



ASX Announcement

26 August 2020

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Cogstate Investor Presentation

Cogstate (ASX:CGS) has today released an investor presentation that provides a summary of the financial results for the year ended 30 June 2020 and also provides commentary in respect of business and financial outlook.

The presentation material is attached to this announcement.

Additionally, a video recording of Cogstate CEO, Brad O'Connor, presenting the materials will be available later today and can be viewed on the Cogstate Investor Centre homepage: <https://www.cogstate.com/investors/>

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

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. The product, branded as NouKNOW, launched in Japan on 31 March 2020 (nouknow.jp). For more information, please visit www.cogstate.com.

For further information contact:

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Investor Presentation

FY20 Financial Results

26 August 2020



Brad O'Connor
Cogstate CEO



Cogstate

Themes for the Presentation



Clinical Trials

Sales growth delivering revenue growth

2nd HALF REVENUE AND GROSS MARGIN BACK TO FY18 LEVELS



Healthcare

Revenue growth without cost significant growth

FIRST EVER POSITIVE MARGIN CONTRIBUTION FROM HEALTHCARE



2nd Half: Profit Before Tax

Improved Clinical Trial result driving return to profit for the half year

BEGINNING TO DEMONSTRATE FINANCIAL LEVERAGE

A person is holding a tablet computer. The screen of the tablet displays a blue and white playing card, specifically the Queen of Spades. The person's hands are visible, and they are wearing a light-colored shirt. The background is slightly blurred, showing what appears to be a desk or table.

Founding Vision

To develop an assessment of brain health that could be used anywhere for any purpose

What Sets Cogstate Apart



Proven ability to commercialize **highly sensitive computerised cognitive assessments** backed by science and carefully designed for the rigor of clinical research



Inclusion of our computerised endpoint in **major longitudinal and natural history studies**, establishing expected trajectories of decline for use in the planning of industry-sponsored trials



Scientific, operational and technical capabilities to advise and **manage endpoint quality for a range of other outcome assessments** in large global programs



Regulatory-cleared **solution designed for the unique requirements of clinical practice**, but centred around the same science utilised in clinical trials



Demonstrated ability and intent to establish deep, strategic partnerships **to help reimagine and redesign health ecosystems**



Revenue Streams

Clinical Trials

Growing strongly on a project revenue model that provides great visibility and predictability of revenue

Our established business

- FY20 revenue US\$21m

Healthcare

Subscription based software revenue model sold through strategic partners who have other revenue tied to adoption of the software

Our next horizon (growth revenue stream)

- FY20 revenue US\$2m

Summary Financial Results, by Segment

FY20: \$2m loss for the year but significant improvement in 2H20 (profit \$0.8m)

2nd half revenue increase of \$4.3m delivered improvement in profit before tax of \$3.7m

Other expenditure consistent for the last 3 financial years (excludes direct costs allocated to segment)

