

ASX Announcement

31 July 2018



BUSINESS UPDATE

Further to the business update released 20 July 2018, Cogstate has today provided the following additional information:

UPDATED EARNINGS GUIDANCE – PROFIT BEFORE TAX

On 20 July 2018, Cogstate reconfirmed previous guidance that operating financial performance for the second half of the 2018 financial year was stronger than the first half of the year.

Cogstate can now advise that, subject to final audit review, the company expects to record a profit before tax in the range of \$0.1 - \$0.2 million for the financial year to 30 June 2018.

The profit before tax is inclusive of all costs associated with start-up activities for Cognigram, including regulatory clearance and commercial launch. Net costs from start-up activities were approx. \$1.9 million.

Further details in respect of the 2018 financial year results will be released as follows:

- Appendix 4E Preliminary Final Report will be released on Monday 13 August 2018.

UPDATE IN RESPECT OF STUDY CANCELLATIONS

In its 20 July 2018 release, Cogstate noted that it had received notification of cancellation of four clinical trials over recent weeks, stemming from the failure of two distinct investigational compounds. At that time, Cogstate said that work was ongoing with customers to quantify the impact of the cancellations.

Cogstate can now provide a detailed estimate of the impact of those cancellations. Prior to the cancellations, Cogstate contracted future revenue was \$34.8 million. Total cancellations are expected to reduce the contracted future revenue by \$6.4 million, thereby reducing contracted future revenue at 30 June 2018 to \$28.4 million (*30-Jun-17 comparative \$28.7m*).

Of the expected \$6.2 million of cancellations, approximately \$3.1 million was expected to be recorded as revenue during the 2019 financial year. Therefore, after taking into account the cancellations, contracted revenue for the 2019 financial year is \$13.8 million (*30-June-17 comparative \$14.6m*).

The contracted revenue figures noted above exclude any contracts signed after 30 June 2018. Cogstate notes that sales contracts to the value of \$2.5 million have been executed during the month of July.

For further information contact:

Brad O'Connor
Cogstate Chief Executive Officer
+613 9664 1300 or 0411 888 347
boconnor@cogstate.com

About Cogstate

Cogstate Ltd (ASX:CGS) is a leading science and technology solutions provider dedicated to optimizing the measurement of cognition in clinical trials, academic research and healthcare. Cogstate provides enabling technologies and professional services for higher quality neuropsychological assessments and is a pioneer in commercializing rapid, reliable and highly sensitive computerized cognitive tests. Cogstate customers include the world's leading biopharmaceutical companies; elite sporting organizations and military; physicians and patients; renowned academic institutions and public-private partnerships. For more information, please visit www.cogstate.com.