

ASX ANNOUNCEMENT

22 AUGUST 2017



FULL YEAR FINANCIAL RESULTS

Melbourne, Australia: Cogstate (ASX.CGS) has today released its Appendix 4E and full year financial results for the year ended 30 June 2017. Below is a summary of the results released today, please refer to the Appendix 4E for more detailed analysis of the results.

2017 Full Year Financial Results

Summary of 2017 Financial Year Results

- Revenue from ordinary activities up 28% to A\$35 million
- Clinical Trials revenue up 28% to A\$34.7 million
- Net loss after tax of A\$823,948 in line with guidance
- Net cash inflow improved by A\$1.8m, despite full year loss
- Sales contracts signed in FY17 US\$29.5 million, up 4% from US\$28.5 million in FY16; sales pipeline remains exceptionally strong
- Contracted revenue at 30 June 2017 was A\$37.5 million, of which A\$18.9 million is expected to be recognized in FY18

Financial Results Overview

Cogstate has continued to deliver year on year revenue growth, reporting revenue of A\$35 million, up 28% from A\$27.3 million in FY16.

Cogstate's clinical trial segment, the company's main source of revenue delivered its third consecutive year of significant growth, with a 28% increase in revenue to A\$34.7 million, compared to 20% growth in the previous year. Revenue from the healthcare segment also increased to A\$0.3 million, as the company prepares to launch Cognigram™ in the US, following receipt of FDA clearance in July 2017.

In line with guidance, the company reported a net loss after tax of A\$823,948. The combination of an increased investment in the clinical trials business to increase resources and enhance the capability and skillsets within the business, and unforeseen delays in the execution of sales contracts in the second half of FY17, impacted earnings. The company reported positive EBITDA of A\$143,416 and a loss before tax of A\$816,616.

Cogstate enters the 2018 financial year with contracted future Clinical Trials revenue of A\$37.5 million, of which A\$18.9 million is expected to be realized during the 2018 financial year.

“Despite the slowing of contracts executed in the second half, we enter FY18 with an exceptionally strong sales pipeline and a solid base of future contracted revenue, to support our view that the sharp growth trajectory of the clinical trials business experienced over the previous four years will continue. Accordingly, we have made the necessary investments this year to increase the capacity and capability of the team, and demonstrate we are able to manage the larger-scale projects that are now being reflected in our sales pipeline,” said Brad O’Connor, CEO of Cogstate.

Summary of Results

Clinical Trials		
Revenue	34,652,048	27,140,935
Cost of sales	(11,431,759)	(7,911,432)
Gross Margin	23,220,289	19,229,503
Selling, General & Admin costs	(4,186,511)	(3,441,848)
Pass-through costs, net of recovery	58,269	(12,487)
Clinical Trials contribution	19,092,047	15,775,168
Healthcare (incl. Sport)		
Revenue	272,850	90,814
Cost of sales	(1,117,942)	(528,232)
Other operating expenditure	(387,456)	(529,990)
Healthcare contribution	(1,232,548)	(967,408)
R&D (incl. academic research studies, normative data studies and new technology validation)		
Revenue	16,674	20,306
Cost of sales	(90,653)	(52,914)
Other operating expenditure - Salaries & Wages	(679,933)	(527,442)
R&D contribution	(753,912)	(560,050)
Product Development & Quality Assurance	(5,563,221)	(4,109,216)
IT Infrastructure	(1,398,006)	(1,096,139)
Share based payments (expense of Employee options)	(959,213)	(175,860)
Office & Facilities	(1,078,446)	(686,774)
Other operating expenditure	(8,619,475)	(7,557,493)
Other income, incl. R&D tax rebate	44,006	565,169
Interest Income	74,463	79,787
Net foreign exchange losses	(422,311)	(228,404)
Other Expenditure (Net)	(17,922,203)	(13,208,930)
Net Loss before tax	(816,616)	1,038,780

Cogstate will be holding an investor teleconference at 11.00am AEDT on Tuesday 22 August 2017. Management invites investors to participate in the teleconference where the FY17 results and presentation will be discussed. There will be an opportunity for participants to ask questions at the end of the teleconference.

Meeting: Cogstate Ltd FY17 Results
Date: Tuesday 22 August 2017
Start time: 11.00am AEDT
Duration: 30 mins plus questions
Teleconference: **1800 123 296**
Passcode: **5582 9122 #**

If you need assistance while on the teleconference, press *1 on your telephone, and an operator will be happy to assist you.

About Cogstate

Cogstate Ltd (ASX:CGS) is a leading cognitive science company dedicated to simplifying the measurement of cognition in clinical trials, academic research and healthcare. Cogstate is a pioneer in commercialising rapid, reliable and highly sensitive computerised cognitive tests and provides expert support for neuropsychological and functional assessments to drive higher quality outcome measures in clinical trials. Cogstate customers include the world's leading biopharmaceutical companies; military and elite sporting organizations; physicians and patients; renowned academic institutions and public-private partnerships. For more information visit www.cogstate.com.

Investor contact:

Brad O'Connor

Cogstate Chief Executive Officer +613 9664 1300 or +61 411 888 347 boconnor@cogstate.com

Or

Kyahn Williamson, 03 9866 4722 kwilliamson@bucanwe.com.au