

# Bell Potter Healthcare Conference

November 2021



# 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.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation and, if necessary, seek independent, professional advice.

To the extent permitted by law, Cogstate and its respective officers, employees, agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of Cogstate and its respective officers, employees, agents and advisers accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

## Founding Vision

To make assessment of  
brain health as simple,  
common and informative as  
assessment of blood  
pressure



# Global License Agreement



## Who is Eisai?

Tokyo listed, global pharma, A\$31bn market cap

## Exclusive license

Eisai marketing Cogstate technology globally as a digital assessment of cognition

## Commercial terms

Up-front royalty US\$15m

Ongoing double-digit royalty on all revenue, not less than US\$30m over 10 years

## Development funding

Eisai funding ongoing development and improvement of Cogstate technology for launch into new markets

## Commercial team

Eisai are responsible for, and fund, all regulatory and commercial activities



# FDA Approval of Aduhelm

First ever disease modifying treatment of Alzheimer's to be jointly marketed by Biogen and Eisai

- Approved by FDA on 7 June 2021
- Also submitted applications to regulators in:
  - Europe (Announced Oct 2020)
  - Japan (Announced Dec 2020)

Other late stage potential candidates granted “breakthrough therapy designation” by FDA:

Lecanemab (aka BAN2401) : Eisai / Biogen

- 28 Sep: submitted rolling application to FDA

Donanemab : Eli Lilly & Co

- 27 Oct: submitted rolling application to FDA



# Adapting to a global pandemic: Decentralised Clinical Trials

1

## Dramatic Increase

Since the beginning of the pandemic, the whole industry has seen an increase in demand for remote assessment in clinical trials

2

## Permanent Change

There will always be a place for trial sites, but the adoption of remote assessment is expected to have long term implications for trial design

3

## Ripe for disruption

Conventional clinical trials (catering to investigators at physical sites) can be slow and expensive

4

## Patient centered

Not only are decentralised trials more efficient for the pharma/biotech companies, but they are less burdensome for patients

Digital cognitive assessments (such as Cogstate's) are well suited to decentralised trials

# FY21 Financial Highlights (All figures in US\$)

A return to profitability, a solid cash balance and improving outlook

## Record clinical sales contracts executed

  
**+15%**

**\$47.3m**

Alzheimer's disease represented 65% of the value of contracts executed in FY21

## Record contracted future revenue

  
**+151%**

**\$101.5m**

Strong contracted revenue pipeline

## Record Group Revenue

  
**+44%**

**\$32.7m**

Clinical Trials up 36% to \$28.7m  
Healthcare up 162% to \$3.8m

## Transitioned to positive PBT

  
**PCP -\$3.0m**

**\$5.8m**

Guidance was \$5.2-\$5.7m. Underlying PBT \$3.9m (excludes one-offs). Strong 2H21.

