



COGSTATE

# FY17 Financial Results

August 2017



# CORPORATE OVERVIEW

Strong conviction from long-term shareholders has enabled Cogstate to develop a unique technology platform, extensive validation and expanding supporting services.

Highly credentialed and well aligned Board and management team holding >40% of Cogstate shares

## 43.6% Current Board and management shareholders

17.4%	<b>Dolby Family</b>	<ul style="list-style-type: none"><li>Related party to Non-Executive Director, David Dolby</li><li>Shareholder since November 2013</li></ul>
17.3%	<b>Martyn Myer AO</b>	<ul style="list-style-type: none"><li>Current Chairman</li><li>Co-founder and shareholder since 1999 as provider of seed capital</li></ul>
8.9%	<b>Other Board and management</b>	

## 15.9% Other significant shareholders

7.9%	<b>Nebula Neuro</b> (Dr. Alan Finkel AO)	<ul style="list-style-type: none"><li>Currently Australia's Chief Scientist</li><li>Previous Director of Cogstate</li><li>Shareholder since 2006, substantial shareholder since May 2015</li></ul>
8.0%	<b>Fidelity International Limited</b>	<ul style="list-style-type: none"><li>Substantial shareholder since November 2016</li></ul>

## Trading information

Share price (21-Aug-17) A\$1.05

Number of shares 113.7m

**Market capitalisation A\$119m**

Cash (30-Jun-17) A\$9.3m

Debt (30-Jun-17) Nil

**Enterprise value A\$110m**

## Board of directors

<b>Martyn Myer</b>	Non-Exec Chairman
<b>Brad O'Connor</b>	Chief Executive Officer
<b>David Dolby</b>	Non-Exec Director
<b>David Simpson</b>	Independent Non-Exec Director
<b>Rich Van Den Broek</b>	Independent Non-Exec Director
<b>Dr. Richard Mohs</b>	Independent Non-Exec Director
<b>Jane McAloon</b>	Independent Non-Exec Director

# INVESTMENT HIGHLIGHTS

**A world-class cognitive science, technology and services company focused on optimising and monetising the measurement of cognition.**

- Continued growth in **Clinical Trials revenue and profit**; revenue up 28% resulting in profit contribution of A\$19 million
- Growth in **Clinical Trials market opportunity**; sales pipeline more than double this time last year
- **Expanded solution for Clinical Trials**, with improved solutions for computerised assessment as well as improved deployment and training solutions for traditional tests of cognition
- **FDA clearance** for USA Healthcare market, clearing the way for commercial launch of Cognigram in FY18
- Enhanced leadership **expertise and experience**; both board and management

# EXPANDED SOLUTIONS

**Focus on continued growth; Expanded solutions to meet current and future needs of customers.**

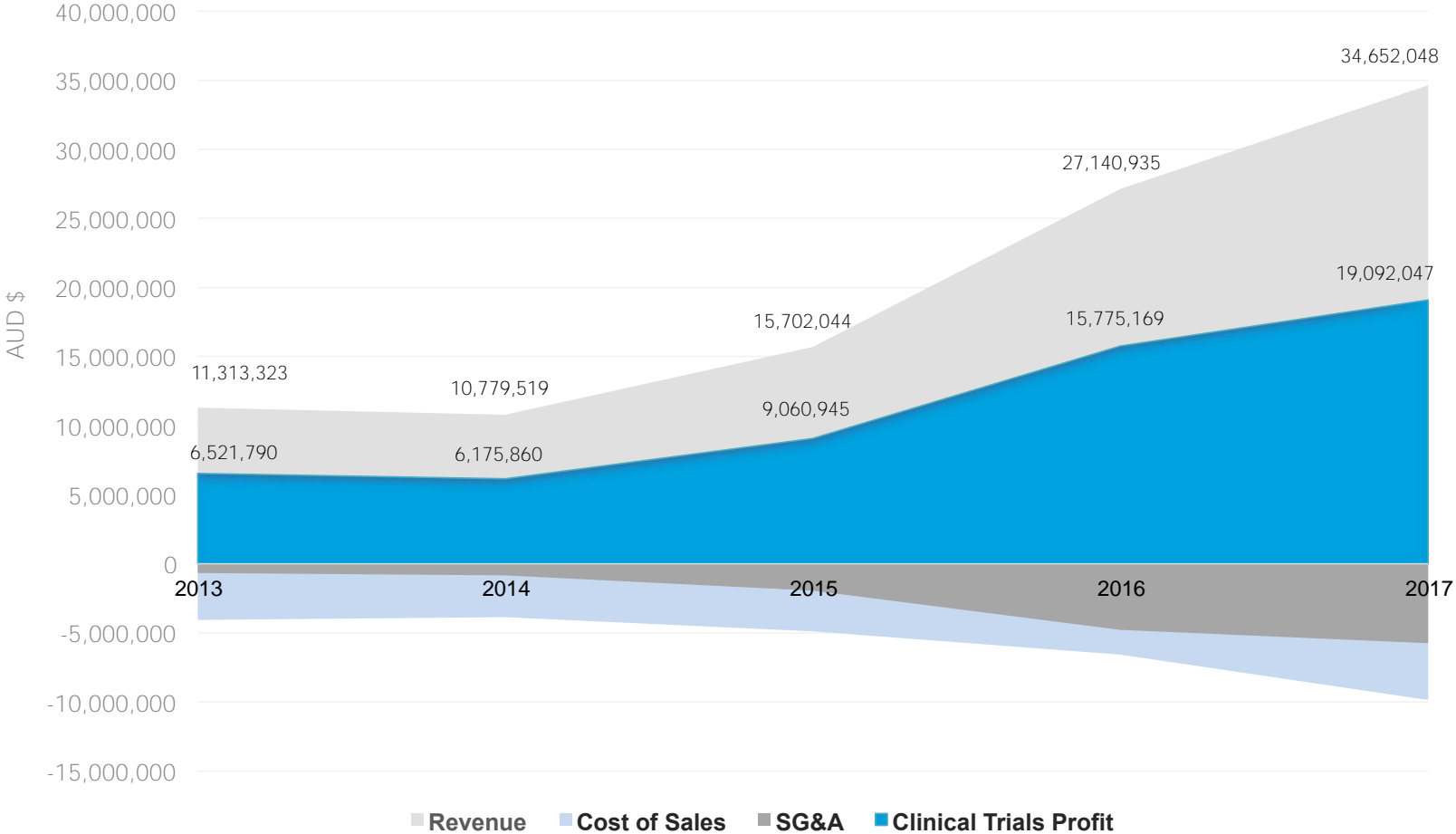
- **Enhancements to computerised tests of cognition**; scalable and decentralised, with potential for home-based assessment
- Completely **reengineered how traditional tests of cognition should be supported** in clinical trials, resulting in win of Eli Lilly Alzheimer's disease program.
- Improved deployment model in **general practice medicine**, opening a new market for Cogstate technology following **FDA clearance** in July 2017

