

# ASX Announcement

## 25 October 2023

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## 2023 Annual General Meeting Presentation

Cogstate Limited (ASX.CGS) attaches its 2023 Annual General Meeting Presentation, being presented to shareholders at today's meeting.

This announcement was authorised for release by 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:

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## Important Notices

### *Past performance*

Past performance is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Cogstate's views on its future financial performance or condition. Past performance of Cogstate cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Cogstate. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

### *Future performance and forward-looking statements*

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Cogstate, its directors and management. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Cogstate's business strategies, including the that the results of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. For example, Cogstate's performance in any one financial period is sensitive to whether or not contracts are signed in that period, or a subsequent period, and the rate of enrolment in trials of its customers which are influenced by factors that are outside of Cogstate's control.

Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Cogstate, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Cogstate as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Cogstate, its representatives or advisers undertakes any obligation to provide any additional or updated information, whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

# Annual General Meeting

**Wednesday 25 October 2023**

**Start time:**

**11am Australian Eastern Daylight Savings Time (AEDT)**



**#BrainHealthForAll**



# Disclaimer

This presentation has been prepared by Cogstate Limited ('Cogstate'). The information in this presentation is of a general nature and does not purport to be complete, nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. This presentation may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of Cogstate, its respective officers, employees, agents, advisers or any other person named in this presentation makes any representation as to the accuracy or likelihood of fulfilment of any forward looking statements or any of the assumptions upon which they are based.

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# Board of Directors



**Martyn Myer**

**Non-Executive Chairman**

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



**Brad O'Connor**

**Managing Director / CEO**



**Richard van den Broek**

**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



**Kim Wenn**

**Non-Executive Director**

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





## Every 3 seconds, someone in the world develops dementia

The societal impacts of Alzheimer's disease are devastating. However, research breakthroughs for slowing the disease are finally gaining momentum. Cogstate has supported 100+ Alzheimer's disease trials and developed leading expertise, technology, and operations to empower research teams combating this widespread disease to gather reliable and informative data.

# First Alzheimer's Disease Modifying Therapies



## Alzheimer's Investment Expected To Increase

Eisai's Leqembi received FDA approval 06-Jul-23

US reimbursement of monoclonal antibodies confirmed by CMS following full FDA approval of Leqembi, with requirement for monitoring of patients via CMS-facilitated registry

Lilly's donanemab reported positive phase 3 data. FDA submission completed in Jun-23 quarter. Regulatory action expected before the end of CY 2023

**These first therapies provide positive external market for Cogstate in both Clinical Trials and Healthcare segments**

# Alzheimer's Disease Commercial Opportunity

## Financial Significance

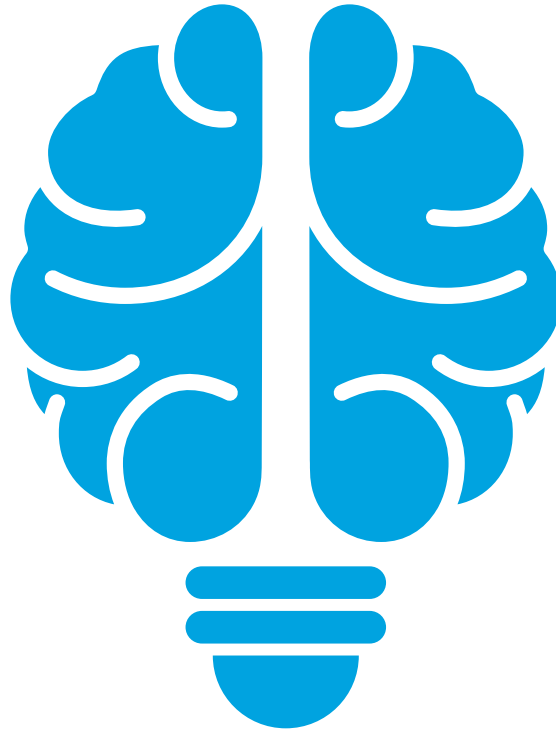


Over FY22 & FY23:  
24% of the number of sales opportunities  
70% of the value of sales contracts

## Breakthrough Treatments



Progress, but improvement possible  
Still room for continued research  
Expect combination treatment



## Earlier Treatment Benefits

Timely diagnosis = better health outcomes  
Cogstate tests are sensitive to earliest signs



## Increase In Future R&D

Positive data de-risks future investment (as seen in other disease areas)  
Revenue from drug launch allows for increased R&D  
New mechanisms, line extension & combination therapies

## A growing market for Cogstate technology & services

Given the launch of the first disease modifying treatments of Alzheimer's disease and the expanding and diverse research landscape, the addressable market for Cogstate—in both its Clinical Trials and Healthcare businesses—is expected to grow.



# First Approval For Rare Genetic Neurological Disease



**DAYBUE™  
(trofinetide)  
is now available  
for the treatment  
of Rett syndrome**



## Rare Disease Investment Increasing

Acadia's Daybue received FDA approval 10-Mar-23

- First and only treatment for Rett syndrome
- First approval of a treatment for a rare genetic neurological disease

Dr Pam Ventola, VP Science at Cogstate, authored a publication, with Acadia, providing evidence for the clinical meaningfulness of the trial's primary outcome measure.

