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ASX Announcement

Wednesday, September 10, 2014

### **Precision Recruitment selected for phase III Alzheimer's study**

MELBOURNE, AUSTRALIA: Cognition technology company Cogstate (CGS.ASX) is pleased to announce that it has secured a sales contract to assist with the identification and recruitment of patients for a Phase III Alzheimer's disease study, via its new web-based tool for streamlining patient recruitment for clinical drug trials, Precision Recruitment.

The study is the same Alzheimer's disease study for which Cogstate is providing Rater Training services in a separate contract worth \$7.3 million (see ASX release on Aug 5<sup>th</sup>, 2014)

This additional contract provides for Precision Recruitment to be used in five of the fifteen countries where patients will be recruited for the trial, with potential for the program to be expanded if the results from those initial countries are positive.

At this time, Cogstate will not disclose the financial terms of the contract due to the success-based nature of the contract. Brad O'Connor, CEO of Cogstate commented "This additional contract for Precision Recruitment highlights the momentum we are seeing in the market for a rapid, cost-effective solution in targeting appropriate patients for inclusion into Alzheimer's disease studies. As the paradigm shift in clinical trials towards early-stage Alzheimer's disease interventions accelerates, we believe Cogstate is uniquely positioned to capture a significant footprint for such services into the future. We are on target to reach our initial goal of \$3-\$6 million of Precision Recruitment contracts during FY15."

### **Precision Recruitment**

Precision Recruitment was launched in June 2014 for pharmaceutical companies to reduce the costs and time associated with recruiting patients for clinical trials. Traditionally, most patient pre-trial screening has taken place on-site, a slow, expensive and inefficient process, but Precision Recruitment allows patients to be tested and screened at home before being asked to join a clinical trial.

Potential trial participants are identified by the pharmaceutical company and asked to perform a series of online tests on Cogstate's web portal. Following the test, patients are asked to either enter the next stage of recruitment or, for those not appropriate for inclusion in the trial, they will be asked to join Cogstate's Cognition Registry, a database which tracks changes in cognitive function over time, for availability in future clinical trials.

## Sales Contract Update

Excluding this contract for Precision Recruitment, the total value of clinical trial sales contracts signed since 1 July 2014 is US\$9.8 million.

At this time, Cogstate has sales contracts in place that will generate \$9.3 million of clinical trials revenue for the 2015 financial year, including \$1.7 million that was invoiced in July and August. At this time last year, Cogstate had secured \$6.5 million of revenue for the 2014 financial year (the eventual clinical trials revenue for the 2014 financial year was \$11.6 million).

Cogstate has total contracted future revenue of \$20.3 million, which be recognised over the course of the various studies (compared to \$10.0 million at the same time last year). At this time, the estimated timing of that revenue is as follows:

- FY2015 \$9.3 million
- FY2016 \$5.4 million
- FY2017 \$3.1 million
- FY2018 \$1.9 million
- Later periods \$0.6 million

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## About Cogstate

Cogstate Ltd (ASX: CGS) is a multi-faceted cognitive assessment and training company, focused on the development and commercialisation of rapid, computerised tests of cognition (brain function). It has three distinct business units:

**Clinical Trials:** In the clinical drug trial market, Cogstate technology and associated services are used by pharmaceutical and biotechnology companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials.

**Precision Recruitment:** Cogstate technology is used by pharmaceutical companies to efficiently identify people in the community who may be appropriate for inclusion in a clinical trial on the basis of a web-based cognitive assessment.

**Concussion:** In the area of sports related concussion, Cogstate's technology has been used by a number of highly regarded institutions and sporting organisations around the world for almost 10 years.

**Healthcare:** In the primary care or general practice setting, COGNIGRAM™ assesses cognition in patients and the reports generated on the basis of this assessment can allow physicians to identify subtle changes that could be indicative of the early stage of a neurodegenerative disease, such as Alzheimer's disease.