



Annual General Meeting
Thursday 21 October 2010

www.cogstate.com

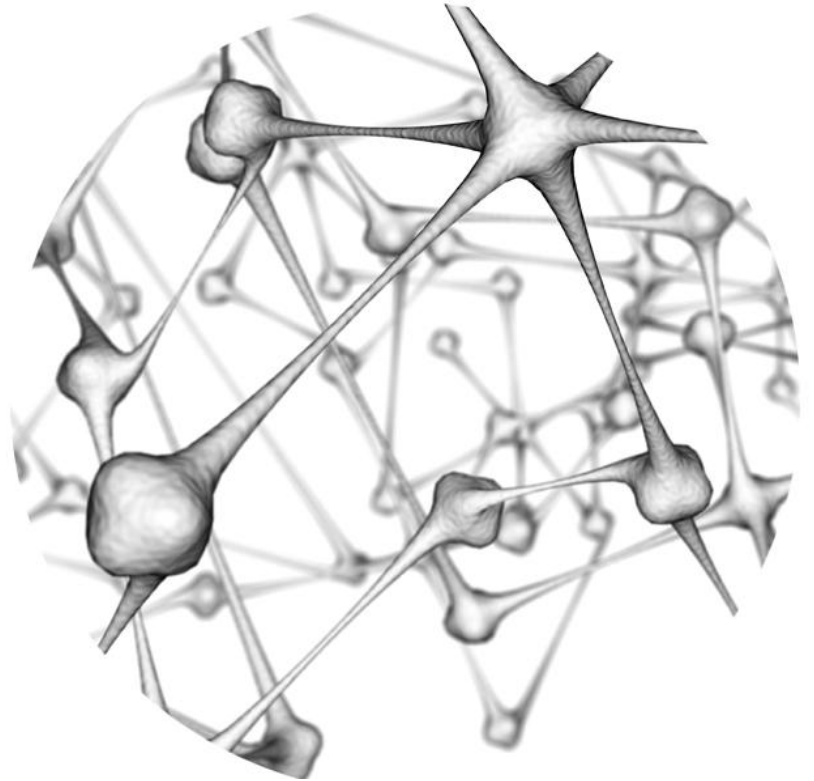
CogState provides...

Technology solutions for the assessment
of thinking in humans



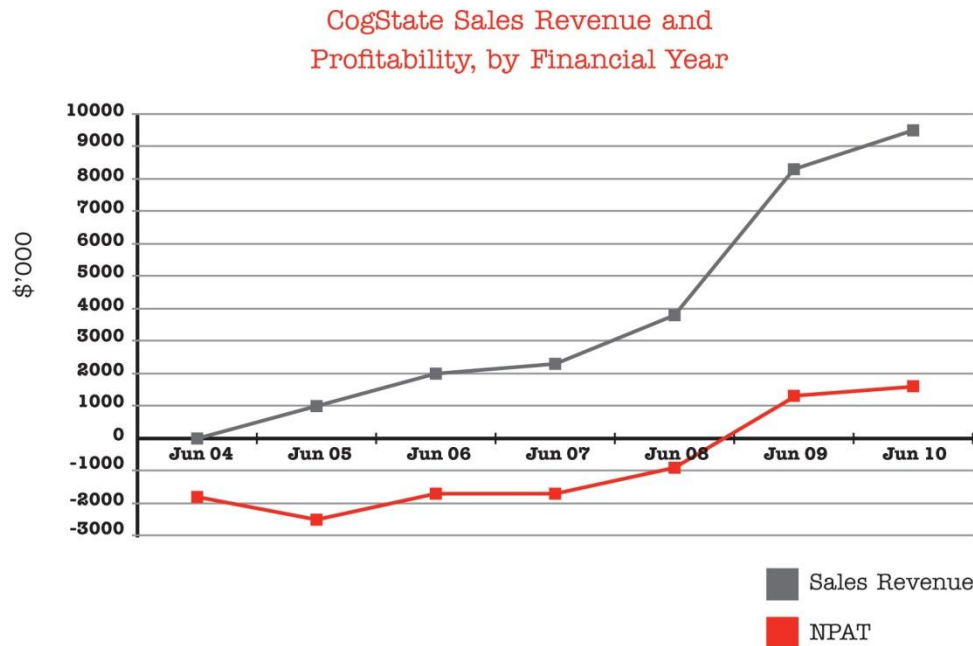
Business Segments

- **Clinical drug trials**
 - Customers are pharma / biotech companies
 - Quantify the effects of drugs on human subjects in clinical trials
- **Sport**
 - Customers are athletes, parents, schools, doctors, sports teams or sporting associations
 - Quick and efficient web based tool that can assist doctors in facilitating the safe return of athletes to the playing field and/or classroom following a concussion
- **Dementia screening**
 - An efficient and non-invasive tool to identify cognitive decline associated with dementia
 - R&D activity currently in Alzheimer's disease, Mild Cognitive Dementia and HIV Dementia



