

Cogstate Overview

Bell Potter Healthcare Conference

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#BrainHealthForAll



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Company Snapshot

Cogstate is a leading neuroscience technology company optimising brain health assessments to advance the development of new medicines and to enable earlier insights in healthcare.

After more than 20 years spent developing and scientifically validating our technologies, Cogstate is a leading provider of digital brain health assessments:

- Selected to support world's top 10 pharma*
- More than 2,000 academic and clinical research trials
- More than 2 million tests administered

Cogstate tests are highly automated, easy to use, sensitive to change and accepted by global regulators.

Revenue FY23: US\$40.5 million

Profit before tax FY23: US\$3.0 million

Net cash balance 30-Jun-23: US\$27.8 million

With a growing addressable market, a well-validated offering, strong commercial partnerships with the relevant drug developers, and a strong balance sheet, Cogstate is well positioned to return to growth quickly.



Cogstate was founded in Melbourne, Australia, where approx. 22% of our workforce is based. We have a small presence in each of the UK and Japan, but most of our staff (74%) are based in the USA.



~ 370 team members, comprised of over 160 employees + global network of consulting neuropsychologists



Our largest customer base is pharma / biotech companies developing new drugs or other treatments. Global clinical trials is a \$40B+ industry that seeks tools for better go/no-go decisions that can accelerate new therapies to market.



In the next decade, better solutions for screening, diagnosing, and treating brain disorders will be imperative. Cogstate is a leader in this field and is uniquely positioned to support this need for clinical evaluation and self-assessment at scale.



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

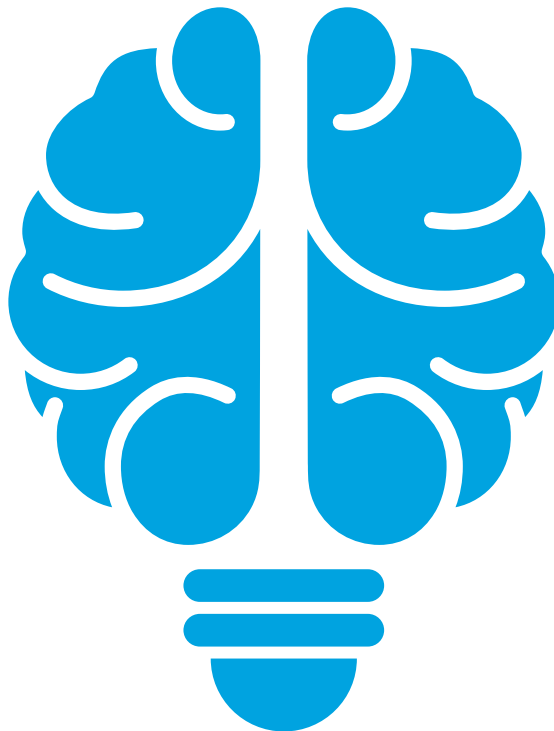
Breakthrough Treatments



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.

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.

