



**COGSTATE**  
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## **ASX Announcement**

Wednesday 21<sup>st</sup> August 2013

### **Cogstate reports FY2013 Full Year Financial Results**

#### **Highlights for the full year ended 30 June 2013**

- Total revenue recognised \$12.6 million, up 4% on previous year
- First revenue from new product lines: Axon Sports' cognitive training products and COGNIGRAM launched for the Healthcare market
- Clinical trial revenue to be recognised in future periods is \$8.6 million, compared to \$7.84 million at same time last year
- Net loss \$1.9 million, in line with guidance, reflects expenditure in Axon Sports and Healthcare business but note that total cash resources (including debtors) only decreased by \$0.23 million from 30 June 2012

Cogstate (ASX:CGS) has today released its financial results for the full year ended 30 June 2013, reporting overall revenue of \$12.6 million and a net loss of \$1.9 million. The result is in line with the company's guidance, issued in April 2013.

Revenue, which was up 4% on the previous year, was again largely driven by Cogstate's clinical trials business which generated \$11.6 million revenue. The Clinical Trials business provides computerised cognitive tests and associated services to major pharmaceutical companies globally.

As of 30 June 2013, Cogstate's Clinical Trials business had \$8.61 million of contracted revenue to be recognised in future periods, compared to \$7.84 million at the same time last year. Of this \$5.56 million is expected to be recognised by 30 June 2014, with \$3.05 million to be recognised in subsequent periods.

"These results point to Cogstate's growth potential. The Clinical Trials business has delivered its eighth consecutive year of revenue growth and as a result of the company's investment and efforts we have seen first revenues from new product lines," said Brad O'Connor, Chief Executive of Cogstate.

"Having grown the clinical trials business into an extremely profitable business that has funded our research and development efforts for the past few years, we are now commercialising Cogstate's intellectual property into other markets. These new markets – healthcare for COGNIRAM and the skills training market for Axon Sports – represent significantly larger commercial opportunities for Cogstate. We believe that it is through the

addition of these new revenue streams that we will add significant value for Cogstate shareholders,” said Mr O’Connor.

During the year, Cogstate recorded its first revenues from COGNIGRAM™, which was launched to GPs in Canada in March 2013. COGNIGRAM allows doctors to test and monitor their patients’ cognitive function over time. The test is being positioned as a tool for the early detection of Alzheimer’s disease and dementia. Over 450 physicians have now signed up to use the COGNIGRAM™, which is currently available at 20 testing centres in Canada.

“The early detection of Alzheimer’s disease is a compelling opportunity for Cogstate, with the market for dementia screening estimated to be worth in excess of \$500 million annually worldwide,” said Mr O’Connor.

“As the rate of this debilitating illness increases, the need for earlier diagnosis and intervention is more apparent. We are making solid progress in our commercialisation in this area: This year, Cogstate was selected for inclusion in a number of important scientific studies, recognition that our test is a powerful tool for the early detection of Alzheimer’s disease and also providing an important validation of the technology behind our test, which in turn is helping to drive awareness and adoption of this tool in our first market, Canada.”

The new cognitive training products from Cogstate’s Axon Sports division generated an additional \$0.4 million of revenue, of the total \$0.6 million revenue generated by Axon Sports. Axon Sports digital skills training system has been installed in six elite American sports teams and an additional three Human Performance Labs (elite athlete training centres) and it is through these elite engagements that revenue has been generated during the last year.

“The investment we have made in the business over the past year will help us extract further value from our technology, and is already starting to provide a return. We are delighted with the revenue generated by Axon Sports’ new suite of cognitive training products in its first year. This technology is highly transferable and in the coming year we will be seeking to expand our position in the elite sports market as well as advance opportunities in new applications and markets,” said Mr O’Connor.

Overall Cogstate posted a net loss after tax of \$1.9 million reflecting expenditure into the Healthcare and Axon Sports businesses in support of the launch of COGNIGRAM™ in Canada, and the development of the sports focused cognitive training tools. This increased expenditure incorporated the hire of new staff to drive growth in these business units. The Company’s expenses were \$9.1 million compared to \$6.1 million last year.

At 30 June 2013, Cogstate had \$6.41 million of combined cash and debtors, a decrease of \$0.23 million over the last year from 30 June 2012.

**An investor conference call to discuss the results will be held:**

An investor conference call will be held today, Wednesday 21 August at 2.30pm AEST with Brad O’Connor, CEO.

**Conference ID:** 29435054

**Toll free dial in numbers**

Australia:	1800 123 296
New Zealand	0800 452 782
United States	1855 293 1544
Canada	1855 5616 766
Hong Kong	800 908 865
Singapore	800 616 2288
China	4001 203 085
United Kingdom	0808 234 0757
India	1800 3010 6141
Japan	0120 985 190

From all other international locations dial: Toll: + 61 2 8314 8370 (standard call charges apply)

A recording of the call will be made available at [www.openbriefing.com](http://www.openbriefing.com)

ENDS

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## About Cogstate

Cogstate Ltd (ASX: CGS) is a multi-faceted cognitive assessment and training company, focused on the development and commercialisation of rapid, computerised tests of cognition (brain function). It has three distinct business units:

**Clinical Trials:** In the clinical drug trial market, Cogstate technology and associated services are used by pharmaceutical and biotechnology companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials. Since sales into the clinical trials market began in 2004, Cogstate has secured agreements with top pharmaceutical companies including Pfizer, AstraZeneca, Bristol-Myers Squibb, GlaxoSmithKline, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Targacept, Otsuka, and Servier.

**Axon Sports:** The mission of Axon Sports is to “protect and train the athletic brain”. Axon’s focus is to research, develop and deliver cutting edge tools to assess, monitor and improve the athletic brain.

Axon has been developing sport specific training products, initially focussed on American football and baseball, and the resulting technologies have now been launched within a small number of elite US college programs. In addition, the first of Axon’s consumer iPad apps was launched in 2012.

In the area of sports related concussion, Cogstate’s technology has been used by a number of highly regarded institutions and sporting organisations around the world for almost 10 years. That technology is now marketed to consumers as Axon Sports. Current users of Cogstate/Axon Sports in Australia include the AFL and NRL, whilst in the USA elite programs such as the NBA, WNBA, NHL as well as college programs such as University of Notre Dame, University of Michigan and University of Connecticut all use the Axon Sports system.

**Healthcare:** In the primary care or general practice setting, the Cogstate’s COGNIGRAM™ assesses cognition in patients and the reports generated on the basis of this assessment can allow physicians to identify subtle changes that could be indicative of the early stage of a neurodegenerative disease, such as Alzheimer’s disease. Cogstate intends to develop COGNIGRAM™ to monitor changes in cognitive function following concussion or after treatment with drugs or other types of interventions. In June 2012, Cogstate entered into an agreement with Merck Canada Inc. providing it with the exclusive right to market and promote COGNIGRAM™ in Canada.