Software as a service (SaaS) model, whereby it will sell via software enterprise partners and direct to business. It will also sell its product direct to consumers via the App Store and Google Play.

Milestones Achieved:

Achievement of regulatory approval triggers ePAT vendors' entitlement to deferred consideration shares to the value of \$1,000,000 AUD calculated at a 5 day VWAP, which has been calculated at 2.6 cents – resulting in 38,461,538 ePAT shares to be issued. See terms in the Prospectus dated 25 August 2016. These shares are to be escrowed for the balance of the 24 months from the date of official quotation of the Company's securities (19 October 2018) and will be issued once appropriate restriction agreements are executed.

It also triggers one of the vesting conditions of the 90,198,155 options issued to the Directors on 19 December 2016 following shareholder at the AGM in November 2016. Accordingly 1/3 of these options (30,066,052) have now vested.

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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