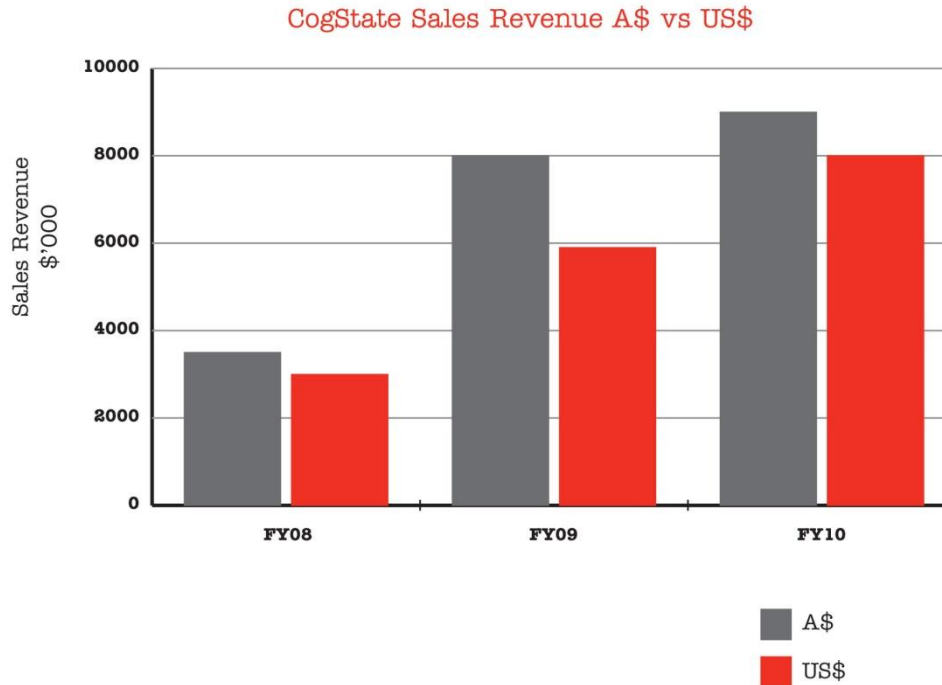
Financial results – 30 June 2010

- 2nd consecutive profit result, with Net Profit After Tax A\$1.6 million
- Operating profit A\$0.5 million impacted by development costs :
 - A new product (NTB) that will deliver sales growth in Alzheimer's disease studies
 - Resources devoted to analysis of Sport opportunities...Axon Sports
 - Web-based training system that will delivering gross margin improvement



Sales growth impacted by A\$ strength

- Sales contracts and invoices denominated in US\$
- Measured in US\$, sales grew by 35% in 2010
- Expect even greater currency impact for FY2011



Sales contracts – 30 June 2010

- 23% growth in sales contracts, measured in US\$



Commercial opportunity

CogState's core business has delivered consecutive profit results

We know that we have technology that is reliably sensitive to changes in thinking

The opportunity is to use that same technology to answer questions about people's thinking in the broader community...to market and deliver products that allow people to make health decisions



Opportunities in core business - clinical trials

We've added to our product line (NTB) and developed systems to support the use of paper and pencil tests and

... we can further enhance our product line, using those same systems to support additional tests and provide a full service to our customers

We've developed systems to improve margins (web-based training system) and

... we are working on automated real time data integrity and data management systems that will identify errors that occur at site and seek to eliminate systematic errors from data



www.axonsports.com



Axon Sports, a joint venture between CogState and Quixote Investment LLC, was launched in the US in August 2010

Partners providing sports product marketing and distribution expertise

Total US market estimated at US\$150 – US\$275 million p.a.

Extensive presentation of Axon Sports (market size, business model, management expertise) available at: <http://www.cogstate.com/recentnews>

Concussion in sport is a serious issue

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January 27, 2009 -- Updated 2106 GMT (0506 HKT)

Dead athletes' brains show damage from concussions

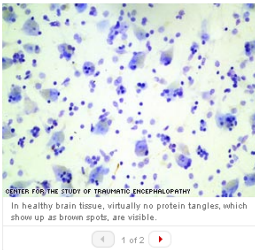
STORY HIGHLIGHTS

- **NEW:** Researchers find start of brain damage in 18-year old athlete who died
- **NEW:** Same type of brain damage found in sixth dead NFL player
- Damage from repeated concussions is called chronic traumatic encephalopathy
- Symptoms can include depression, sleep disorders, headaches

[Next Article in Health >](#)

By Stephanie Smith
CNN Medical Producer

(CNN) -- For years after his NFL career ended, Ted Johnson could barely muster the energy to leave his house.



