

# Appendix 4E

**For the year ended 30 June 2020  
(previous corresponding year: 30 June 2019)**

Lodged with the ASX under Listing Rule 4.3A. This information should be read in conjunction with the Annual Report, lodged this same day.

## Results for announcement to the market

	30 June 2020 US\$	30 June 2019 US\$	Movement	
			US\$	%
Total revenue from ordinary activities	23,686,608	21,834,374	1,852,234	8.5%
- Clinical Trials revenue	21,075,922	21,353,341	(277,419)	-1.3%
- Healthcare revenue	2,350,910	296,384	2,054,526	693.2%
- Research revenue	259,776	184,649	75,127	40.7%
Loss before income tax	(2,079,178)	(3,850,719)	1,771,541	46.0%
- Loss before income tax (First Half Year)	(2,902,454)	(2,802,081)	(100,373)	-3.6%
- Profit/(loss) before income tax (Second Half Year)	823,275	(1,048,638)	1,871,914	178.5%
Loss after tax (from ordinary activities) for the period attributable to members	(1,315,796)	(2,495,767)	1,179,971	47.3%

### Dividend Information

No dividend was paid during the year and the Directors do not recommend a dividend be paid in respect of the year ended 30 June 2020.

	30 June 2020 Cents	30 June 2019 Cents
Net tangible asset backing (per share)	1.5	1.5
Earnings per share	(0.8)	(2.1)

### Operating Results for the Year

A summary of revenue and results are set out below.

More detail and commentary on the operations and the results from those operations are set out in the Annual Report to members that has been lodged with the ASX.

## Explanation of results

### Net profit/(loss) from principal activities - summary

For the 30 June 2020 financial year, the Group recorded a loss before tax of \$2.08m (2019: \$3.85m).

	Half Year 31 December 2019 US\$	Half Year 30 June 2020 US\$	Full Year 2020 US\$	Full Year 2019 US\$
<b>Revenue from operations</b>	9,687,302	13,999,306	23,686,608	21,834,374
<b>Clinical Trials</b>				
Revenue	8,252,878	12,823,044	21,075,922	21,353,341
Cost of sales (excluding direct depreciation)	(4,354,786)	(4,431,027)	(8,785,813)	(8,566,200)
<b>Gross margin</b>	<b>3,898,092</b>	<b>8,392,017</b>	<b>12,290,109</b>	<b>12,787,142</b>
SG&A	(1,701,032)	(1,748,830)	(3,449,862)	(3,097,228)
Pass through costs, net of recovery	-	-	-	-
<b>Clinical Trials Segment Contribution</b>	<b>2,197,060</b>	<b>6,643,187</b>	<b>8,840,247</b>	<b>9,689,914</b>
	26.6%	51.8%	41.9%	45.4%
<b>Healthcare Solutions</b>				
Revenue	1,298,315	1,052,595	2,350,910	296,384
Direct costs	(69,482)	(45,236)	(114,718)	(1,106,276)
<b>Healthcare Solutions Segment Contribution</b>	<b>1,228,833</b>	<b>1,007,359</b>	<b>2,236,192</b>	<b>(809,892)</b>
<b>Research Solutions</b>				
Revenue	136,109	123,667	259,776	184,649
Direct costs	(466,193)	(470,525)	(936,718)	(822,860)
<b>Research Solutions Segment Contribution</b>	<b>(330,084)</b>	<b>(346,858)</b>	<b>(676,942)</b>	<b>(638,211)</b>
<b>Other operating costs</b>	<b>(5,079,020)</b>	<b>(5,481,881)</b>	<b>(10,560,901)</b>	<b>(11,535,800)</b>
<b>EBITDA excluding share based compensation</b>	<b>(1,983,211)</b>	<b>1,821,807</b>	<b>(161,404)</b>	<b>(3,293,989)</b>
Share based payments (expense of employee options)	17,956	99,710	117,666	(50,975)
Depreciation and amortisation	(899,562)	(1,108,642)	(2,008,204)	(495,439)
<b>Profit/(loss) before tax, interest and other income</b>	<b>(2,864,818)</b>	<b>812,876</b>	<b>(2,051,942)</b>	<b>(3,840,403)</b>
Interest income	11,862	127	11,989	19,574
Interest expense	(49,498)	(58,437)	(107,935)	(29,890)
Government Income	-	68,710	68,710	-
<b>Net profit/(loss) before tax</b>	<b>(2,902,454)</b>	<b>823,276</b>	<b>(2,079,178)</b>	<b>(3,850,719)</b>