All results presented in US\$ million

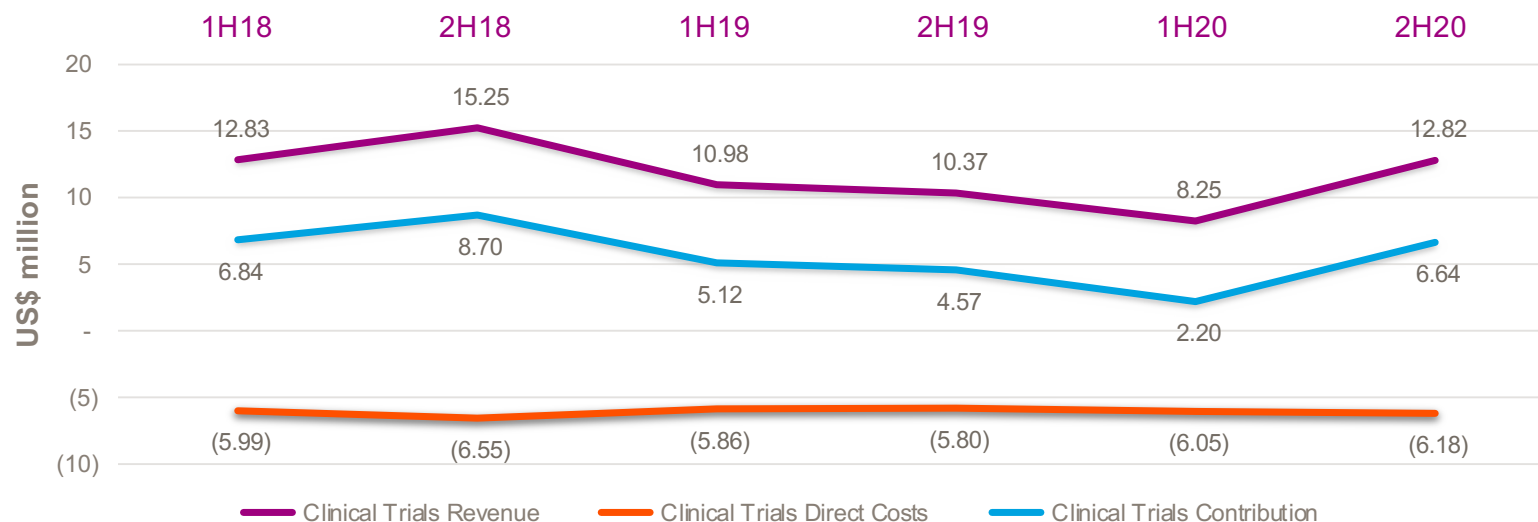
	H1	H2	FY20	FY19	FY18
Clinical Trials contribution	2.20	6.64	8.84	9.69	15.54
Healthcare contribution	1.23	1.01	2.24	(0.81)	(1.85)
Research contribution	(0.33)	(0.35)	(0.68)	(0.64)	(0.33)
Other expenditure & non-operating items	(6.00)	(6.48)	(12.48)	(12.09)	(13.25)
Profit / (Loss) before tax	(2.90)	0.82	(2.08)	(3.85)	0.11

Clinical Trials Revenue & Contribution

Revenue increase in 2H20 produced an increase in segment contribution

- 2H20 revenue and contribution almost identical to 1H18
- Direct costs consistent across 6 x half-year periods

All results presented in US\$ million

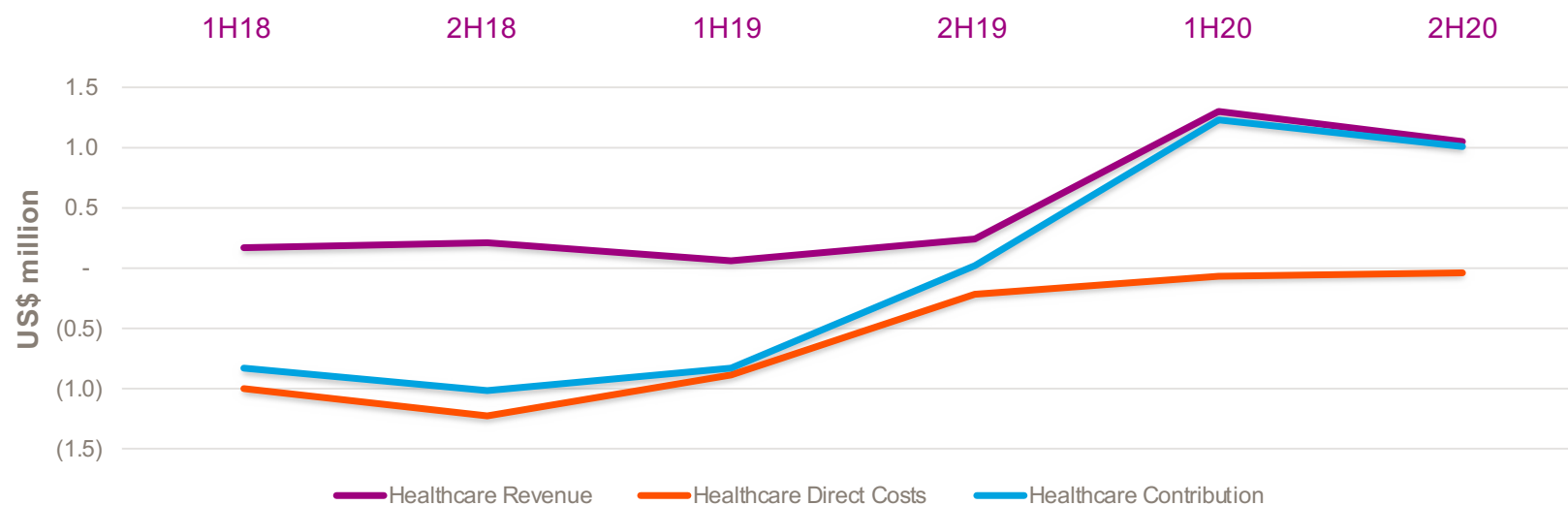


Healthcare Revenue & Contribution

FY20 = First positive contribution by Healthcare segment

- **Changes to strategy executed during 1H19 has delivered positive result**
 - Revenue via commercial partnership (Eisai, Japan)
 - Substantial cost reduction (reduced headcount in 1H19)
- **Software sales, with margins consistent with that type of business**

