

# ASX Announcement

## 4 November 2022

### 2022 Annual General Meeting Presentation

Cogstate Limited (ASX:CGS) attaches its 2022 Annual General Meeting Presentation, being presented to shareholders at today's meeting.

This announcement was authorised for release by a sub-committee of the Board of Directors of Cogstate Ltd.

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#### About Cogstate

Cogstate Ltd (ASX:CGS) is the neuroscience technology company optimising brain health assessments to advance the development of new medicines and to enable earlier clinical insights in healthcare. Cogstate technologies provide rapid, reliable and highly sensitive computerised cognitive tests across a growing list of domains and support electronic clinical outcome assessment (eCOA) solutions to replace costly and error-prone paper assessments with real-time data capture. The company's clinical trials solutions include quality assurance services for study endpoints that combine innovative operational approaches, advanced analytics and scientific consulting. For 20 years, Cogstate has proudly supported the leading-edge research needs of biopharmaceutical companies and academic institutions and the clinical care needs of physicians and patients around the world. In the Healthcare market, in August 2019 Cogstate entered into an exclusive licensing agreement with the pharmaceutical company Eisai, under which Eisai will market Cogstate technologies as digital cognitive assessment tools in Japanese markets. In October 2020, Cogstate extended its agreement with Eisai to the Rest of the World. The product, branded as NouKNOW, launched in Japan on 31 March 2020 ([nouknow.jp](http://nouknow.jp)). For more information, please visit [www.cogstate.com](http://www.cogstate.com).

#### For further information contact:

Brad O'Connor, Chief Executive Officer, [boconnor@cogstate.com](mailto:boconnor@cogstate.com)



# Annual General Meeting

Friday 4 November 2022

Start Time: 11am Australian Eastern Summer Time

## BRAIN HEALTH FOR ALL





# Disclaimer

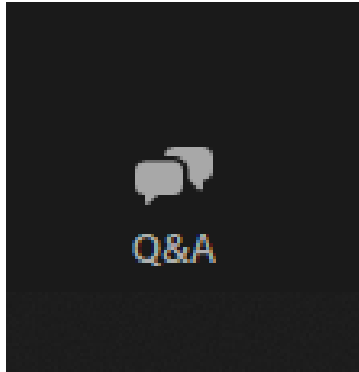
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2. Type your question in the new Q&A window

Type your question here...



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# Registration and Voting

1. Log in or register at:

<https://investor.automic.com.au/#/home>

2. Click view and register your attendance for the meeting

3. Record your vote. Once you confirm it is lodged and final



To contact support:  
Call 1300 816 159

# Board of Directors



**Martyn Myer**

**Non-Executive Chairman**

Member: Audit, Risk & Compliance Committee  
Chair: Remuneration & Nomination Committee



**Brad O'Connor**

**Managing Director / CEO**



**David Dolby**

**Non-Executive Director**

Member: Remuneration & Nomination Committee



**Richard Mohs**

**Non-Executive Director**

Member: Audit, Risk & Compliance Committee  
Member: Remuneration & Nomination Committee



**Ingrid Player**

**Non-Executive Director**

Chair: Audit, Risk & Compliance Committee  
Member: Remuneration & Nomination Committee



**Richard van den Broek**

**Non-Executive Director**

Member: Remuneration & Nomination Committee



**Kim Wenn**

**Non-Executive Director**

Member: Audit, Risk & Compliance Committee  
Member: Remuneration & Nomination Committee

**We are on a mission to democratize  
brain health assessment across  
clinical research and clinical care...**

combining proven science with  
disruptive digital innovation to make  
the measurement of cognition as  
simple, standardized, actionable and  
common as the measurement of blood  
pressure.





