

Cogstate Annual General Meeting

October 2014

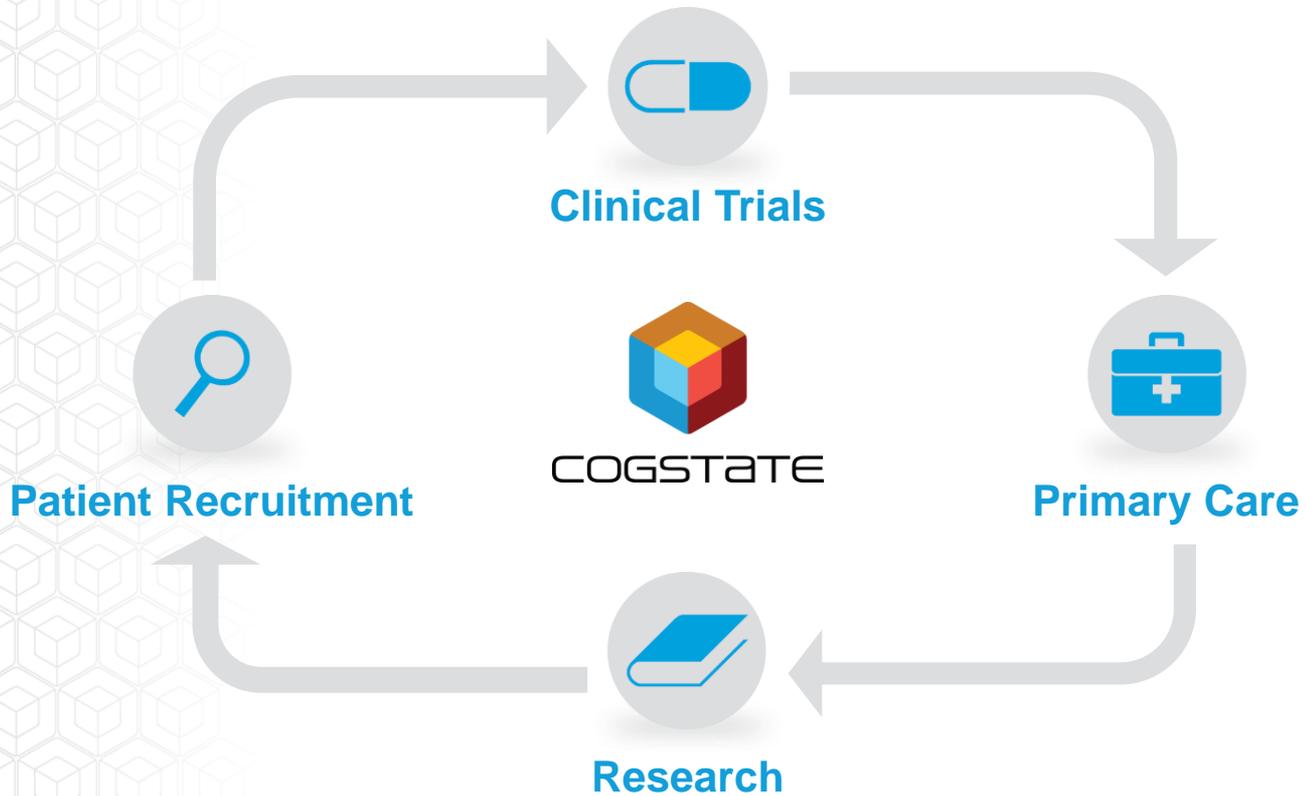


COGSTATE

Cogstate's Vision

To successfully commercialise Cogstate technology by facilitating decision making in respect of cognition across all aspects of the health care sector – from research to primary care medicine.