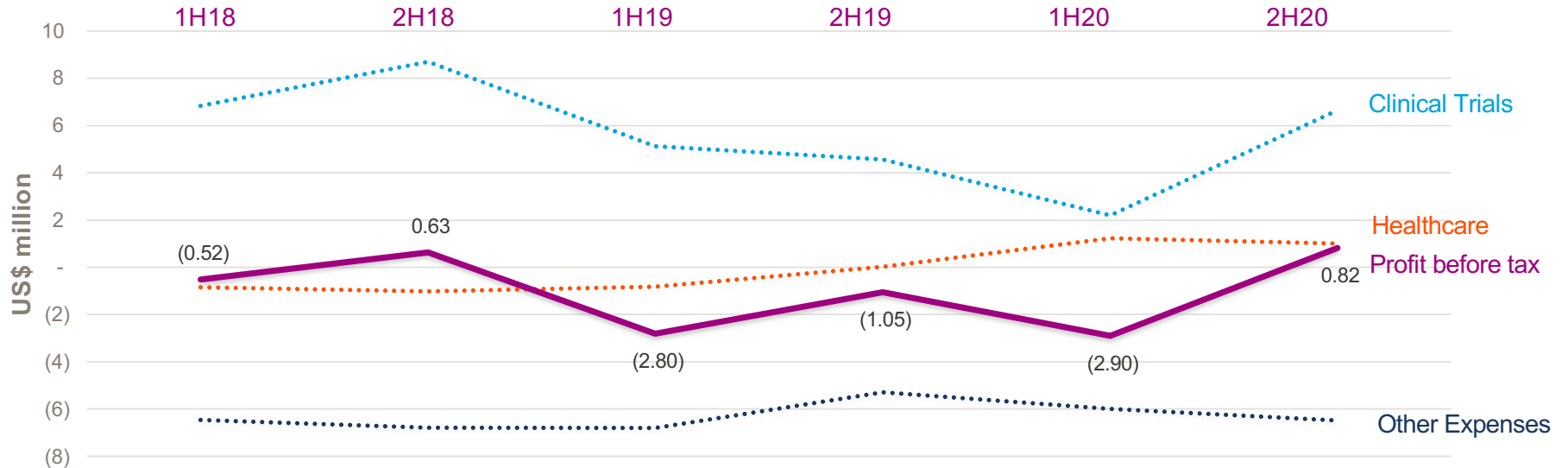
All results presented in US\$ million



Fundamentals in Place for Earnings Growth

- **Clinical Trials:** growth in sales = revenue growth = improved contribution
 - Recovered from the 3 quarters (1H19 – 1H20) impacted by study cancellations in 2018
- **Healthcare:** strategic partnership = revenue growth without the cost base = improved contribution
- **Overhead costs:** consistent across 6 x half year periods

All results presented in US\$ million



A person is holding a tablet computer. On the screen, a playing card (the back of a card with a blue and white pattern) is visible. The text "Clinical Trials Growth Prospects" is overlaid on the screen in white. The background of the image is a blurred indoor setting. The bottom of the image has a decorative graphic with blue and purple geometric shapes.

Clinical Trials Growth Prospects

A hand is holding a tablet computer. On the screen of the tablet, a playing card is displayed. The card is the Queen of Spades, showing a queen's face and a spade symbol. The background of the slide is a dark, semi-transparent overlay over the image of the hand and tablet.