# Leaders in the Measurement of Cognition



## Clinical Trials

Scientific consulting, computerized cognitive testing, rater training & central monitoring, remote assessment, and eCOA



## Healthcare

Computerized testing solution for clinical care (FDA cleared medical device, HIPPA compliant, at-home or in clinic)



## Academic Research

Computerized cognitive testing adopted in 1,800+ studies including landmark Alzheimer's disease trials such as DIAN, ADNI, AIBL and A4



# Global License



Eisai: Focusing on dementia as global pioneer since Aricept launch in 1997

- 2 x 10-year licenses (Japan & Rest-Of-World)
- Excludes Clinical Trials business
- Total upfront payment of US\$16m across 2 agreements already received
- Additionally, Cogstate receives a low double-digit royalty on all revenue, which can not be less than US\$30m across 10 years
- Eisai fund additional development, regulatory and commercial activities
- All data jointly owned by Cogstate

# Current Status : Potential Therapies

## External Catalysts:

Important phase 3 data from key Alzheimer's trials



## LECANEMAB

Positive data released late September showing 27% slowing of cognitive decline

Eisai will present the study results at the Clinical Trials on Alzheimer's Congress (CTAD) on 29 Nov 2022



## GANTENERUMAB

Topline data from phase 3 Graduate study scheduled Q4 2022



## DONANEMAB

Started rolling submission for accelerated approval based on Phase 2 data

Topline data from phase 3 Trailblazer-Alz-2 study scheduled mid-2023



# Implications of Alzheimer's Treatment on Market

## Clinical Trials

Larger market for Cogstate tech & services with increased investment in new therapeutics.

- In other areas of medicine, an initial breakthrough has led to progressively improved treatment options
- With further investment, new and better treatments can be expected over the next 10-20 years
- Further exploration of both approved therapeutics and experimental treatments is expected to lead to an increase in Alzheimer's R&D

## Healthcare

With treatment options, patient demand for cognitive assessment will grow.

- Demand for tests that are low cost, easy to use and sensitive to the earliest signs of cognitive decline is expected to grow – essentially a new market
- Cogstate technology is well suited to be used at home or in a physician's office
- Eisai license positions Cogstate to be a leader in this space

# FY22 Financial Highlights (All figures in US\$)

Strong earnings growth and solid cash position

## Record clinical sales contracts executed

  
**+74%**

**\$82.5m**

Alzheimer's disease represented 84% of the value of contracts executed in FY22

## Record contracted future revenue

  
**+37%**

**\$139.1m**

Strong contracted revenue pipeline


## Record Group Revenue

  
**+38%**

**\$45.0m**

Clinical Trials up 41% to \$40.3m  
Healthcare up 19% to \$4.5m

## Record PBT

  
**+84%**

**\$10.7m**

Updated guidance in July 2022 was \$10.3m-\$10.8m.

## Strong operating net cash flow

  
**-46%**

**\$9.0m**

Excl. customer pass-through costs.  
FY21 included \$13.8m net proceeds from Eisai upfront license fee payment

## Net Cash balance

  
**+28%**

**\$28.7m**

An increase of \$6.3m during the year





# External Factors Impacting Our Business



## Alzheimer's R&D

Increased R&D spend positively impacting Cogstate Clinical Trials sales



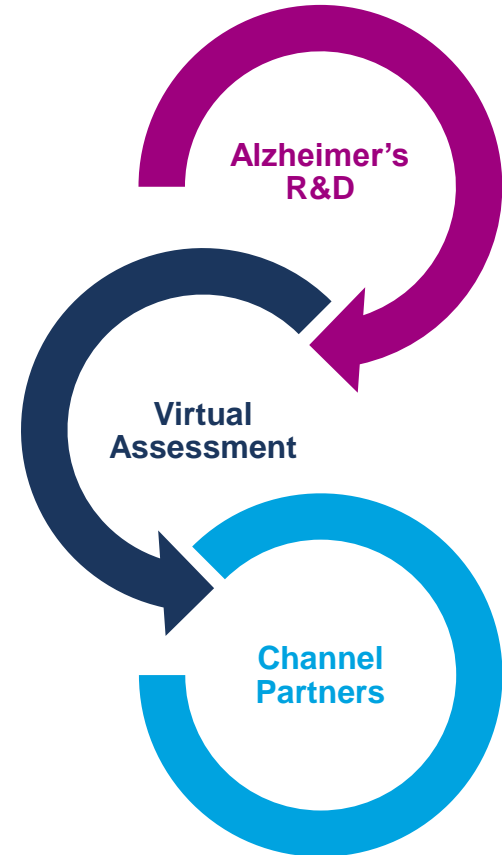
## Virtual Assessment

Decentralised trial design, with at-home virtual assessment, has complemented our offering

