

ASX Announcement

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Business Update

All figures provided in US\$

Value of FY21 Clinical Trials Sales Contracts up 15%

Cogstate (ASX.CGS) has today announced that it executed \$11.4 million of clinical trials sales contracts ("CT contracts") during the June quarter, taking the total value of CT contracts executed during FY21 to \$47.3 million.

This record result for FY21 is a 14.8% improvement on the \$41.3 million of CT contracts during the previous financial year. The following details are provided for additional context:

- for the first time, in FY21 CT contracts executed in the 2nd half of the financial year exceeded the result in the 1st half. The 2H21 result was a 9.5% improvement on 1H21.
- Alzheimer's disease continues to represent a significant driver of clinical trial sales. In FY21, 65.3% of the value of CT contracts executed arose from Alzheimer's trials, compared to 59.7% in FY20.
- Cogstate's CT contract pipeline remains strong and the Company expects to record a strong sales result for the September 2021 quarter.
- The continued growth in CT contracts through FY21, building on the previous record result in FY20, will deliver revenue growth in FY21.

The quarterly breakdown of the value of CT contracts is provided below:

	1Q	2Q	1H	3Q	4Q	2H	Full Year
	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
2021							
Cogstate technology & services	8.3	14.3	22.6	13.3	11.4	24.7	47.3
Third-party services	0.9	0.8	1.7	1.5	1.2	2.6	4.4
Total value of contracts executed	9.2	15.1	24.3	14.8	12.6	27.4	51.7
2020							
Cogstate technology & services	6.7	17.5	24.2	9.5	7.6	17.1	41.3
Third-party services	1.0	1.7	2.7	1.2	0.8	2.0	4.7
Total value of contracts executed	7.7	19.2	26.9	10.7	8.4	19.1	46.0

At the end of FY20, Cogstate restated its contracted future revenue backlog to exclude third-party services to better reflect the future net revenue that Cogstate is expected to derive under existing contracts. Third-party services are contracted through Cogstate, but as pass-through expenses they do not impact Cogstate net revenue.

Throughout FY21, the reported value of CT contracts has excluded third-party services. However, in prior years, Cogstate reporting of CT contracts included third-party services. To facilitate a like-for-like comparison to contracts executed during the prior year – a quarterly reconciliation table is provided above that shows

value of Clinical Trials contracts executed for both Cogstate technology and services as well as third-party services. Going forward, reported new contract signings will only include the value of Cogstate technology and services.

The change in reporting of the value of CT contracts has no impact on revenue reporting as third party services have never impacted Cogstate reported revenue.

Cogstate is scheduled to release a detailed business update and June quarter cashflow report (Appendix 4C) on Thursday 22 July 2021.

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

Explanatory Notes

- Sales contracts:** In the Clinical Trials division, Cogstate enters into contracts ("CT contracts") with both pharmaceutical and biotechnology companies for the provision of Cogstate technology and services, for use in clinical research trials, to determine the extent to which their investigational compound is impacting the cognition of the patient population. The contract value will differ for each clinical trial, depending upon the scope of the technology and services provided by Cogstate, as well as the complexity and length of the trial. An increase in the total value of sales contracts executed will increase the revenue backlog and will, over time, result in an increase to revenue recognised by Cogstate.
- Calculation of revenue from Clinical Trials division:** Revenue from sales contracts is recognised over the life of the contract. The length of a clinical trial can vary from several months for a phase 1 study and up to 4-5 years for a phase 3 study. Revenue is recognised based upon achievement of pre-determined milestones. During each period, revenue may be recognised from (i) contracts in the backlog at the beginning of the period, as well as (ii) sales contracts executed during the period. Usually there is a time lag between an increase or decrease in the level of sales contracts executed and a corresponding change to recognised revenue.

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 over 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). For more information, please visit www.cogstate.com.

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