**Rare disease is another area where investment is expected to increase, assisted by recent breakthrough approval.**

Watch investor presentation by Cogstate executives here:

<https://www.cogstate.com/investors/investor-presentations/>



## Corporate Matters

- Dec-2022: Discussion with 3<sup>rd</sup> party in relation to potential control transaction
- Discussions remained non-binding and incomplete
- Feb-2023: determined that the potential transaction would not proceed
- Positive nature of discussions reflect long-term strategic value being created



# Corporate Matters

## Share Buyback

- Reflects cash position + Board view of strategic value
- Buyback will be re-initiated following this meeting
- Cash balance at 30-Sep-23: US\$27.3m (US\$28.7m at 30-Jun-23)
  - A\$2.2m (approx. US\$1.4m) used to acquire shares during the quarter

	Shares Acquired	Total Cost A\$	Ave Cost
FY23	552,496	A\$862,802	A\$1.562
1Q24	1,497,090	A\$2,212,293	A\$1.478
Total	2,049,586	A\$3,075,095	A\$1.500

# FY23 Financial Results

US\$ Million	1H23	2H23	FY23	FY22	YTY%
Revenue	19.5	20.9	40.5	45.0	(10%)
Gross Contribution	9.1	12.1	21.2	26.7	(20%)
Contribution margin	46.5%	58.1%	52.5%	59.3%	(6.8% pts)
EBITDA	1.0	4.3	5.3	13.0	(59%)
EBITDA margin	5.3%	20.4%	13.1%	28.9%	(15.8% pts)
EBIT	(0.2)	2.9	2.7	10.7	(75%)
EBIT margin	(1.2%)	14.0%	6.7%	23.8%	(17.1% pts)
Profit before Tax, before non-recurring restructure charges	(0.0)	3.5	3.5	10.7	(67%)
Non-Recurring Restructure Charge	-	(0.5)	(0.5)	-	n/a
Profit before Tax, including non-recurring restructure charges	(0.0)	3.0	3.0	10.7	(72%)
Profit before Tax margin	(1.2%)	14.5%	7.5%	23.8%	(16.3% pts)

**Revenue decline** driven by delays associated with specific issues for a small number of trials together with a low second half new contract sales

**Decline in contribution margin**, driven by revenue delays and the fixed nature of Clinical Trials costs. Improved second half performance driven by stronger revenue and cost control.

**Staff Costs** (direct & indirect) increased 7% to \$26.1m. Staff numbers reduced via restructure in May 2023 following introduction of technology efficiencies (long term gains).

**Depreciation & Amortisation up from PCP** in line with continued investment in Cogstate technology

**PBT decline:** down 72% to \$3.0 million





# Clinical Trials Sales Contracts



## 1Q24 sales contracts

- Solid start to FY24
  - \$9m contracts executed
  - \$8m net; after \$1m of negative reconciliations during the quarter
- Alzheimer's 72% of gross sales contracts
  - Incl. Ph2 trial in pre-symptomatic Alzheimer's disease with a new customer
  - Other indications: Rare disease, schizophrenia, depression, migraine and sleep
- Broad range of customers
  - 2 largest customers represent less than 1% of gross sales contracts in 1Q24



# Growth expectations

## Clinical Trials Sales Pipeline

- Substantial increase in proposal deliverables
  - 1Q24: 109 deliverables by our proposals team vs 4Q23: 64 deliverables
  - Sales timeline is such that most of that increase will impact Q2 or Q3 sales contracts
- Value of sales opportunities is at record historical high

## Revenue Impact

- 1Q24 Total Revenue \$9.2m (1Q23 \$8.9m)
- Sales contracts critical to revenue growth in Clinical Trials segment
  - Timing of execution of sales contracts will impact FY24 revenue recognition
  - Expect to grow revenue from FY23 to FY24
  - Strong backlog of work: contracted Clinical Trials revenue for FY24 of \$27.7m at 01-Jul-23 (total FY24 backlog \$31.9m)

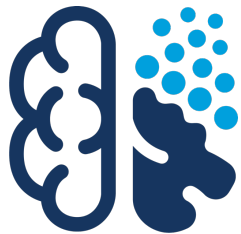
## Healthcare Opportunity

- Expect Eisai to launch Cognigram in USA during FY24
- Revenue not expected to exceed minimums payable under the contract in FY24

## Profit Expectations

- Profit expected to increase with revenue increase
- Staff cost reduction in May 2023 created opportunities for high-performing talent and will also deliver cost benefit in FY24

# Momentum Returning



## Uniquely Positioned

Existing Alzheimer's customers planning new trials (most with CY 2024 start date)

Leveraging successful Alzheimer's trials to grow customer base

Launch of Alzheimer's therapies creates long-awaited opportunity in healthcare

Cogstate technology, expertise and operational excellence has strategic value



Cogstate