## Clinical Trials Contracted Revenue

Clinical Trials revenue recognised during the year is a function of:

1. Revenue recognised from sales contracts on hand at the beginning of the financial year; and
2. Revenue recognised from sales contracts executed during the year.

Cogstate enters into a contract with the customer for the provision of technology and services for each study. The contract value will differ for each contract, depending upon the scope of the technology and services provided as well as the complexity and length of the study. Revenue from clinical trials contracts is recognised over the life of the contract. The length of a clinical trial can vary from 9 months for a phase 1 study up to 4-5 years for a phase 3 study. Revenue is recognised based upon achievement of pre-determined milestones.

At 1 July 2019, Cogstate had \$20.3 million of contracted revenue that would be recognised in future periods, down 28.4% on the amount of future revenue contracted at 1 July 2018. During the year to 30 June 2020, Cogstate executed \$46.0 million of new sales contracts, a 156% increase from the prior year. After recognising \$21.1 million of revenue from those contracts during the year, Cogstate had, at 30 June 2020, \$39.4 million of contracted revenue expected to be recognised in future periods. See table below for more analysis.

As noted in the Appendix 4D and half year financial report, in the course of preparing reconciliations for the finalisation of the previously announced cancelled Alzheimer's disease studies, a provision for refund was taken up for amounts due to the customers. A full reconciliation has been undertaken and there are no further amounts to provide for at the full year.

	30 June 2020 US\$	30 June 2019 US\$
Clinical Trials revenue contracted at 1 July	20,330,220	28,410,884
Contracts signed during the period	46,023,195	17,962,069
Revenue recognised	(21,075,922)	(21,353,341)
Provision for refund	-	(1,622,250)
Adjustment for contract reconciliations, FX movements & other pass-through revenue	(5,840,249)	(3,067,142)
<b>Contracted future Clinical Trial revenue at 30 June</b>	<b>39,437,244</b>	<b>20,330,220</b>

## Results - Expenses

### 1. Employment expenses

Full Time Equivalent (FTE) employees totalled 158.6 at 30 June 2020, broken down as follows:

Business Unit	FTE at 30 June 2020	FTE at 30 June 2019
Clinical Trials	78.0	77.0
Business Development	17.8	14.4
Healthcare	3.7	-
Research and Development	5.7	8.6
Product Development	38.0	39.0
Administration	15.4	14.8
<b>Total</b>	<b>158.6</b>	<b>153.8</b>

## 2. Total employment expenses

	Half Year 31 December 2019 US\$	Half Year 30 June 2020 US\$	Full Year 2020 US\$	Full Year 2019 US\$
Employment expenses, directly attributable to segment revenue	(5,692,149)	(6,563,508)	(12,255,657)	(12,443,320)
Other employment expenses	(4,872,495)	(3,618,894)	(8,491,389)	(8,111,188)
Total employment expenses	(10,564,644)	(10,182,402)	(20,747,046)	(20,554,508)
Less capitalisation of software development costs	1,143,046	1,070,865	2,213,911	1,924,657
	(9,421,598)	(9,111,537)	(18,533,135)	(18,629,851)
Share based payments expense	17,956	99,710	117,666	(50,975)
<b>Total</b>	<b>(9,403,642)</b>	<b>(9,011,827)</b>	<b>(18,415,469)</b>	<b>(18,680,826)</b>

### Audit

The financial report has been audited.

The audit has been completed.

The financial report contains an independent audit report that is not subject to a modified opinion, emphasis of matter or other matter paragraph.