"I'd [leave to] go see my kids for maybe 15 minutes," said Johnson. "Then I would go back home and close the curtains, turn the lights off and I'd stay in bed. That was my routine for two years."

"Those were bad days."

These days, the former linebacker is less likely to recount the hundreds of tackles, scores of quarterback sacks or the three Super Bowl rings he earned as a linebacker for the New England Patriots. He is more likely to talk about suffering more than 100 concussions.

"I can definitely point to 2002 when I got back-to-back concussions. That's where the problems started," said Johnson, who retired after those two concussions. "The depression, the [sleep disorders](#) and the mental fatigue."

Until recently, the best medical definition for concussion was a jarring blow to the head that temporarily stunned the senses, occasionally leading to unconsciousness. It has been considered an invisible injury, impossible to test -- no MRI, no CT scan can detect it. [Watch more on what goes on in athlete's brains >](#)

USA TODAY

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High school athletes face serious concussion risks

Updated 5/4/2009 8:30 PM | Comments 26 | Recommend 11

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By Janice Lloyd, USA TODAY

When high school athletes suffer concussions, as many as 40.5% return to action prematurely and set themselves up for more severe injuries, new research shows.

The study from the Center for Injury Research and Policy at Nationwide Children's Hospital in Columbus, Ohio, adds fuel to growing concerns about the

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By Lori Shepler, Los Angeles Times

TOO SOON: When high school athletes suffer concussive blows, a year later they may not be ready to return to action before they're told.

The New York Times
Pro Football

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NATIONAL	FLORIDA	CALIFORNIA	COLLEGE FOOTBALL	FREE BASEBALL	COLLEGE BASKETBALL	COLLEGE HOCKEY	COLLEGE VOLLEYBALL

[illegible]

ROSEMONT, Ill., June 19, 2007

NFL: Concussions Can Lead To Sudden Death

Commissioner Says Protecting Players From Head Injuries Takes Priority Over Competition

By Lindsay Goldwert

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(AP) The NFL's whistle-blower system of protecting players from being pressured to take the field with a concussion will begin when training camps open next month.

"It's an important element of what we're trying to accomplish here," NFL Commissioner Roger Goodell said Tuesday after a conference with medical personnel from every team in the league. "I have said repeatedly and will continue to say that medical decisions must override any competitive decisions."

"And if anyone feels they are being forced onto the field when they are not ready to play, we want to know about that and look into it."

Although details need to be worked out with the players union, the new system allows anyone to anonymously report when doctors are pressured to clear players or when players are pressured to play. It's one of several changes the league is making in its effort to manage concussions.

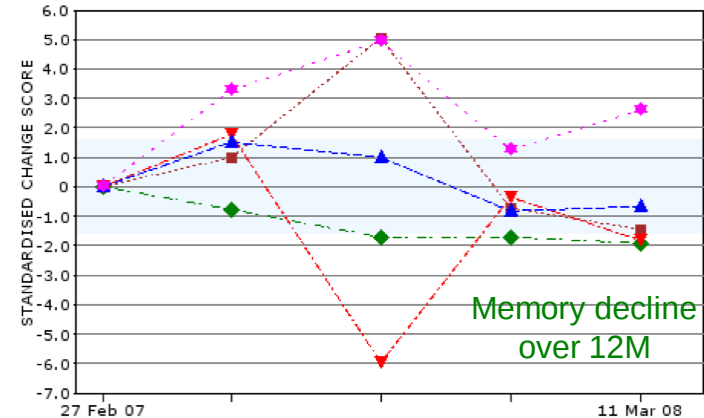
The deaths of four players in recent years have raised awareness of the issue, and the meeting was held to discuss the latest information on treating the condition.

Besides implementing the whistle-blower system, the league will require all players to undergo baseline neuropsychological testing starting this season. Rules requiring players to properly buckle their chinstrap will be enforced. And a brochure will be distributed to players to help educate them and their families.