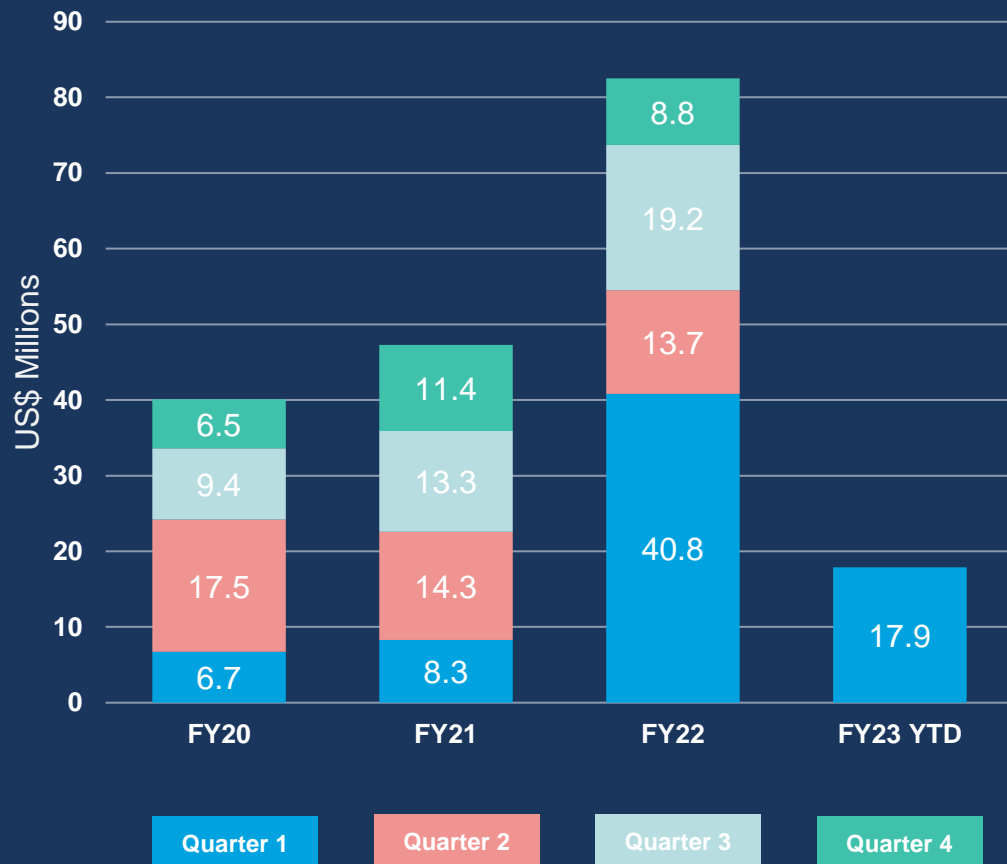


## Channel Partners

Success in growing sales through channel partnerships



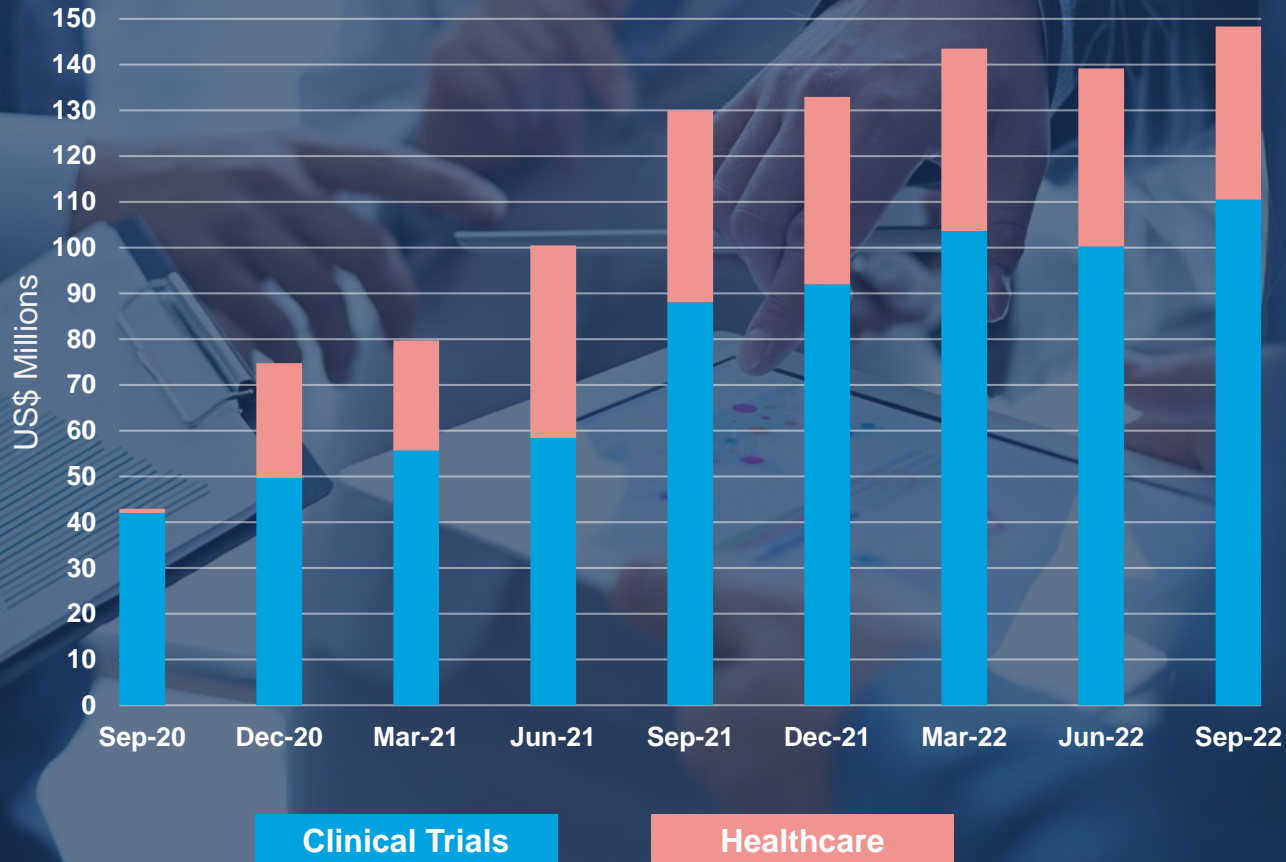
# Clinical Trials Sales Contracts



## 1Q23 sales contracts performance

- \$17.9m executed in 1Q23 – our 3<sup>rd</sup> highest Quarter on record
  - Down 56% compared to PCP - 1Q22 was a record result for Cogstate. \$40.8m included one large Phase 3 contract.
