



**Healthcare &
Biotechnology Event**
24 March 2010

Company overview

CogState Ltd (ASX:CGS)

- a profitable health services, technology company that provides cognition-testing software to pharmaceutical companies undertaking clinical trials
- Cognition testing is used in many clinical trials for drugs designed to work on central nervous system (CNS) diseases and disorders – looking for both:
 - Improvement (thinking more clearly); and
 - An absence of decline (no side effects)
- CogState provides a full-service offering, from initial scientific consultancy and assistance with protocol design to statistical analysis and interpretation of results

Financial summary

Share price	\$0.29
Market cap	\$19.2 m
Cash (as at 28/02/10)	\$ 3.3 m
52 week high	\$0.38
52 week low	\$0.20

Major Shareholders	Shares	Held (%)
Martyn Myer	11,000,000	16.58%
GBS Venture Management Pty Ltd	7,470,868	11.26%
Asia Union Investments Pty Ltd	6,423,619	9.68%
Citicorp Nominees Pty Ltd	3,715,687	5.60%
ANZ Nominees Ltd	3,492,709	5.26%
TOP 20 TOTAL	52,848,853	79.65%

CGS share price graph



Expanding market

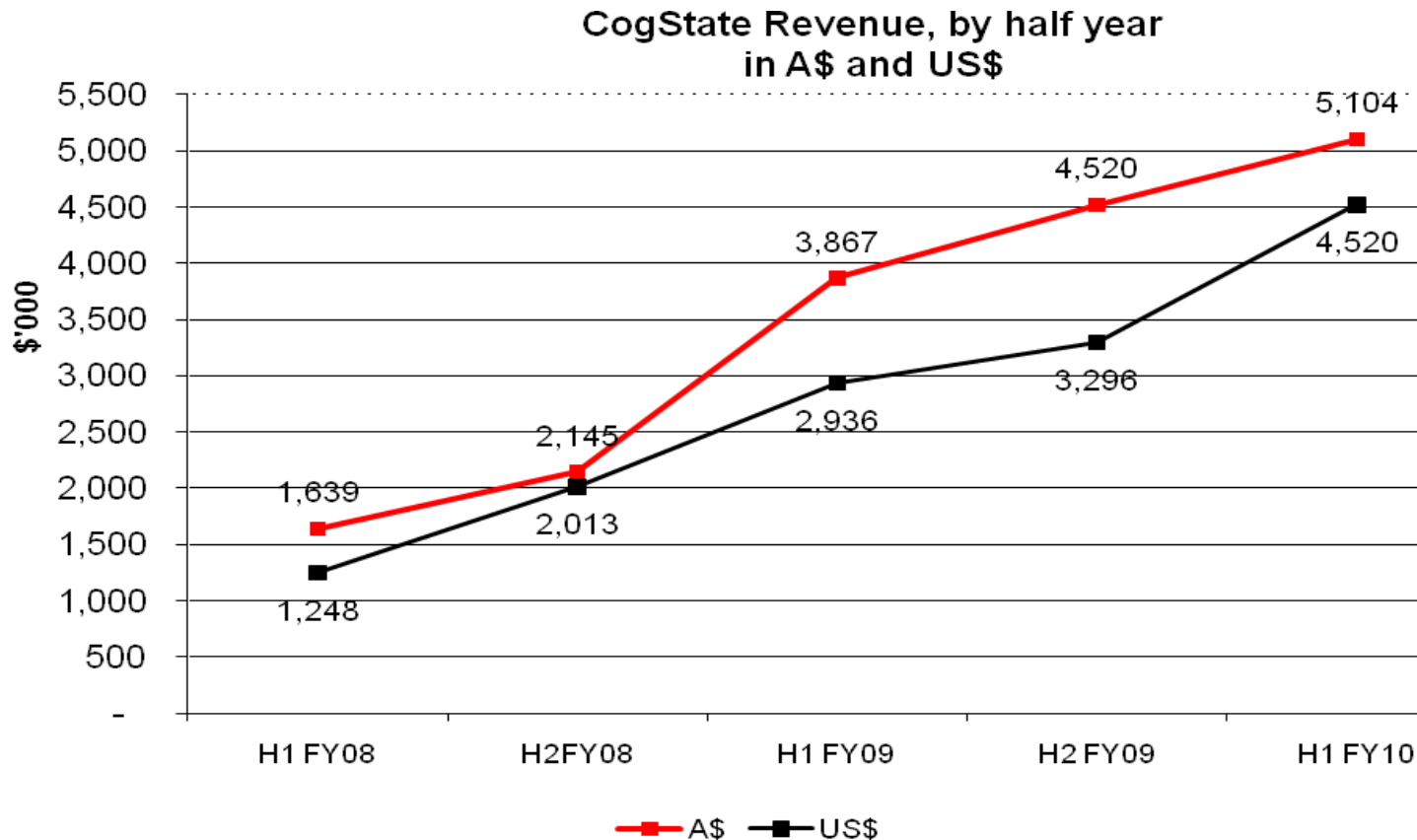
- There has been a structural migration towards computerised testing
- Advantages of computerised testing:
 - Culture neutral stimuli, meaning anyone can be tested regardless of language, literacy, ethnicity and socio-economic status
 - Allows for non-expert administration
 - Faster administration reduces test fatigue
 - Electronic data capture allows for real-time data analysis and integrity checking