## Strong operating cash flow

  
**+631%**

**\$16.8m**

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

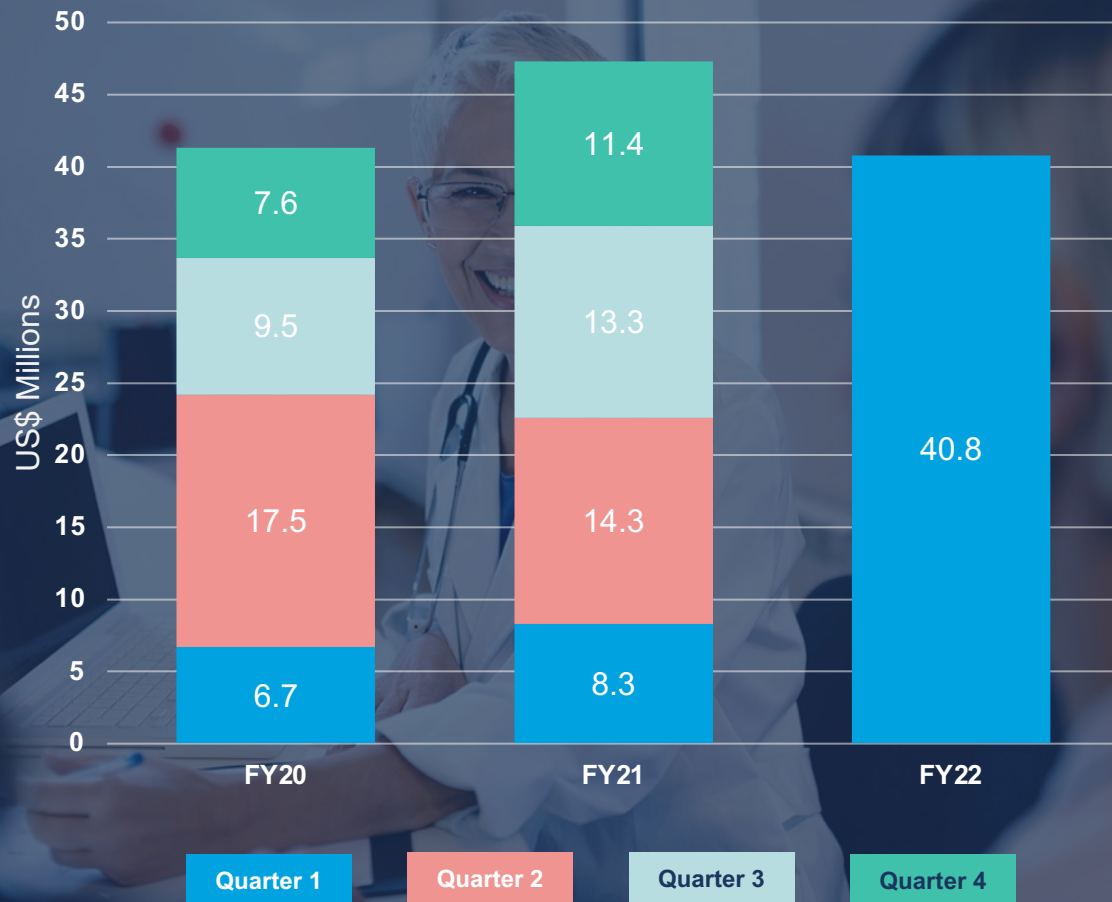
## Net Cash balance

  
**+282%**

**US\$22.4m**

An increase of \$16.5m during the year

# Clinical Trials Sales Contracts



## Record 1st Quarter

Landmark Sep quarter underpinned by a large phase 3 Alzheimer's disease trial.

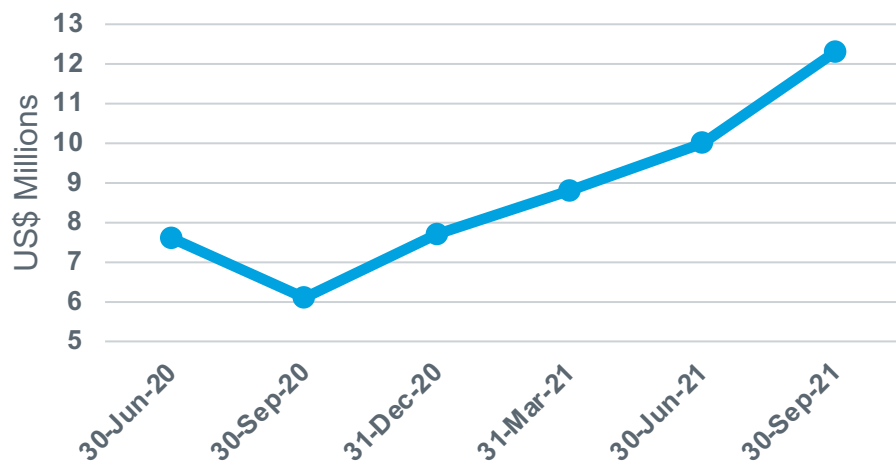
392% increase from the same period last year