Cogstate Business



Virtuous Loop

Cogstate's strategy relies on leveraging the inter-relationship between:-

- Clinical trials - proving drug efficacy cost effectively
- Primary Care - ensuring early detection
- Patient Recruitment – community screening and support for clinical trials
- Research - proving our tools vs bio-markers & imaging creating a virtuous loop

FY14 Milestones

Clinical Trials

- Rewrite of technology platform, providing greater ease of use, functionality and hardware independence
- Appointment of Craig Gravina as CTO in June 2014
- Enhanced focus on Clinical Trials sales, seeking improved top and bottom line performance for FY15
- Appointment of Lammert Albers as Chief Commercial Officer beginning Nov 2014 – revamped sales team

FY14 Milestones cont.

Primary Care

- Amendment to Cognigram partnership to Merck giving Cogstate full sales and marketing rights in Canada
 - Merck continues to provide e-marketing support
- Other big pharma have contacted us with a view to introducing a Primary Care product into the US market & rest of the world

Research

- Cogstate selected for highly influential phase III Alzheimer's disease study: Anti-Amyloid Treatment in Asymptomatic Alz's disease (A4)
 - Seeking to prevent or slow onset in at-risk but asymptomatic elderly

FY14 Milestones cont.

Patient Recruitment

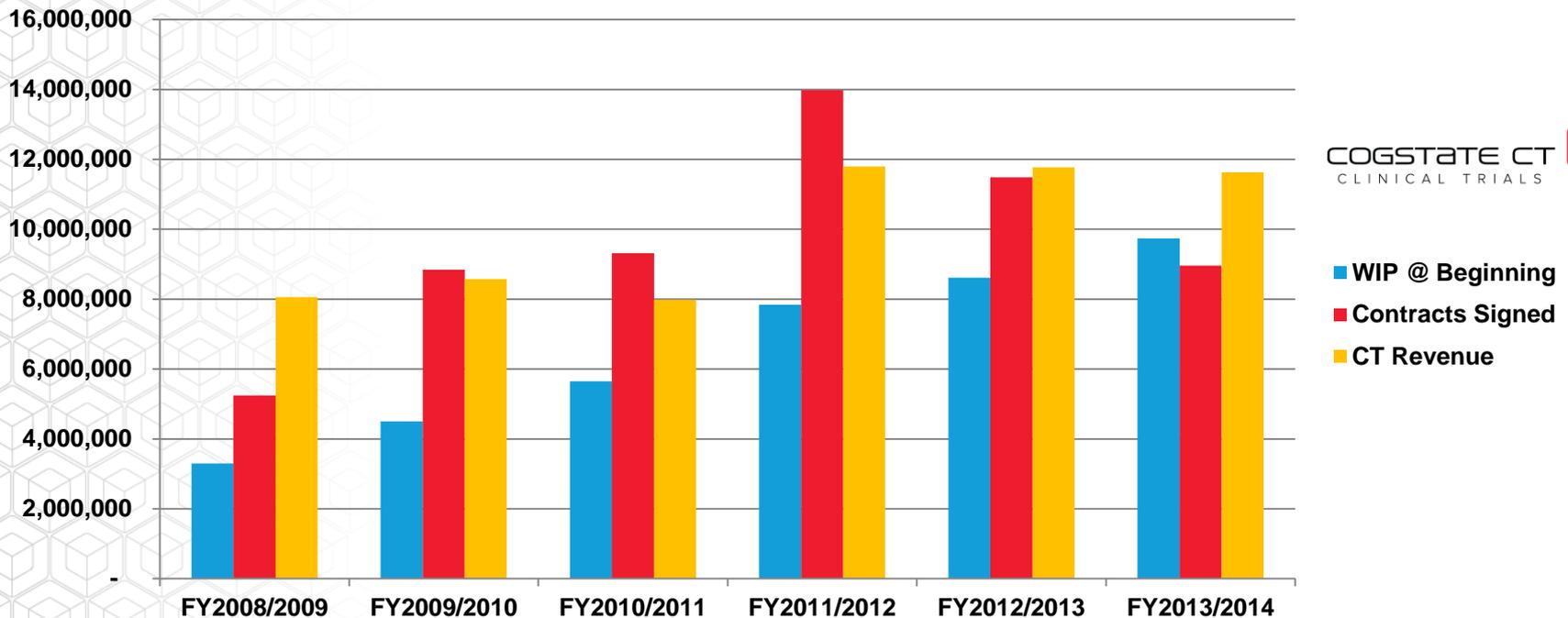
- Precision Recruitment product launch enabling identification of appropriate patients for clinical trials at reduced costs, which is expected to drive revenue in FY15 and beyond