The CogState advantage

- Validity of tests
 - Confirmed in over 150 peer-reviewed scientific articles
- Extensive commercial experience in study design
 - CogState experts have published over 300 journal articles, co-authored numerous book chapters, and edited and authored textbooks and handbooks in neuroscience and neuropsychology
- Rapid tests with real time results
 - CogState provides rapid computerised testing batteries - < 15 mins
 - Datapoint® provides real time information to trial sponsor and data integrity information to site staff
- Commercial validation
 - Customer base of large pharmaceutical companies and extensively used in clinical trials (Phase 1 – Phase 3)
 - Demonstrated operational capability to manage large, international trials in multiple countries and languages

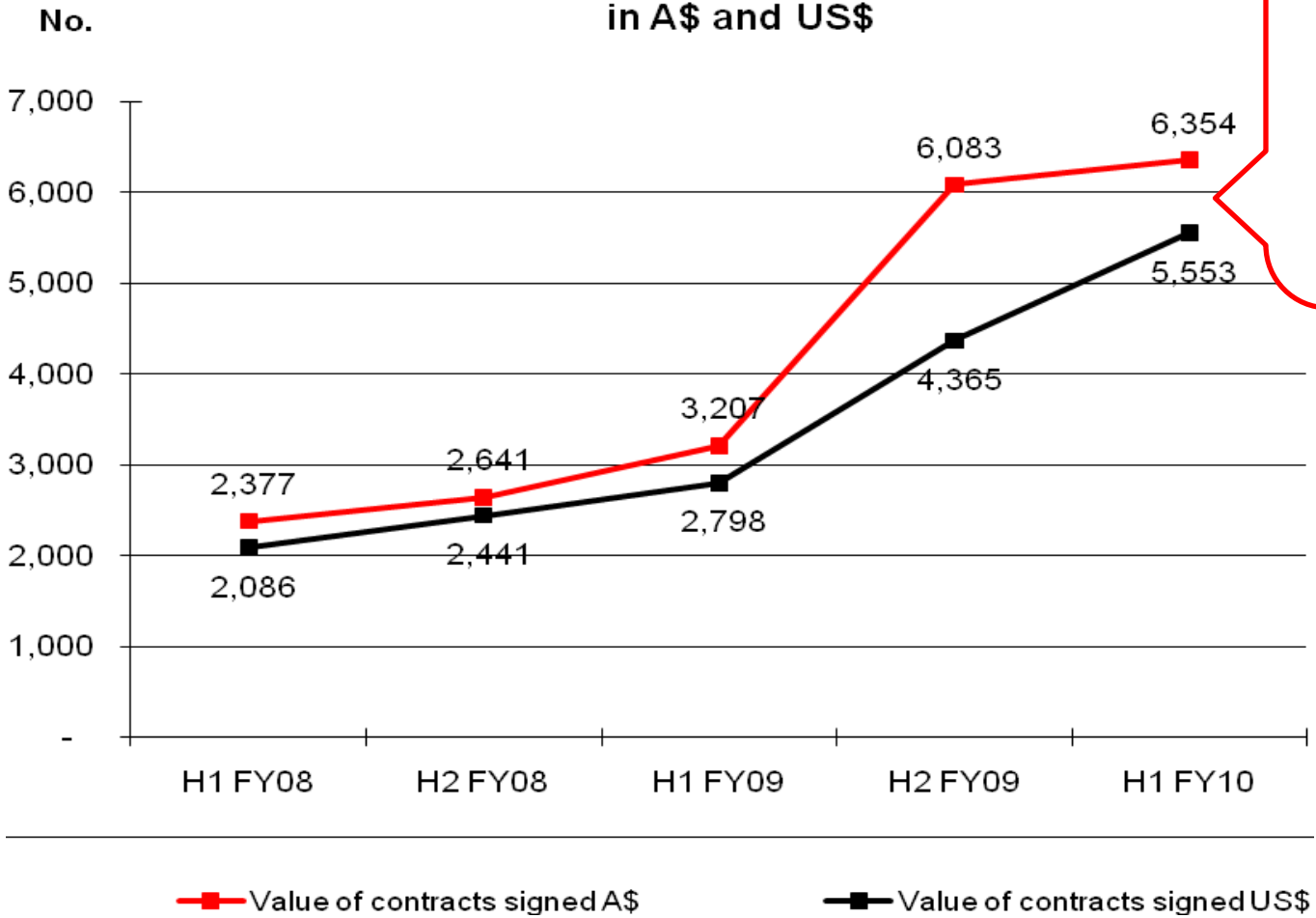
Revenue is increasing



- Sales contracts are predominantly charged in US \$
- Despite the strong Australian dollar CogState's revenue has grown significantly

Increase value of sales contracts

Cogstate Sales Contracts Signed, by half year in A\$ and US\$



Almost 100% growth on previous corresponding period

Contracted future revenue on the rise

- Contracted future revenue is secured by a signed sales contract and will be recognised as revenue upon achievement of a milestone at a future point in time
- Currently, \$4.4 million of contracted future revenue
 - up from \$3.3m million at 1 July 2009
- As at today's date, over \$9 million of sales contracts signed this financial year to date
 - up 65% from the \$5.5 million of sales contracts signed at the same time last year

Alzheimer's Disease opportunity

