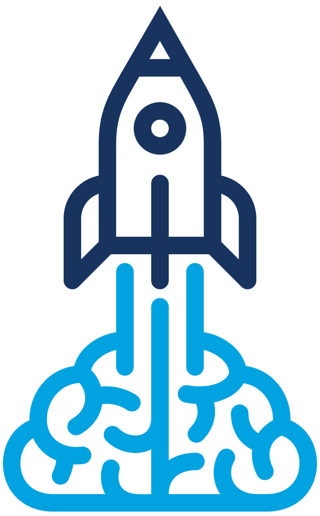
BRAIN HEALTH FOR ALL

ANNUAL REPORT 2021

Cogstate

A Milestone Year With Momentum Continuing To Build



Cogstate technology compliments the launch of the first ever Alzheimer's disease modifying therapy

- Cogstate's scientifically validated digital brain assessments have been licensed to Eisai Co. Ltd, with global agreement executed in October 2020.
- Digital brain assessments are expected to be a key plank of consumer and physician engagement as part of the launch of the first disease modifying therapies for Alzheimer's.
- In June 2021, Eisai and their development partner, Biogen, were informed of approval in the USA for the launch of the first treatment directed at the underlying pathophysiology of Alzheimer's disease, with approval pending in other jurisdictions.
- Other promising potential Alzheimer's treatments have been granted Breakthrough Therapy designation by the FDA, thereby accelerating their potential path to market.

The combination of the license agreement with Eisai, followed by the therapy approval, has changed Cogstate's commercial opportunity in two ways

1. Our Healthcare business (and the associated partnership with Eisai) will benefit from the increase in demand for cognitive testing resulting from the need for early patient diagnosis and then the monitoring that will be part of ongoing patient management. In this context, we are well positioned to help patients, physicians and payers (such as medicare and other health insurers) determine which patients are right for therapy, which therapy might be working on which patient, and whether patients should consider an alternate therapy as they become available.
2. Our Clinical Trials business will benefit from the expected increase in clinical trials for the many potential treatments in development.

Changing market dynamics create opportunity for digital assessments

- The global health pandemic has changed behaviour and led to adoption of technology solutions at a rate previously unseen, including remote (decentralised) clinical trials, an emerging trial design that threatens to disrupt the traditional site-centric model of clinical trials.
- Cogstate digital cognitive assessments are well suited to tele-health supervision or unsupervised assessment, which is essential in the context of remote assessment in a home-based (decentralised) trial design.

Financial momentum continues to build

In FY21, Cogstate executed a record level of clinical trials sales contracts, generated a record level of revenue and delivered a record profit before tax of $5.8 million (which includes a $2.4 million one-off gain). The business was cash flow positive in FY21 and finished the year with net cash of $22.4 million. As we look forward to future years, Cogstate has secured $101.5 million of contracted revenue that will be recognised in future years.

Corporate Governance Statement

The Board of Directors of Cogstate Limited is responsible for the corporate governance of the Company. The Corporate Governance Statement has been lodged separately and is available on the Company website: www.cogstate.com

These financial statements are the consolidated financial statements of the Group consisting of Cogstate Limited and its subsidiaries. A list of the major subsidiaries is included in Note 28. The financial statements are presented in US dollars.

Cogstate Limited is a company limited by shares, incorporated and domiciled in Australia, and whose shares are publicly traded on the Australian Securities Exchange (ASX:CGS). Its registered office is Suite 117, 425 Smith Street, Fitzroy, Victoria 3065, Australia

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All ASX Announcements, reports, presentations and other information are available at our Investor Centre on our website at www.cogstate.com.au/investors/.

The financial statements were authorised for issue by the directors on 24 August 2021.

Inside This Report

Performance Highlights

Revenue

$32.7 million

FY2021	$32.7 million
FY2020*	$22.8 million

Segment EBITDA

$5.7 million

FY2021	$5.7 million
FY2020*	($0.9 million)

EBIT

$3.4 million

FY2021	$3.4 million
FY2020*	($2.9 million)

Profit Before Tax

$5.8 million

FY2021	$5.8 million
FY2020*	($3.0 million)

Profit After Tax

$5.2 million

FY2021	$5.2 million
FY2020*	($2.0 million)

