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CogState provides...

Technology solutions for the assessment of thinking in humans

- Cashflow positive
- Offices in Australia, USA & UK
- Expertise in:
 - neuroscience
 - software development
 - large pharma operations

ASX:CGS



Three Business Segments Provide Enhanced Opportunity

	Clinical Drug Trials	Concussion Management	Dementia Screening
Description	Quantify the effects of drugs on human subjects in drug trials	Web-based test to assist in management of sports concussion Partnered with ex-Nike executives to launch Axon Sports	Web-based test designed to detect first signs of cognitive decline associated with Alzheimer's disease and other dementia
Customers	Pharmaceutical and Biotech companies	Athletes, parents, schools, doctors, sports teams	Primary care physicians and their patients. Appropriate for annual assessment of everyone over the age of 50
Current Revenue	US\$8m p.a.	Commenced operation August 2010	Currently in R&D
Est. Market Size	US\$200m p.a.	US\$150-275m p.a.	>US\$500m p.a. AD and dementia affect 35.6m people globally

Clinical Drug Trials

- Cash flow positive business generating US\$8m revenue p.a. and growing
- Cognition testing is used in many clinical trials for drugs designed to work on central nervous system diseases and disorders – looking for both cognitive improvement (thinking more clearly) as well as absence of decline (no side effects)
- Full-service offering: initial scientific consultancy, assistance with protocol design, statistical analysis, interpretation of results.
 - Validity of tests confirmed in over 150 peer-reviewed scientific articles
 - CogState provides rapid computerised testing batteries, taking as little as 15 mins
 - Datapoint®: real-time information to trial sponsor and data integrity information to site staff
- Commercial validation:
 - Customer base of large pharmaceutical companies
 - Broad experience in study design
 - Extensive use in clinical trials (Phase 1 – Phase 3)
 - Demonstrated operational capability to manage large, international trials in multiple countries and languages



Clinical Drug Trials – current customers



Market Size: Clinical Trials

Therapeutic Area	Clinical Trials in Active Registration (Phase I – IV)	Average Number of New Clinical Trials Started Per Year (based on 2008-2010 data)
Cancer	3569	3319
Pain	2659	305
Depression	1392	305
Anxiety	1004	462
Sleep	934	367
Stroke	855	305
Multiple Sclerosis	271	91
Anemia (and Cognitive Function)	562	177
Memory	430	178
Schizophrenia	403	175
Dementia	384 (not mutually exclusive of AD)	195
Alzheimer's Disease	233	128
Parkinson's disease	193	88
Epilepsy	162	76
HIV Dementia	54	2
Total "Core" CogState Indications	3,483	1,186
Total Potential CogState Indications	13,105	6,173

➡ "Core" CogState Indications

Source: clinicaltrials.gov

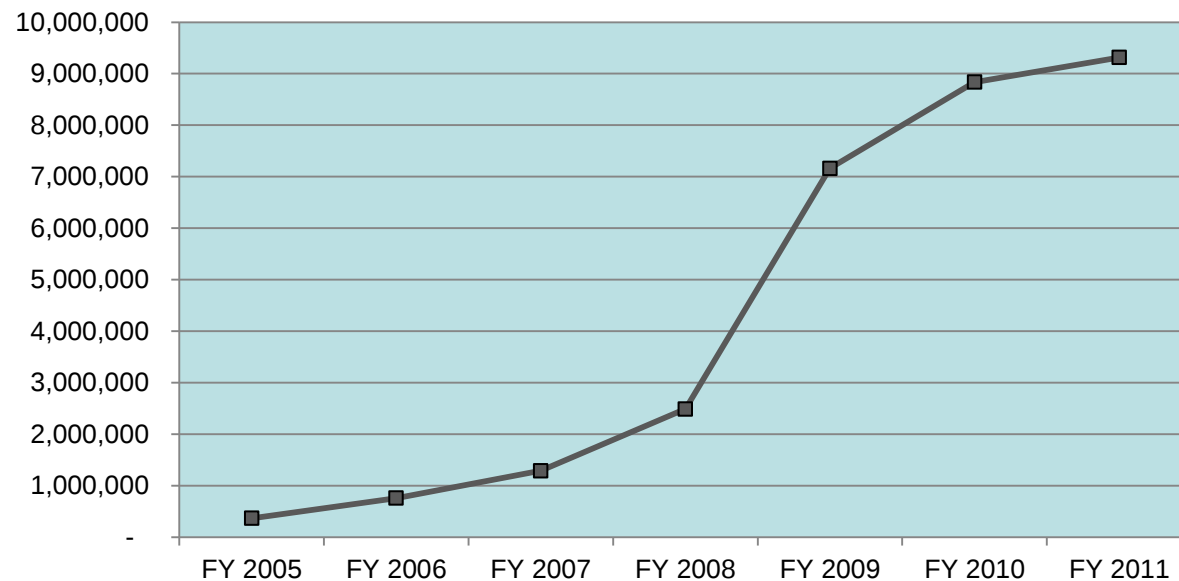


Clinical Drug Trials – current penetration

CogState currently signs 30-35 clinical trial contracts per year – a fraction of the available market.

Given increasing scientific and commercial validation for the CogState system in a market where there is enormous scope for continued growth, CogState expects to continue to be able to deliver growth in clinical trial sales over the coming years.