- Alzheimer's Disease (AD) clinical trials require cognition endpoints for regulatory approval
- CogState is a licensed distributor of the Neuropsychological Test Battery (NTB)
 - An increasingly important test fully validated and accepted by the FDA as a Primary/Co-Primary and Secondary endpoint for reg. approval
 - Developed by a CogState employee, Dr John Harrison
 - Major driver of new contract revenues in AD trials:
 - Estimated 225 drugs in development: require cognitive testing at all clinical phases
 - Main focus of Central Nervous System (CNS) R&D worldwide
 - AD market expected to double by 2025

Is the growth sustainable?

- Increased use of CogState in phase 2 and 3 clinical trials
 - Larger contracts over longer time period, providing greater certainty of contracted revenue from future periods
- Cognition continues to be an area of focus in many indications, but particularly Alzheimer's disease and schizophrenia
- Big pharma investment in R&D expected to continue, particularly in programs with drugs in phase 2 and 3, as we approach patent expiration dates for some of the biggest selling drugs
- Increased use of computerised assessment
- CogState continues to seek to expand from its small customer base

In summary

- Financially profitable and cash flow positive business
 - Profitable results recorded for the last three consecutive half years
 - Cash holdings \$3.3 million, up from \$2.5 million at 31 Dec 2009
- Fast growing
 - revenue grew by 122% in FY09 and 61% in FY08
 - Sales contracts grew by 85% in FY09 and are up 65% YTD
- Structural migration towards computerised assessment of cognition in clinical trials away from traditional paper-based assessment

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