86% of last year's full-year result in just the first quarter

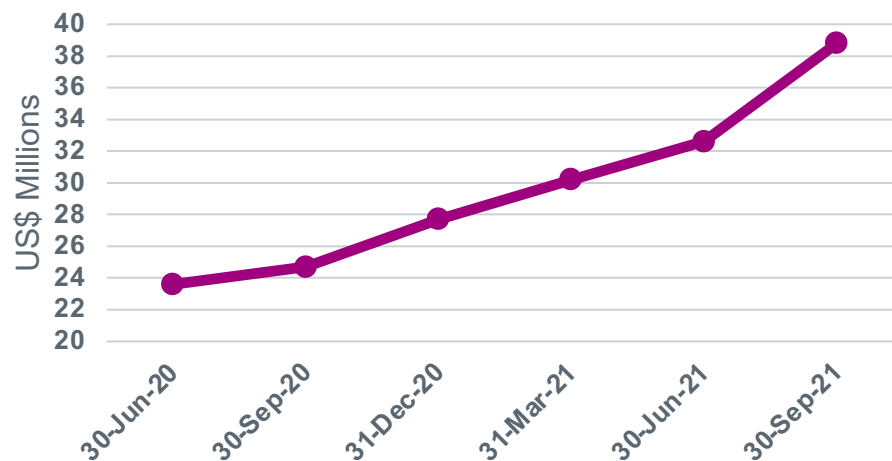


# Group Revenue

- 1Q22 revenue of \$12.3m, up 99% from 1Q21 and 23% from 4Q21
  - 1Q22 Clinical Trials revenue \$11.1m, up 93% from 1Q21 and 26% from 4Q21
  - 1Q22 Healthcare revenue \$1.1m, up 255% from 1Q21 and flat compared to 4Q21
- Trailing 12-month revenue of \$38.8m, up 57% from 1Q21 and 19% from 4Q21