Clinical Trials Revenue Recognition

SALES CONTRACTS

1 Clinical Trial = 1 Sales Contract

Value from \$0.1m to \$10m+

Value dependent upon the size of the trial and scope of services

Growth in sales contracts drives revenue growth over time

REVENUE

Recognised over length of trial as software is released or as services performed

Most revenue is generated in the periods following execution of sales contracts (i.e. revenue lags sales)

REVENUE BACKLOG

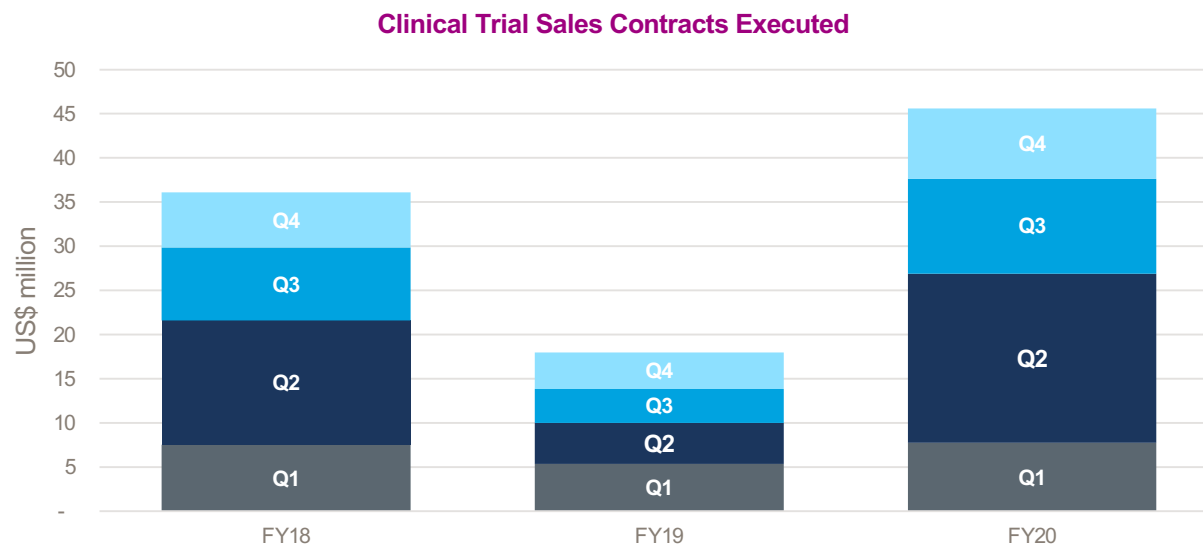
The amount contracted in prior periods that has not yet been converted to revenue

Revenue backlog is a leading indicator of revenue recognition (increase in revenue backlog indicates future increase in revenue)

FY20 Clinical Trials Sales Contracts

- Industry-wide increase in Alzheimer's R&D positively impacting Cogstate
- Expansion into additional disease areas by Cogstate

All results presented in US\$ million



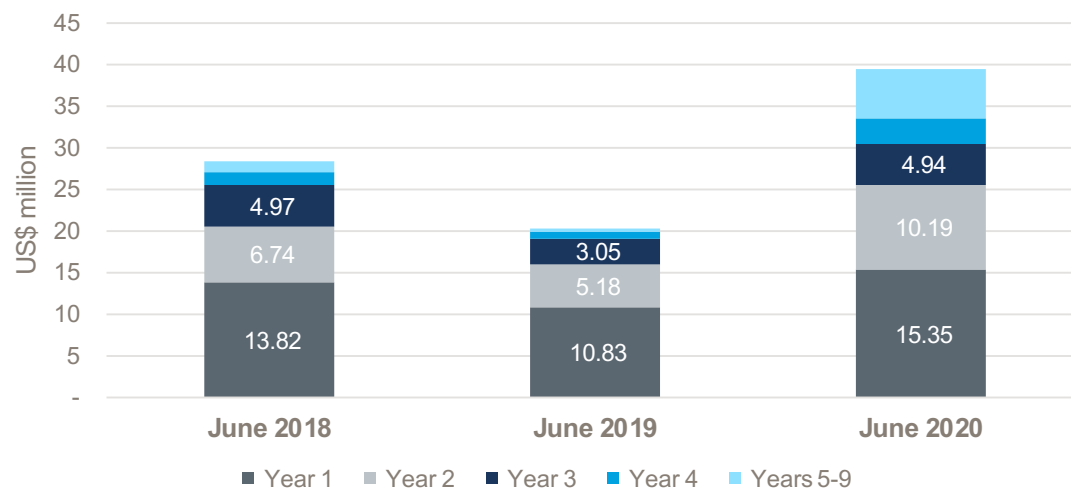
Record-High Revenue Backlog

Revenue backlog at 30 June 2020 was \$39.4 million

- Over \$15m expected to be recognised in FY21
- 42% improvement on prior year

All results presented in US\$ million

Contracted Clinical Trials Revenue - Expected Run-Off and Historical Comparison



A photograph of a woman with dark hair, wearing a dark blue top, sitting at a white desk and holding a tablet. She is smiling and looking at the tablet. An elderly woman with short, light-colored hair, wearing a pink and white striped shirt, is sitting across from her, looking at the tablet. The background is a plain, light-colored wall.