- Alzheimer's disease clinical trials:
  - 89% of 1Q23 sales contracts

# Contracted Future Revenue



## Year-On-Year Growth in Contracted Future Revenue

The long-dated contractual nature of Cogstate revenue provides revenue predictability and insight into future revenue performance.

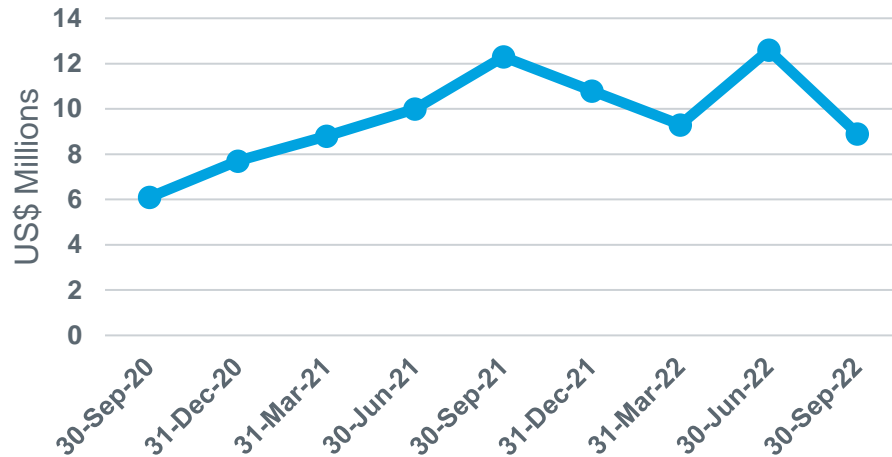
**\$148.3m of Contracted Future Revenue as at 30-Sep-22, up 14% year-on-year**