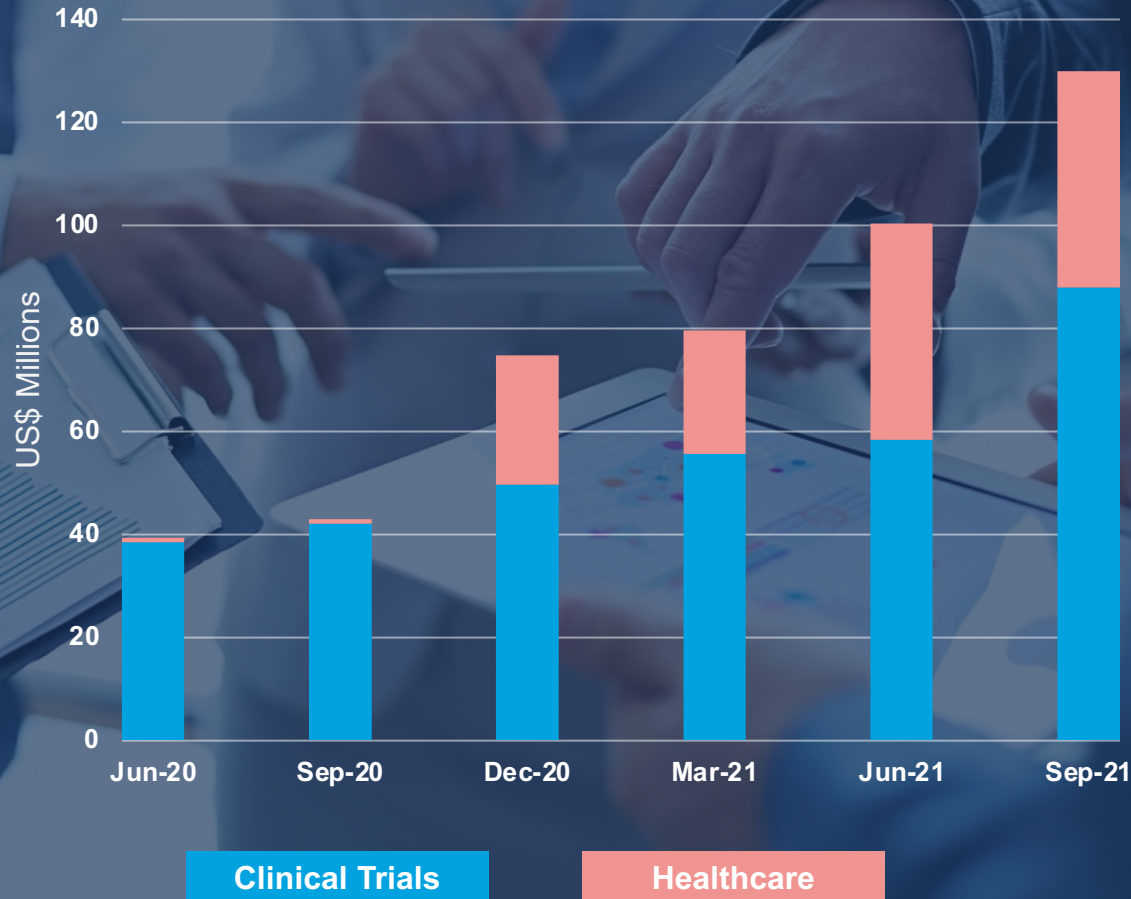


Quarterly Revenue



Trailing 12 Months Revenue

# Contracted Revenue Backlog



## \$130m at 30-Sep-21

Contracted revenue backlog provides insight into future revenue performance.

Up 209% since last year (Sep-20)

Up 28% since last quarter (Jun-21)