Business Divestment

- Review of business strategy resulted in a decision to sell Axon Sports
 - Letter of Intent signed for sale of Axon Sports training business
 - Completion of sale expected inside 60 days
 - No upfront cash – Earn out based on a % of revenue for 5 years
 - If sold inside 5 years, sliding scale of sales proceeds to Cogstate
 - All costs assumed by purchaser

Clinical Trials Sales Contracts

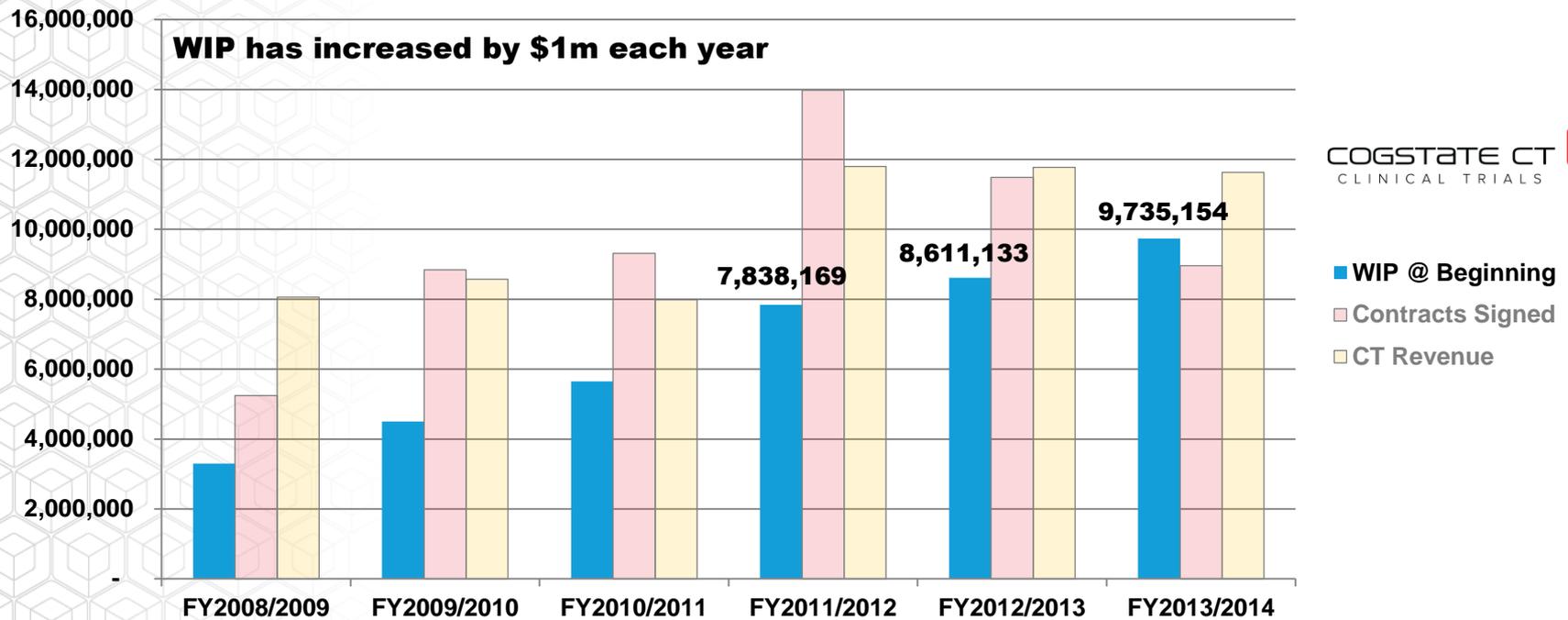