Clinical Trials Growth – Key Sources

1. Core business is strong

- July 2020: 75% increase in sales deliverables (statement of work, proposals, request for information) compared to Jul-19
- \$6.5 million Clinical Trials sales contracts executed quarter-to-date (01 July 2020 – 25 August 2020)

2. Implementing technology integration to pursue channel partnerships

- ERT, a major supplier to the Clinical Trials market, is now marketing Cogstate solutions available on their platform (ERT is a large provider to the clinical trials services industry: refer recent ASX announcement by Cogstate)
- Cogstate will not incur substantial additional costs to facilitate or service the channel partnership

3. Market shift to remote assessment provides enhanced opportunities for digital assessment

- Successfully pitched partnerships to explore remote assessment with multiple pharma companies as reaction to COVID-19

The background image shows a person in a white lab coat, likely a healthcare professional, interacting with a tablet. Their hand is in the foreground, touching the screen. Another person's hand is visible in the background, also interacting with a device. The scene is set in a clinical or office environment. The title 'Healthcare Growth Prospects' is overlaid in white text.

Healthcare Growth Prospects

Eisai Partnership in Japan

nouknow.jp

NouKNOW™ means “know your brain”



- Cogstate tests embedded within the website
- In conjunction with Eisai, launch of awareness campaign in Japan
- Feedback includes meaningful intervention such as diet, exercise, and physician consultation
- Currently targeting:
 - Municipalities providing health services to residents
 - Corporations providing health checks for employees



Easiit Digital Brain Performance Application

Eisai has launched Easiit application, a key element of the digital platform demonstrating their commitment to both Cogstate and to establishing a broader dementia care ecosystem

The app supports a routine.
Increase your score and help maintain performance!



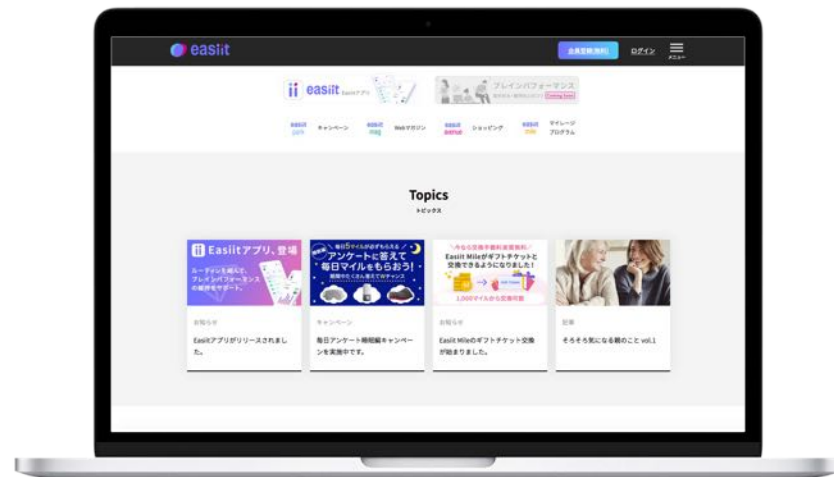
Easiit Digital Brain Performance Application