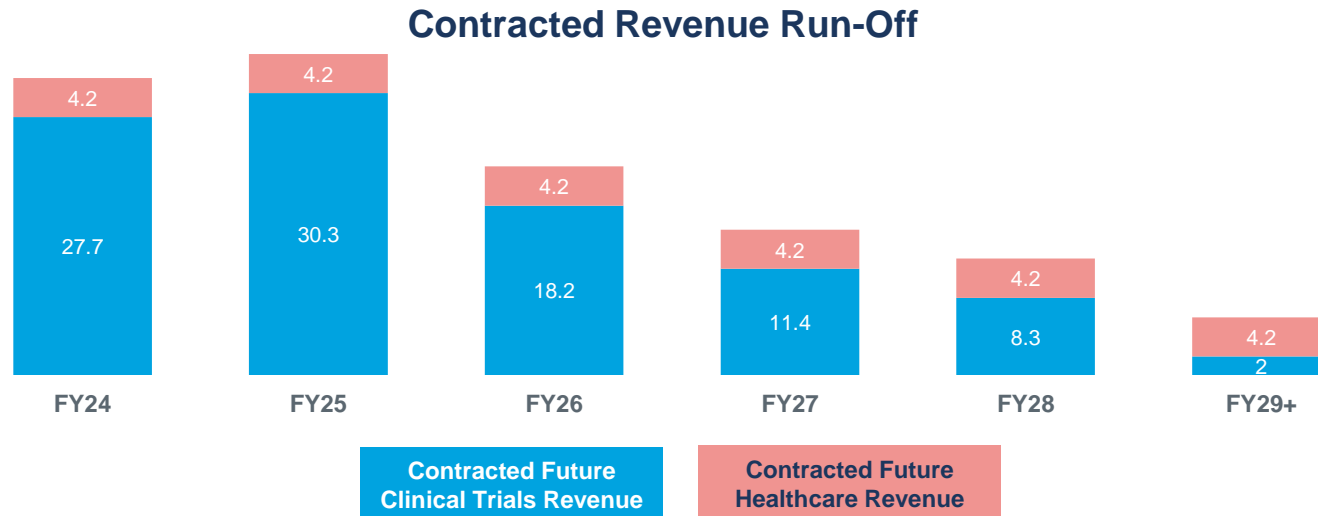
Staff Costs (direct & indirect) increased 7% to \$26.1m. Staff numbers reduced via restructure in May 2023 following introduction of technology efficiencies (long term gains).

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

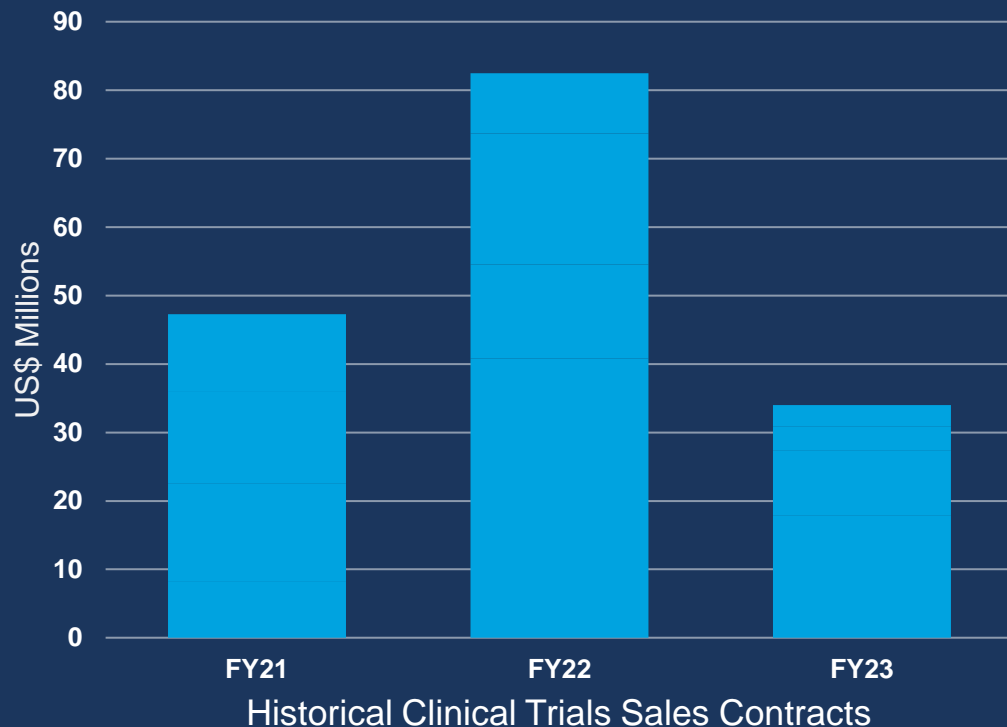
PBT decline: down 72% to \$3.0 million

Long-Dated Contract Revenue

- US\$132.7m of contracted revenue at 01-Jul-2023
 - Clinical Trials backlog \$98.0m (\$27.7m to be realised in FY24, down from \$29.7m PCP)
 - Healthcare backlog \$34.7M (\$4.2m to be realized in FY24, consistent with PCP).
- FY24 revenue will be a combination of contracted revenue at start + revenue from contracts executed during FY24
- FY25 contracted revenue higher than FY24



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