- Clinical Trials Backlog \$110.5m
  - Up 26% year on year
- Healthcare Backlog \$37.8m
  - Down 10% year on year due to the revenue recognition in relation to the Eisai Global and Japan Agreements

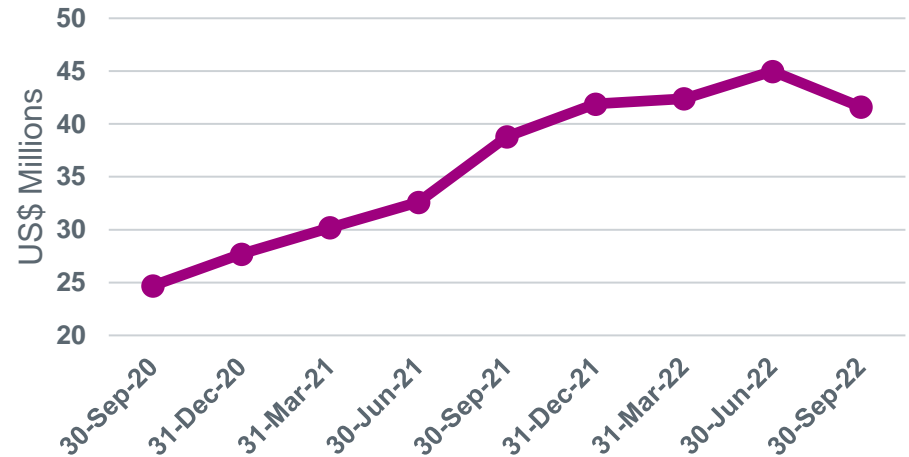


# Group Revenue

- 1Q23 revenue of \$8.9m, down from recent quarters reflecting delays in some Clinical Trials studies
  - Slower than expected patient enrolment in a small number Alzheimer's studies has delayed recognition of revenue during 1Q23.
  - The timing issue in respect of revenue recognition is also expected to impact 2Q23.
  - We have seen acceleration in enrolment over the last couple of months and the pharmaceutical companies involved are confident that they will continue to accelerate enrolment in the coming months.