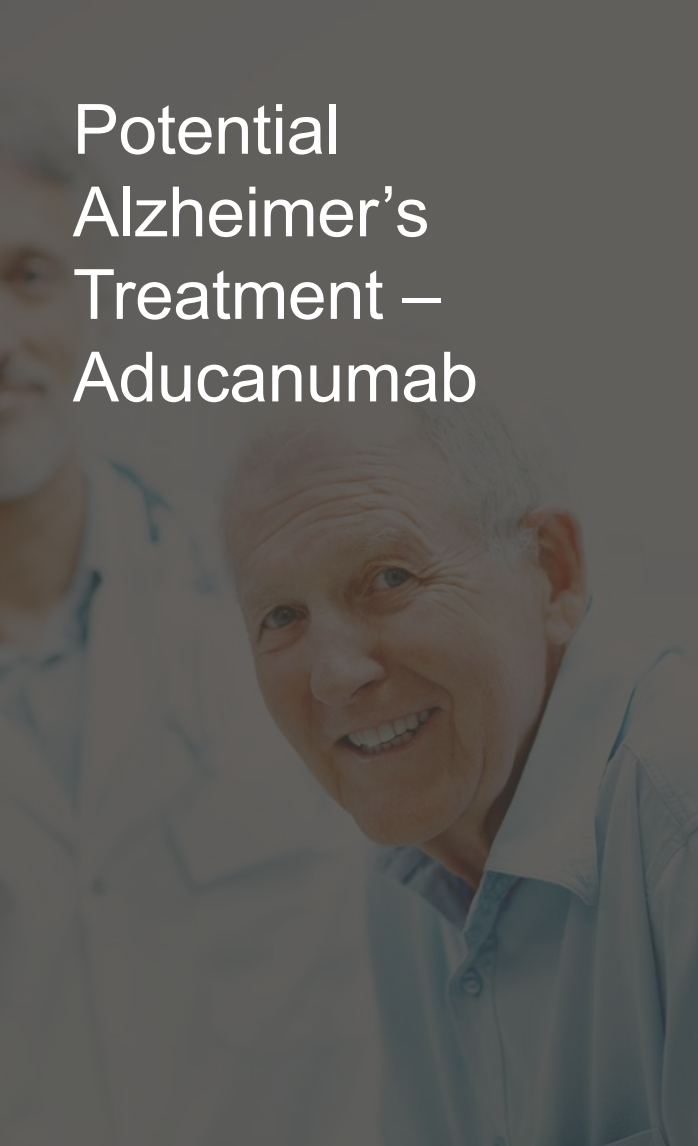
Sept 2020:

- Cogstate tests will be provided via Easitt
- Thereby beginning consumer marketing of Cogstate technology

www.easiit.com

- Leveraging experience gained from development and marketing of Aricept® (symptomatic treatment for Alzheimer's disease)
- The planned ecosystem will deliver benefits to patients by collaborating with partners such as:
 - Medical organisations
 - Diagnostic development companies
 - Research organisations
 - Private insurance agencies
 - Finance companies
 - Fitness clubs
 - Automobile makers
 - Retailers
 - Care facilities





Potential Alzheimer's Treatment – Aducanumab

If approved, the first disease modifying therapy for early Alzheimer's disease

Co-developed and marketed by Biogen and Eisai

- Submitted Biologics License Application in July 2020 to the U.S. Food & Drug Administration (FDA)
- Granted expedited review by FDA
- FDA expected to make a decision by 7 March 2021, or earlier

Potential implications for use of cognitive tests in the community

(NB: These comments are general in nature - not specific to Cogstate):

- Expectation of an increased demand for cognitive assessment in the community
- Market will seek low-cost, easy-to-administer cognitive assessment
- Target market for cognitive testing = those in the at-risk age bracket (i.e. market not limited to those diagnosed with dementia)
- Approval of first successful Alzheimer's therapy is expected to result in increased investment by many pharma companies in Alzheimer's R&D (increase in clinical trial activity)