WIP + Contracts signed = Revenue



- WIP @ Beginning
- Contracts Signed
- CT Revenue

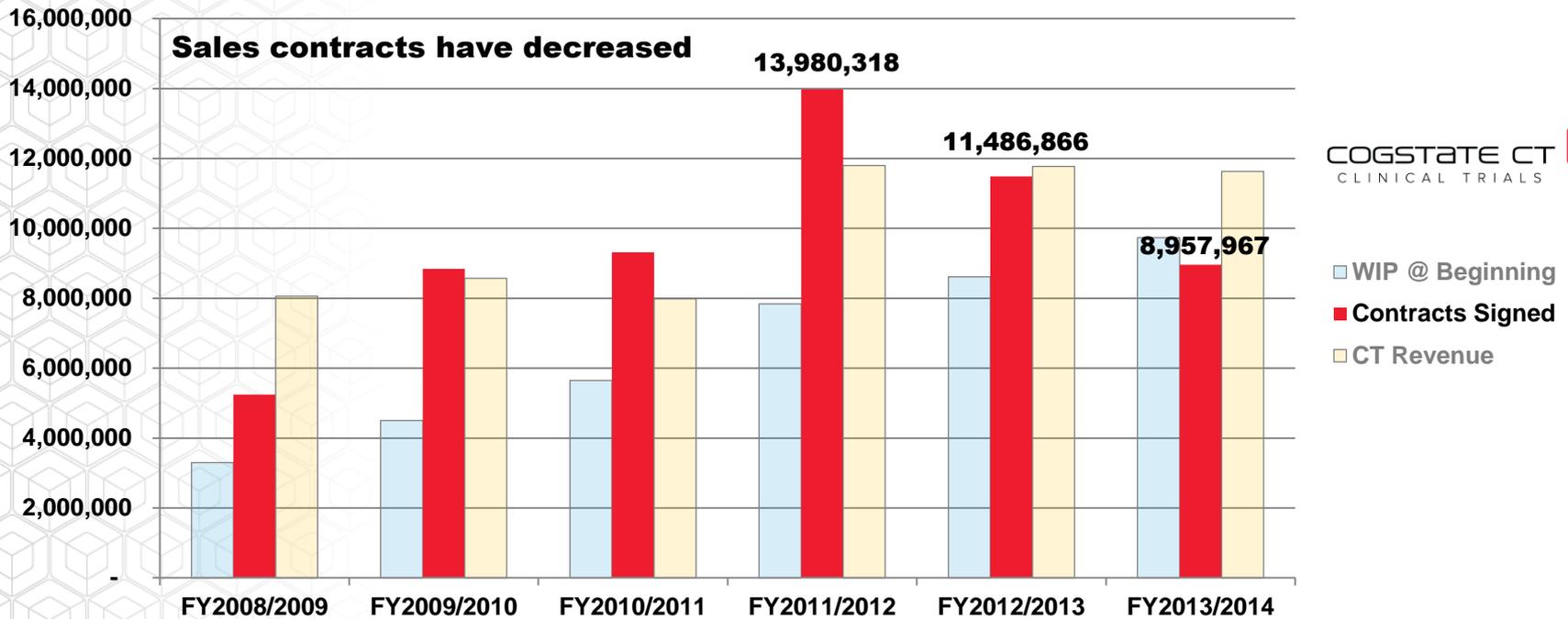
Clinical Trials Sales Contracts

WIP + Contracts signed = Revenue



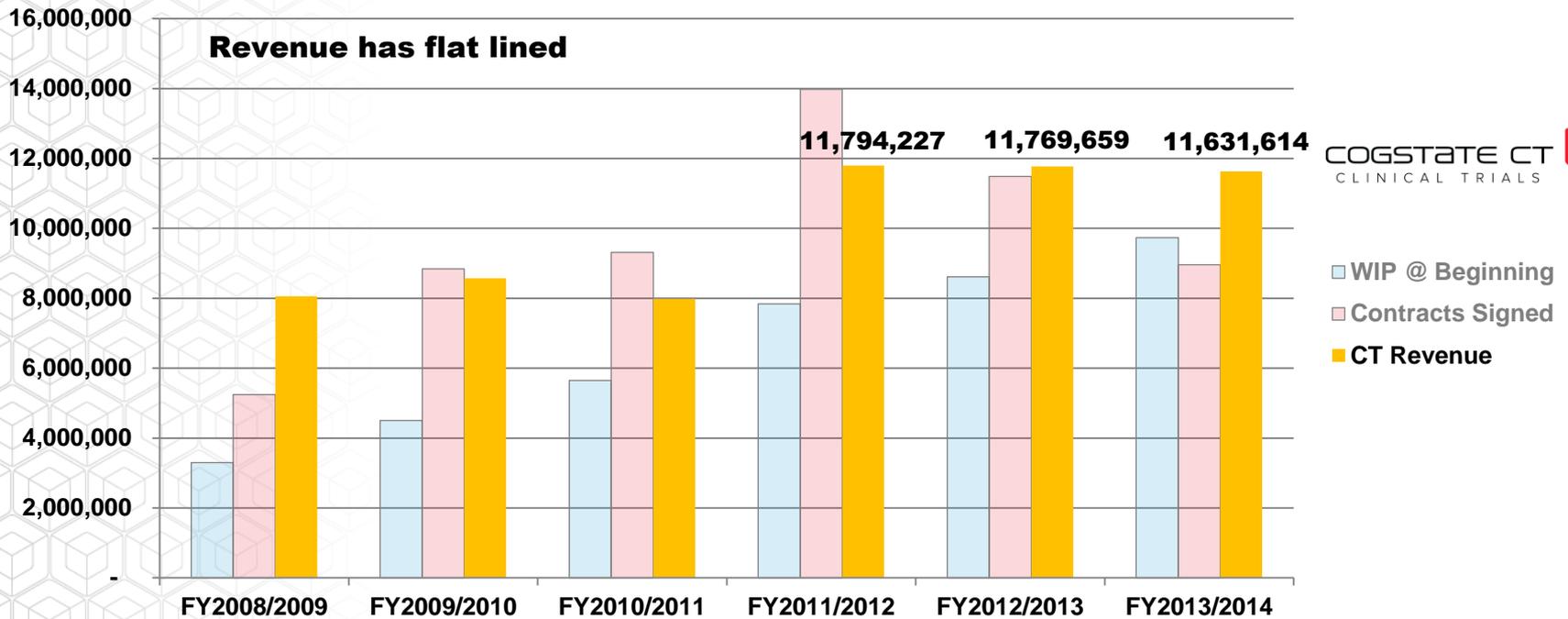
Clinical Trials Sales Contracts

WIP + Contracts signed = Revenue



Clinical Trials Sales Contracts

WIP + Contracts signed = Revenue



FY14 Financial Results



REVENUE FROM ORDINARY ACTIVITIES

\$12,444,351

DOWN 1.2%



EBITA

(\$4,405,392)

DOWN 196.0%



NET LOSS AFTER TAX

(\$3,888,395)

DOWN 99.0%

Segment Contribution

	FY14	FY13	Movement
Clinical Trials	3,356,950	6,484,815	-3,127,865
Precision Recruitment	-271,250	0	-271,250
Primary Care	-593,871	-535,684	-58,187
Sport	-1,357,802	-1,200,126	-157,676
Unallocated	-5,679,212	-6,408,844	729,632
Loss Before Income Tax	-4,545,185	-1,659,839	-2,885,346