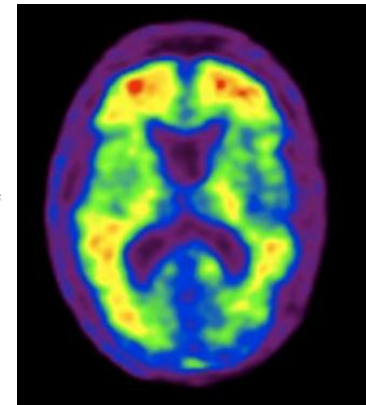
Research & Development Activities

• Early detection of Alzheimer's disease

- Cognitive decline on the CogState memory test predicts a 3 fold increased risk of early AD
- Our studies in 50+ year olds have shown 53% with memory decline have excess amyloid on PET scans vs 18% without memory decline
- Excess amyloid predicts very high risk of progression to AD in the next 10-20 years
- Provides a model for non-invasive and cost effective early detection of AD in the community
- Additional clinical validation studies are being performed in collaboration with major academic studies:
 - The CSIRO Australian Imaging Biomarker & Lifestyle (AIBL) study
 - Alzheimer's Aust (Vic) Community screening study
 - Pharma funded AIBL/Rate of Change Study



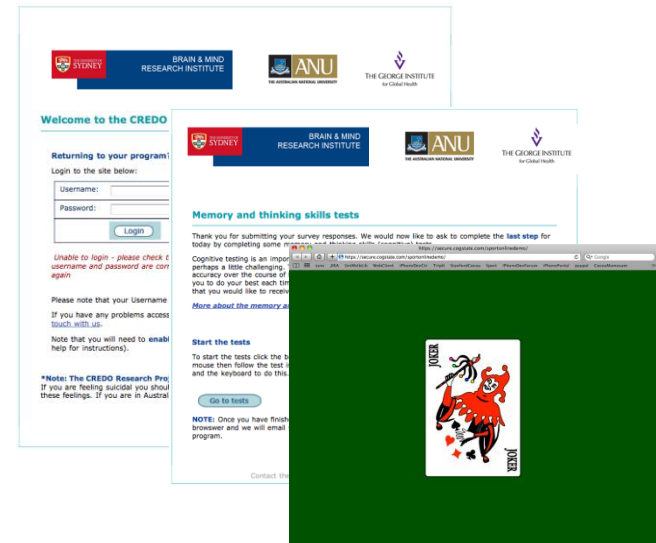
PET-amyloid scan +ve



Research & Development Activities

- **Platforms for large longitudinal studies**

- 1000's of study participants living in the community
- Can't use traditional methods of cognitive assessment
- Online testing for cost-effective and remote screening to detect those requiring detailed supervised on-site testing
- Currently used in Brain Mind Research Institute CREDO study of mood training in NSW (Uni of Sydney, ANU)
- Planned use in University of Minnesota NUN study...

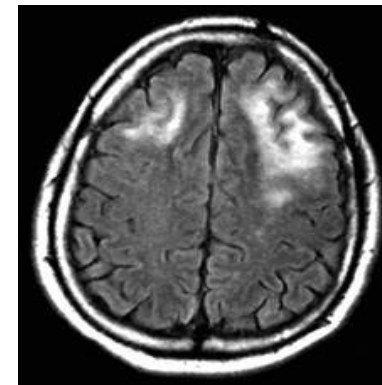


- **HIV Dementia Screening**

- Cost-effective cognitive surveillance for decline in Combined Retroviral Therapy treated HIV patients
- Clinic studies underway

- **Multiple sclerosis**

- Cost-effective monitoring of cognition in patients on therapy & detection of early CNS viral reactivation (PML).



MRI of viral infection

Conclusions

- Significant upside for CogState as we seek to expand our core business
 - Focus on Alzheimer's disease
 - Use technological data integrity tools to increase use in other disease indications
 - Look to build alliances in pharma industry (as we did in the Sport market)
- We have partnered well in the Sport market and we believe that Axon Sports will demonstrate success over the next 24 months
 - Major distribution agreement under negotiation currently
 - Expect the market to continue to grow
 - Legislative changes and media attention will drive uptake
- Significant R&D activity in the broader areas of screening



First half forecast – FY2011

- All revenues are expected to come from clinical trials
 - Axon Sports will be equity accounted below the Operating Profit line
 - Screening will not generate any significant revenue in H1
- H1 sales contracts are expected to be approx equal to the previous corresponding half (in US\$)
- However H1 revenue expected to be less than the previous corresponding half
 - Approx A\$3.5-\$4 million (FY10: H1 A\$5.1m, H2 A\$4.4m)
 - Approx 50% difference due to currency effect
 - Revenue recognition impacted by timing of contracts (more contracts in the 2nd quarter)
- Expect loss from operations of approx A\$1m for H1
- Below the line loss of A\$0.6m for H1, including loss from Axon Sports JV and contract termination fees
- Total H1 loss forecast A\$1.6m
- Of which half (A\$0.8m) is due to the strengthening A\$
- Clinical Trial sales prospects now strong after slow start to the financial year
 - Sales contracts always lead revenue recognition by 3-6 months
 - H2 revenue expected to improve on H1, even at current A\$ rates