Continued Innovation and Development



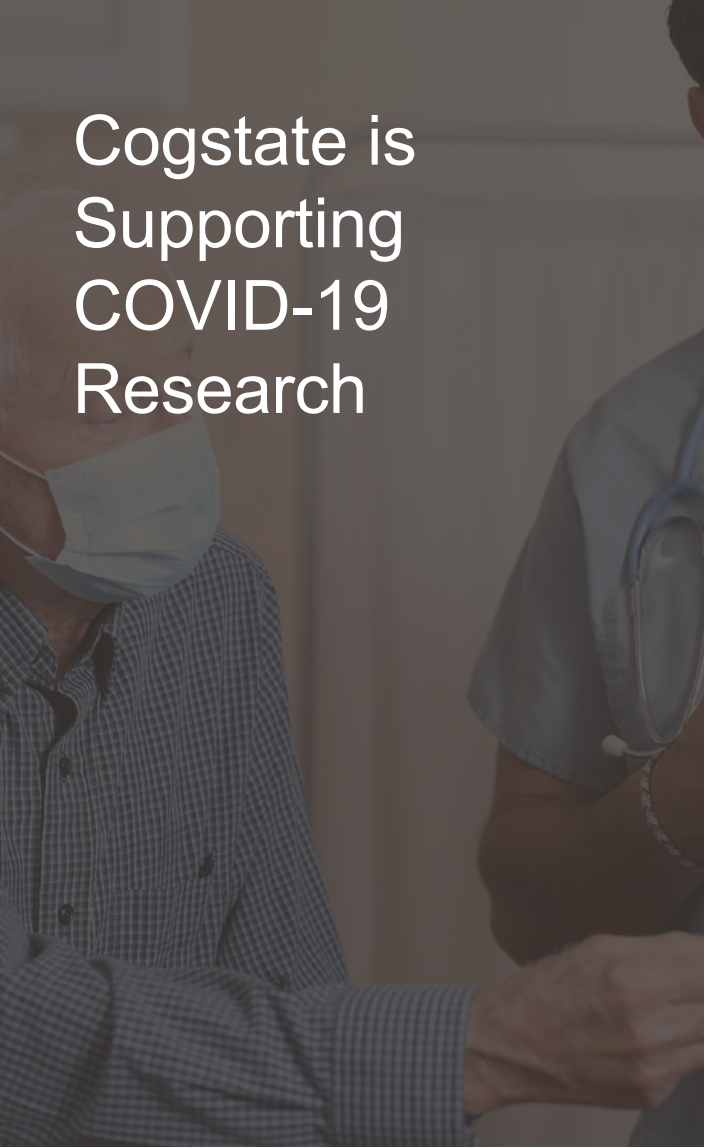
Cogstate is developing a **smart-phone, voice-based, self assessment tool** that is proven to be sensitive to early Alzheimer's disease

Lila™

Lila will enable home-based self-assessment using the scientifically validated test paradigm

Based on Cogstate's International Shopping List Test (ISLT®)

- Proprietary adaptation of a verbal list learning test
- Used as trial endpoint as well as inclusion/exclusion criteria for Clinical Trials
- Adapted for smartphone self administration to deliver voice-based cognitive assessment on iOS and Android devices.
- Funding from Alzheimer's Drug Discovery Foundation (incl. Gates Ventures)
- Log in via username or via social media
- Real-time feedback provided to the physician or participant



Cogstate is Supporting COVID-19 Research

Characterization of neurocognitive consequences post COVID-19

Data suggest that COVID-19 may cause a postinfectious neurocognitive syndrome, demanding a systematic study of neurocognition in these patients.

Study 1: European

Neurocognitive assessment of 500 hospitalized COVID-19 patients from 6 European countries (about 100 per country), during the first-month post-recovery and 1-year after hospital discharge.

Study 2: Australian

Neurocognitive assessment of people who have been diagnosed with COVID-19, post-acute illness at 1 months, 3 months, 6 months and 12 months. Assessment of 300 COVID-19 patients from Australia.

Other research:

- Many of the large web-studies that Cogstate supports have now initiated self-reported measurement of COVID-19 infection
- We expect more applications as COVID-19 CNS interactions become clearer

A woman with glasses and a braid, wearing a dark blue shirt, is writing on a whiteboard. The whiteboard contains various handwritten notes and diagrams, including a pie chart and a list of items. The background is slightly blurred, showing a meeting room with a table and chairs. The text "Business & Financial Outlook" is overlaid in white on the image.

Business & Financial Outlook

Business & Financial Outlook



Clinical Trials

- \$15m contracted FY21 revenue as at 01 July 2020 (40% more than PCP)
- New sales contracts: \$6.5m executed since 01 July 2020 but risk associated with COVID-19 remains
- Hopeful that ERT relationship will provide additional sales opportunities in FY21



Healthcare

- No profit distribution from Japan in FY21
 - Sales and marketing costs (borne by Eisai) are expected to exceed gross revenue in FY21
- Seek to expand strategic partnerships and commercial opportunities in territories outside Japan
 - No guarantee that such opportunities will be secured



Improved Financial Results

- COVID-19 tempers expectations in respect of Clinical Trials revenue and therefore provides earnings uncertainty
- Positioned to show revenue and growth provided that new and ongoing clinical trials not impacted by COVID-19



Cogstate