**CogState Clinical Trial Sales Contracts
US\$**



Axon Sports



Consumer market opportunity: use of CogState technology in the management of sports related concussion

- Complete re-design of the technology to provide a web-based system
- Partnered with experts in sports marketing in the USA : Rudy Chapa, previously global director of sports marketing at Nike Inc
- The Axon Sports Computerized Cognitive Assessment Tool (“CCAT”) makes testing easy, convenient and affordable. It is one of many tools used to determine the appropriate return to play/return to classroom timeframe for Athletes after they’ve experienced head injuries
- In August 2011, CogState acquired the remaining 50% stake in Axon Sports LLC resulting in Axon Sports becoming a 100% owned subsidiary, while still retaining commitment of key management and board through their 17% holding in CogState
- Today, Axon Sports is an operating entity that is booking sales and forming key partnerships (www.axonsports.com)
- Currently used by the AFL and NRL in Australia as well as key sponsorship by Toyota in Australia

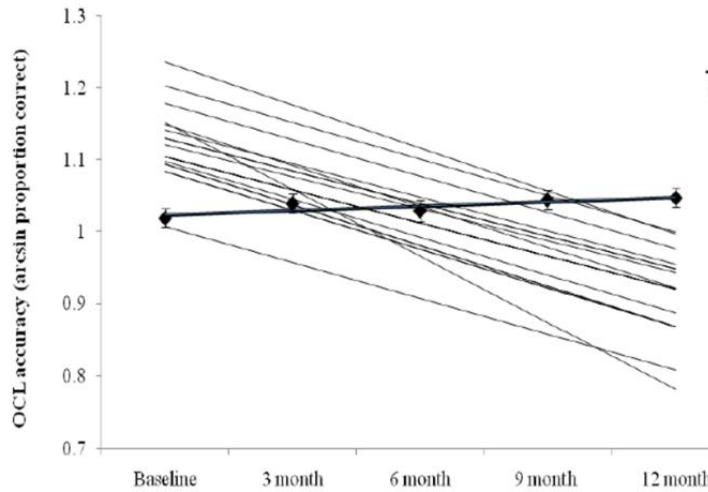
Key relationships in the USA in place and continuing to develop.

Dementia Screening – early detection of AD

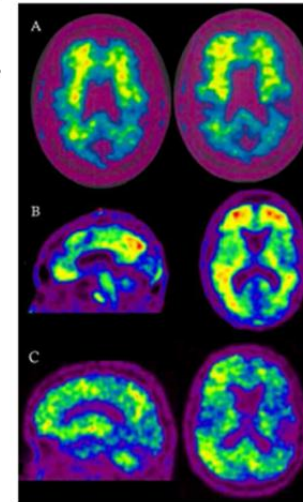
- Alzheimer's disease and other dementias cover an estimated 35.6 million people - around 0.5% of the global population.
- This figure is set to double in the next 20 years according to the *World Alzheimer Report 2010*
- In 2010, the global economic impact of dementias was US\$604 billion. This figure dwarfs the costs of cancer or heart disease.
- This cost is forecasted to increase 85% by 2030
- At the moment, definitive diagnosis of Alzheimer's disease requires post-mortem analysis of the brain
- Significant \$ spent on biomarkers of AD – CogState working to show correlation between CogState tests and the biomarkers
- Ideally we want a non-invasive measure to provide routine, regular screening for initial signs of cognitive decline



Dementia Screening – early detection of AD



Alzheimer's & Dementia, in press



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Deterioration of memory function in otherwise healthy older adults was associated with positive cerebral amyloid on PIB scanning (from *Darby et al* in press)

The use of screening batteries with characteristics of the CogState battery in healthy older adults may provide a relatively cheap and practical means to identify very early individuals with pathophysiological changes consistent with AD, for whom there may be benefit of early treatment with drugs designed to reduce this amyloid burden.



Dementia Screening – early detection of AD

- Completed validation of the CogState system for use in dementia screening programs
- Studies have been completed correlating a decline in memory function with abnormally high levels of cerebral amyloid in a subgroup of otherwise healthy older people
- Important aspects from recent data published:
 - Repeated performance does not give rise to practice effects and hence it is possible to test individuals repeatedly even over relatively brief intervals
 - Decline in performance of these tests is clinically meaningful
- Ongoing discussions with two international pharmaceutical companies in respect of this work



Conclusions

- Significant upside for CogState as we seek to expand our core clinical trial business
 - Significant scope for revenue growth within a niche market
 - Strong H2 FY11 and strong start to FY12
 - Significant cost reduction implemented June 2012
 - Improved financial performance expect FY12
- We have partnered well in the Sport market and we believe that Axon Sports will demonstrate success over the next 24 months
 - Expect the market to continue to grow
 - Legislative changes and media attention will drive uptake
- Significant opportunity in dementia screening
 - Scientific validation complete
 - Good correlation with biomarkers
 - Ongoing discussions with pharma



Financial summary

FY 2011 Financial Summary

- Cash on hand A\$3.3m
- Loss from principal activities A\$0.1m
- Net loss after tax A\$0.8m
- Revenues A\$8.2m
- Cash flow positive

Share summary (as of 30 Aug 2011)

- Shares Outstanding 74.6m
- Share Price A\$0.17
- Market Cap A\$13m
- Stock tightly held, top 20 almost 80%





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