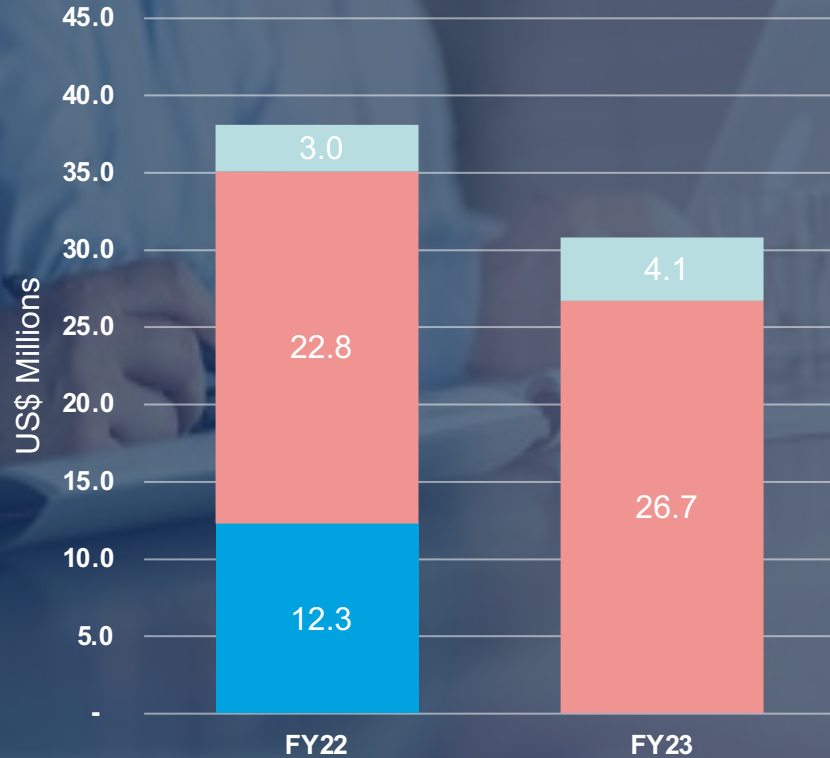
### Clinical Trials Backlog \$88.0m

- Up 109% since last year
- Up 51% since last quarter

### Healthcare Backlog \$42.0m

- Up 4,616% since last year
- Down 0.14% since last quarter

# FY22 & FY23 Contracted Revenue



Actual 1Q22 Revenue

Contracted Future Clinical Trials Revenue

Contracted Future Healthcare Revenue

**FY22: Revenue under contract at 30-Sep-21 is \$38.1m**

- Clinical Trials \$33.9m (01-Jul-21: \$24.5m)
  - 1Q22 actual \$11.1m
  - 2Q22 – 4Q22 contracted \$22.8m
- Healthcare \$4.2m
  - 1Q22 actual \$1.2m
  - 2Q22 – 4Q22 contracted \$3.0m
- New sales contracts executed during 2Q22 – 4Q22 will generate additional Clinical Trials revenue in FY22

**FY23: Revenue under contract at 30-Sep-21 is \$30.8m**

- Clinical Trials \$26.7m
- Healthcare \$ 4.1m

A woman with long, wavy brown hair and black-rimmed glasses is looking down at a laptop. She is wearing a dark leather jacket over a brown turtleneck. The background is a soft, out-of-focus blue. The text 'Macro Trends Positively Impacting Future Revenue' is overlaid in white on the left side of the image.

## Macro Trends Positively Impacting Future Revenue

1. Breakthrough Alzheimer's treatments expected to create demand for cognitive assessment in the community
2. Impending launch of Cogstate technology, by Eisai, in multiple countries to feed into that demand
3. Alzheimer's R&D expected to increase over coming years as approved treatment(s) provide regulatory path to market
4. Increased adoption of decentralised trial design provides additional sales opportunities for digital assessments



# FY 2022 Outlook



## Clinical Trials

- Revenue under contract at 30-Sep-21 of \$33.9m
- Additional revenue will be generated from contracts executed 2Q22 – 4Q22
- Expect FY22 contribution margin to remain consistent with FY'21 performance, allowing for investment in technology to support the shift to decentralised trials



## Healthcare

- Expect to recognize \$4.2m of deferred revenue associated with Eisai Royalties in FY22.
- Earnings contribution expected to be in the range of \$2.5m to \$3.0m



## Group Earnings

- Research segment contribution consistent with FY21 result.
- Operating Expense expected to be in the range of 31% to 33% of revenue, an improvement of 5% to 7% percentage points on FY'21
- EBIT margins expected to be in the range of 15-18%.
- Underlying operating cash flow expected to be 30-35% of EBITDA, allowing for amortisation of Eisai revenue as well as amortisation of software development at an amount consistent with FY21.



# Cogstate Investment Case

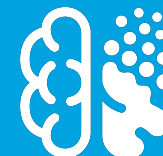
## Record revenue backlog with earnings leverage

- Momentum in Clinical Trials continues to build.
- Eisai partnership to deliver Royalties of not less than \$43m over next 10yrs (including future cash payments of not less than \$30m).
- Expecting to record revenue and profit growth in FY22
- FY23 contracted revenue > \$30m



## Significant leverage to an Alzheimer's treatment

- Aduhelm approval crystallises the opportunity
- Other potential treatments from Eisai and Lilly granted “breakthrough therapy designation” by FDA
- Likely to see increased investment in R&D/Clinical Trials in related therapies
- CGS is uniquely positioned to provide highly scalable digital tools for the early identification of patients



## Unique technology and large addressable markets

- Technology developed over 20 years, scientifically validated, approved by regulators and provides strong barriers to entry.
- Global healthcare represents a large addressable market.
- Launching new mHealth\* & telehealth products; opportunity to become the world's leading provider of digital brain health assessments



## Strong balance sheet

- Underpinned by a strong balance sheet – net cash position of \$23.4m\*\* as at 30 Sep 21

\*\*Based on gross cash less borrowings and cash held for future passthrough payments.





Cogstate