Clinical Trials Segment Result

Given flat revenue from Clinical Trials and cost increases in the same period, there was a substantial decrease in the contribution from Clinical Trials

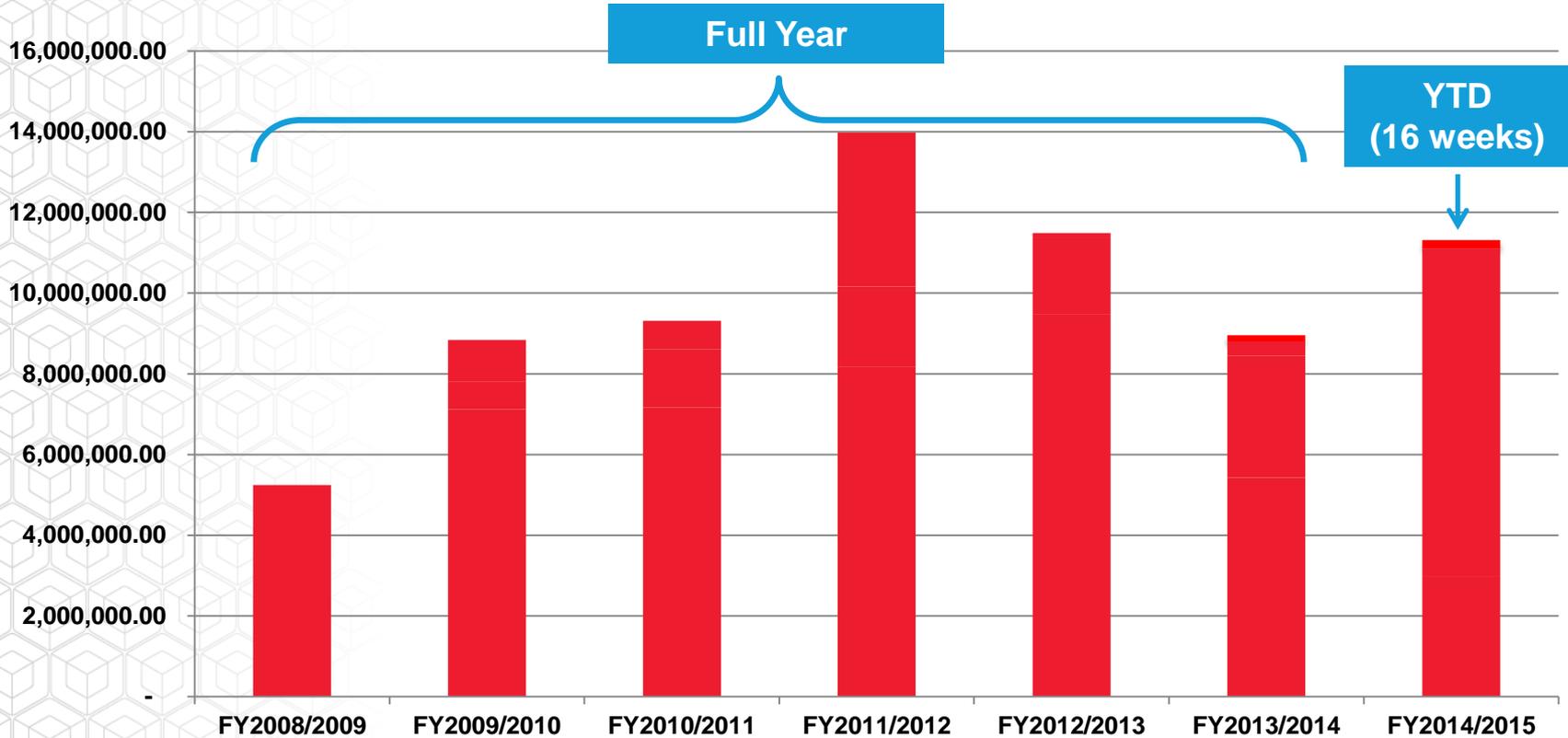
Cost increases largely related to:

- Staff increases to support bids on large trials which were secured in the first months of FY15
- Software development costs for support of rater training (paper & pencil tests) studies to improve margins

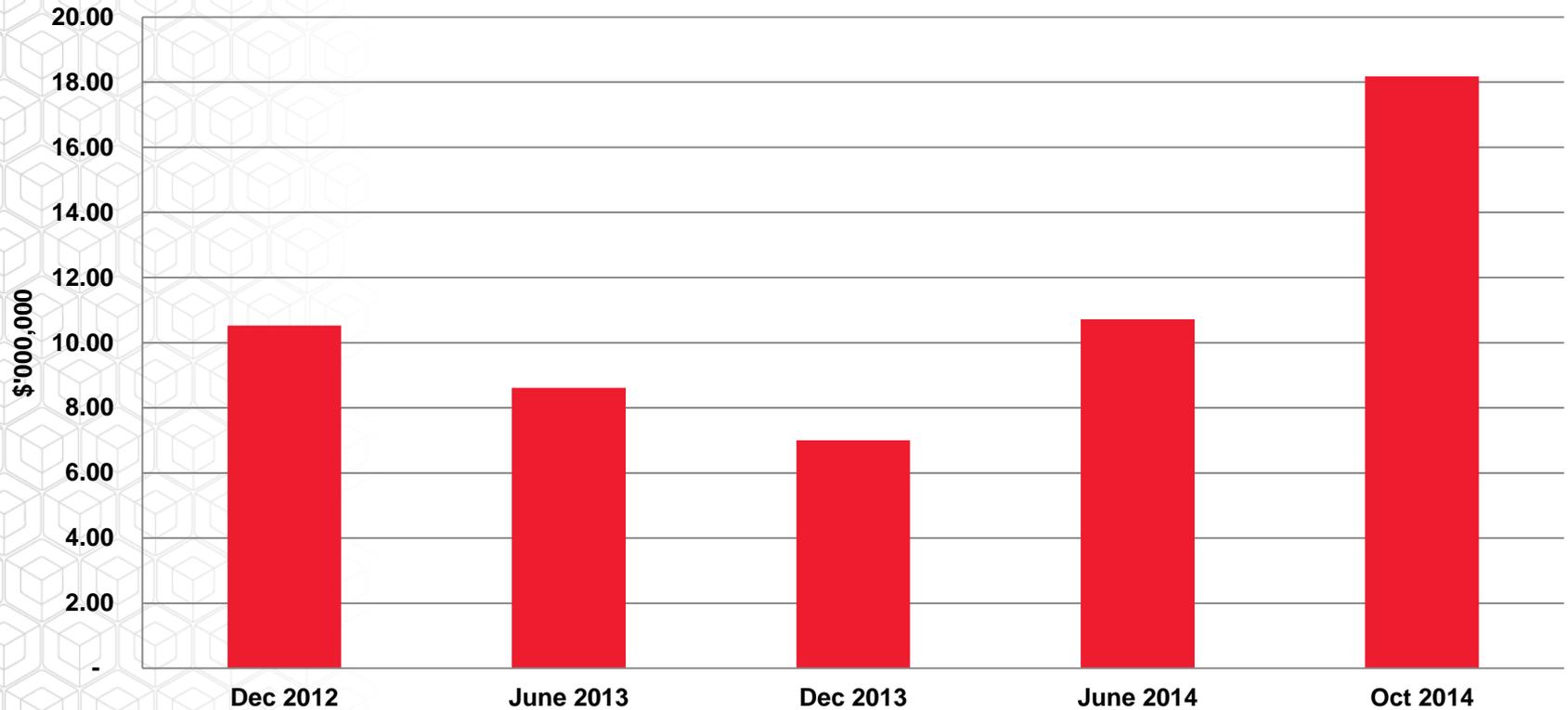
Focus on Growth

- Revenue growth in the Clinical Trials business
 - Focus on improved margin, through sales growth and cost control, seeking improved second half performance
- Revenue growth through adoption of Precision Recruitment including launch of Cognition Registry
- Continue to advance commercial options for use of Cogstate in primary care including medium term goal of FDA clearance as medical device