Quarterly Revenue

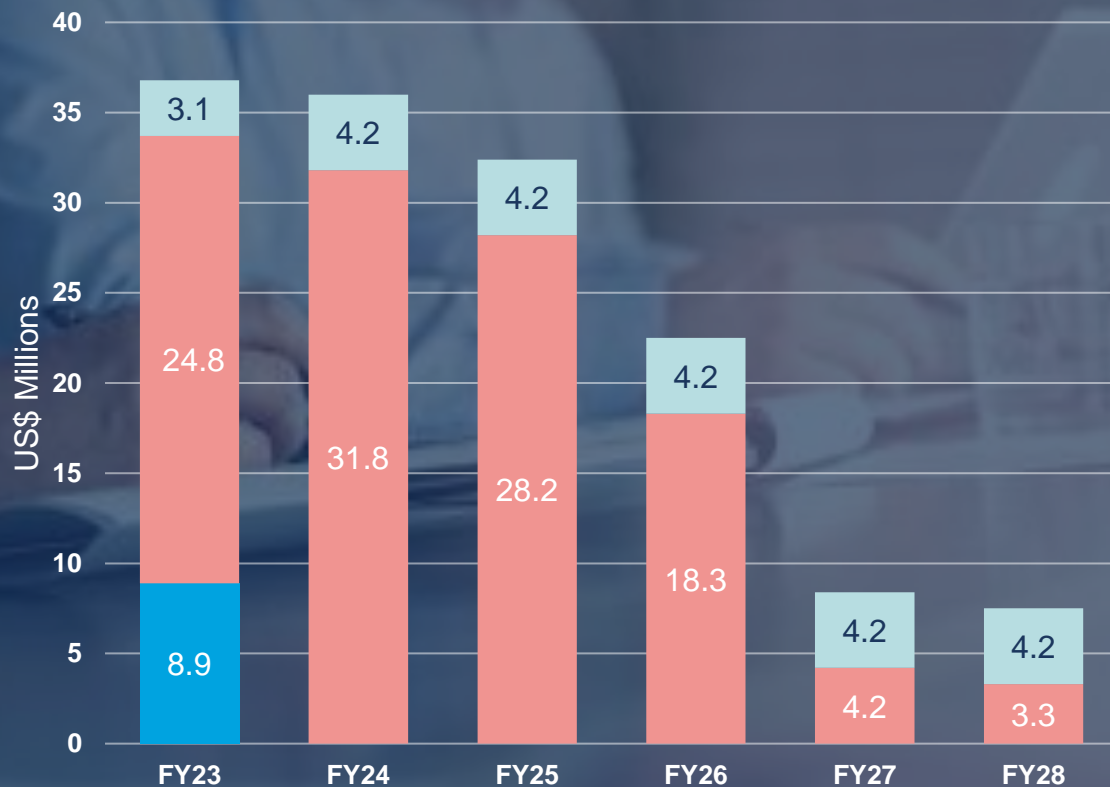


Trailing 12 Months Revenue





# Contracted Future Revenue Run-Off



Actual Revenue to end of 1Q23

Contracted Future Clinical Trials Revenue

Contracted Future Healthcare Revenue

## Contracted Future Revenue is Growing

This time last year, FY23 contracted revenue was \$30.9m (of which \$26.7m related to Clinical Trials), whereas today our FY24 contracted revenue is \$36.0m (of which \$31.8m relates to Clinical Trials)

### Year-on-Year Growth in Contracted Future Revenue

	Current As at Sep-22 US\$	PCP As at Sep-21 US\$	Growth US\$	Annual Change %
Yr 1	FY23 36.8	FY22 38.2	(1.4)	(4%)
Yr 2	FY24 36.0	FY23 30.9	5.1	17%
Yr 3	FY25 32.4	FY24 18.3	14.1	77%
Yr 4	FY26 22.5	FY25 14.3	8.2	57%
Yr 5	FY27 8.4	FY26 13.6	(5.2)	(38%)

# FY23 Business Update

1. **Pharma companies are planning additional Alzheimer's trials to support ongoing research**
  - Subcutaneous injection trials to show evidence of continued efficacy with different delivery mechanism
  - Trial of drug cessation and maintenance regimen
  - Expansion of trials in pre-clinical populations with subcutaneous injection and global expansion to speed recruitment
2. **Trial capabilities are expanding in new areas beyond cognition**
  - Awarded new project to centrally rate depression scales in a Major Depressive Disorder phase II clinical trial
  - A step towards of a broader move into mood disorder rater training, which we're seeing growing interest from both CRO and potential eCOA channel partners.
3. **Digital innovation group from large Pharma company have engaged Cogstate**
  - Multi-study research collaboration seeking to utilize Cogstate technology in a large sample of 10K older healthy adults via remote web-based self-assessment
  - Aim of establishing an improved self-administered early dementia screener to be used across the broader drug pipeline.
4. **Strong participation at major Alzheimer's scientific meetings**
  - Alzheimer's Association International Conference (San Diego, Jul-22)
  - Clinical Trials in Alzheimer's Disease (San Francisco, Nov-22)

# FY 2023 Guidance



## Clinical Trials

### Revenue:

- 1H23 now expected to be down 10% - 12% on most recent half year (2H22)
  - Prior Year: 2H22 Clinical Trials revenue \$19.5m
  - First Quarter: 1Q23 Clinical Trials revenue \$7.8m
- 2H23 will vary according to sales contracts executed and therefore, based on positive sales assumptions, we expect stronger revenue in 2H23

### Contribution Margin:

- 1H23 in the range of 48% - 51%, compared to 57% for 2H22, reflecting lower revenue but resourcing levels appropriate for expected increase in work
- 2H23 contribution margin expected to improve with expected stronger revenue



## Healthcare

- Revenue and segment contribution expected to be consistent with FY22



## Group FY23 Earnings

- Target EBITDA is 27% - 29% of revenue
- EBIT, based on current revenue forecast, is expected to be at the bottom end of the range of 20% - 24% of revenue
- Operating cash flow approx. 75% of EBITDA
- Actual results will vary with level of sales contracts executed 2Q23 – 4Q23



# Cogstate Positioned For Growth







Cogstate