## EXPERIENCE AND EXPERTISE

**Extremely well qualified non-executive directors; Management team with deep industry knowledge.**

- **Richard Mohs**; independent non-executive director with extensive academic and industry experience, most recently at Eli Lilly & Co.
- **Jane McAloon**; independent non-executive director with extensive corporate experience, most recently in a senior role at BHP
- **George Hunnewell**; Chief Operating Officer, having previously served as Corporate VP Clinical Research Services for Parexel (*a large international clinical trial services business*)
- **Frank Cheng**; President Healthcare, overseeing the commercial launch of Cognigram, with extensive medical device experience in international jurisdictions for multiple devices and diagnostics

# CLINICAL TRIALS PROFIT CONTRIBUTION



## INVESTMENTS FOR GROWTH

Investments to facilitate continued future growth both within the Clinical Trials segment as well as new markets.

	FY17	FY16
Healthcare	(\$1.23m)	(\$0.97m)
<i>- preparation for FDA submission and commercial launch of Cognigram</i>		
R&D	(\$0.75m)	(\$0.56m)
<i>- validating data supports commercial efforts</i>		
Product Development	(\$5.56m)	(\$4.11m)
<i>- improved technology solutions in both Healthcare and Clinical Trials segments</i>		

## NET CASH INFLOW FROM OPERATIONS

**Cash reserves at 30 June 2017: A\$9.3m, an increase of A\$1.8m during the year.**

### **Non-cash expenses:**

Depreciation	A\$1.0m (FY16 A\$0.9m)
Share based payments	A\$1.0m (FY16 A\$0.2m)
Unrealised foreign exchange loss	A\$0.4m (FY16 A\$0.2m)

*The increase in share based payment expense predominantly relates significant option packages to attract new senior execs*

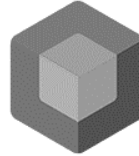
*Also noted that R&D tax refundable rebate not received in FY17 due to revenue exceeding \$20m*



## KEY FUTURE DEVELOPMENTS

**Looking ahead to the 2018 financial year, Cogstate are well placed for considerable growth and development.**

- Change in functional reporting currency to US\$
- Increase in Clinical Trial sales, driven by more than 100% growth in sales pipeline
- Increased profit contribution from the Clinical Trials segment
- Investment in Healthcare; we expect an investment of approx. US\$2.5m in commercialisation activities associated with the launch of Cognigram in FY18
- Continued investment in new tech solutions; approx US\$5.2m in FY18



COGSTATE

Cognition disorders **Alzheimer's disease** Heart failure  
Major depressive disorder Multiple sclerosis (MS) **Hepatitis C**  
Parkinson's disease Diabetic peripheral neuropathy Mild cognitive impairment  
Insomnia **Schizophrenia** Overactive bladder Stroke  
Obsessive compulsive disorder **Alcohol Toxicity** Familial Hypercholesterolemia  
Attention deficit hyperactivity disorder **Epilepsy** Prostate cancer Lung carcinoma  
Bipolar disorder **Glioblastoma** Tourette's syndrome Paediatric Hyponatremia  
Autism spectrum disorders **Healthy Population** Anemia HIV  
Pain Fragile X Cardiovascular Risk NSCLC Down syndrome Depression