Clinical Trials Sales Contracts



Contracted Future Revenue: Clinical Trials



Recognition of Contracted Future Revenue

FY15	\$9.60m *
FY16	\$4.65m
FY17	\$3.06m
FY18	\$2.44m
FY19	\$1.33m
FY20	\$0.02m

* FY15 contracted revenue includes \$2.92m that has already been invoiced

** Q1 Revenue of \$3.7m includes revenue from other sources outside of Clinical Trials

Clinical Trials Revenue Expectations FY15

- \$9.6m contracted for FY2015
 - Last year = \$6.5m: 48% improvement
- Additional revenue will be derived from \$4.8m of awarded contracts that are currently going through the contracting process
 - Expected to generate additional revenue of \$2.4m in FY15 based on current timing estimates
- Additional revenue will be derived from Precision Recruitment
 - The success based nature of this revenue makes it difficult to forecast and has therefore been excluded
- Further revenue will come from other sales contracts signed between now and 30 June 2015
 - Higher level of proposals than last year

Cogstate in Primary Care

- Cognigram product launched in Canada
 - Amendment to Merck contract provides full sales and marketing rights to Cogstate
 - Merck continues to provide e-marketing support
- Increased commercial interest in e-health products
- Cogstate well placed for mobile assessment
- Medium term goal of FDA approval as medical device
 - Initial strategy work commenced

Precision Recruitment

- Significant market opportunity driven by difficulty finding appropriate patients for inclusion in Alzheimer's disease studies
- Significant development work undertaken over the last year
- 2 sales contracts to date and additional prospects in discussion
- Revenue recognised to date approx \$0.25m
 - Success fee nature for recruitment
 - Fee per enrolled subject
 - Expect patients to begin enrolling in H2 leading to additional revenues

Research

- Development and validation of at-home, unsupervised assessment with commercial application in patient recruitment and primary care setting
- Development and validation of pediatric testing making Cogstate suitable for children as young as 4 years with commercial application in pediatric clinical trials as well as sports concussion
- Continued use in key longitudinal studies in Alzheimer's disease such as AIBL, DIAN observational study
- Selection in key intervention studies for prodromal, but at risk elderly: A4, DIAN-TU

FY15 : First Half Guidance

- Revenue growth driven by increased clinical trial sales contracts
- Operation costs in line with previous corresponding half
- However these 1st half costs includes approx. \$1m of costs not in the ordinary course of business:
 - software redevelopment costs
 - additional costs associated with formulation and execution of commercial strategy for launch of Precision Recruitment and Cognition Registry
 - costs in respect of the sale of Axon Sports training business
 - recruitment costs

FY 15 : Second Half

- Increased Clinical Trials revenue from existing contracts as well as strong pipeline
- Cost control and margin improvement in the Clinical Trial business
- Decreased costs resulting from the sale of Axon Sports training business and reduction in non-operating expenditure
- Decrease in non-recurring costs
- Focus on improved financial performance

Cashflow Reporting

	Cash & Debtors
30 June 2014	\$9.89m
30 September 2014	\$8.60m
31 December 2014 (forecast)	\$7.2 - \$7.7m

The cash position at 30 June 2015 will be dependent upon our ability to continue to grow revenue and control costs, particularly in the Clinical Trials business.

Our goal is a much improved second half performance.



COGSTATE

ASSESS • MONITOR • IMPROVE