*FY2020 has been restated

Summary Financial Results

	1H21 US$	2H21 US$	FY21 US$	FY20* US$	Growth US$	Growth %
Total Revenue	**13,856,762**	**18,829,634**	**32,686,396**	**22,771,196**	**9,915,200**	**43.5**
Clinical Trials Revenue	**12,577,589**	**16,090,118**	28,667,707	21,075,922	7,591,785	36.0
- Direct costs	**(4,912,772)**	**(4,964,021)**	(9,876,793)	(8,785,813)	(1,090,980)	(12.4)
- SG&A costs	**(1,504,218)**	**(1,832,682)**	(3,336,900)	(3,449,861)	112,961	3.3
Clinical Trials Contribution	**6,160,599**	**9,293,415**	**15,454,014**	**8,840,248**	**6,613,766**	**74.8**
Contribution %	**49%**	**58%**	54%	42%		
Healthcare Revenue	**1,149,883**	**2,608,907**	3,758,790	1,435,498	2,323,292	161.8
- Direct costs	**(396,859)**	**(403,012)**	(799,871)	(114,718)	(685,153)	(597.2)
Healthcare Contribution	**753,024**	**2,205,895**	**2,958,919**	**1,320,780**	**1,638,139**	**124.0**
Contribution %	**65%**	**85%**	79%	92%		
Research Revenue	**129,290**	**130,609**	259,899	259,776	123	0.0
- Direct costs	**(334,965)**	**(396,823)**	(731,788)	(936,718)	204,930	21.9
Research Contribution	**(205,675)**	**(266,214)**	**(471,889)**	**(676,942)**	**205,053**	**30.3**
Operating Expenses						
- Total product development & engineering	**(2,479,737)**	**(2,474,783)**	(4,954,520)	(4,713,364)	(241,156)	(5.1)
- Less capitalised software development costs	**1,186,083**	**923,486**	2,109,569	2,213,911	(104,342)	(4.7)
Net product development & engineering	**(1,293,654)**	**(1,551,297)**	(2,844,951)	(2,499,453)	(345,498)	(13.8)
Computer costs	**(646,646)**	**(742,113)**	(1,388,759)	(1,059,774)	(328,985)	(31.0)
Insurance	**(259,726)**	**(260,665)**	(520,391)	(459,825)	(60,566)	(13.2)
Professional fees	**(808,721)**	**(547,501)**	(1,356,222)	(382,110)	(974,112)	(254.9)
Marketing	**(95,415)**	**(11,255)**	(106,670)	(107,106)	436	0.4
Office & facilities	**(98,629)**	**(164,606)**	(263,235)	(156,342)	(106,893)	(68.4)
Travel	**49,982**	**(18,953)**	31,029	(405,075)	436,104	107.7
Other administration costs	**(2,843,127)**	**(2,936,981)**	(5,780,108)	(5,304,841)	475,267	(9.0)
Total Operating Expenses	**(5,995,936)**	**(6,233,371)**	**(12,229,307)**	**(10,374,526)**	**(1,854,781)**	**(17.9)**
EBITDA	**712,012**	**4,999,725**	**5,711,737**	**(890,440)**	**6,602,177**	**N/A**
Depreciation and amortisation	**(1,068,588)**	**(1,230,422)**	(2,299,010)	(2,008,204)	(290,806)	(14.5)
EBIT	**(356,576)**	**3,769,303**	**3,412,727**	**(2,898,644)**	**6,311,371**	**N/A**
Net interest	**(35,946)**	**(711)**	(36,657)	(95,946)	59,289	61.8
Other Income	**-**	**2,444,200**	2,444,200	-	2,444,200	N/A
Net profit/(loss) before tax	**(392,522)**	**6,212,792**	**5,820,270**	**(2,994,590)**	**8,814,860**	**N/A**

* FY20 revenue has been restated following a review of the application of the Group's accounting policy in respect of revenue recognition.

Message from the Chairman and CEO

Welcome to the 2021 Annual Report

Dear shareholder,

Since the inception of Cogstate in 1999, our investment thesis has been focused on an aging population, an increasing incidence of Alzheimer's disease and the need to provide technology solutions that simplify the measurement of cognition for patients, their doctors and the companies developing new and better therapies. Throughout that long journey, we have remained steadfast in our belief that, eventually, treatment options for Alzheimer's disease would come to market and, when they did, Cogstate would be there to provide technology solutions that make cognitive assessment easy and accessible.

Our goal has always been to play a small but important role in delivering better brain health to all.

Within the context of our original ambitions, the 2021 financial year has been a watershed year for Cogstate.

Global License of Cogstate Technology

In October 2020, we were very pleased to be able to announce a global licensing agreement with Japan based Eisai Co., Ltd (Eisai) for Cogstate technology in all markets outside Clinical Trials. The global license followed a Japan regional license of Cogstate technology to Eisai that was executed in August 2019.

Eisai have a long and proud history in Alzheimer's disease that dates back to the launch of Aricept in 1997 for the symptomatic treatment of mild-to-moderate Alzheimer's disease. Today, Eisai is one of very few companies that are targeting several key areas in Alzheimer's disease research, including amyloid-β (the main component of the pathological hallmark of Alzheimer's disease, that is, plaques found in the brain); tau (the main component of another pathological hallmark of Alzheimer's disease, that is, neurofibrillary tangles found in the brain); neurodegeneration; inflammation; and the clinical symptoms of dementia, such as cognition and sleep-wake rhythm disorder.

Over the last two years, the Cogstate team has found Eisai to be a committed partner, and we are excited for the impending launch of Cogstate technology solutions, firstly in the USA, and then to follow in other territories.

Launch of the first-ever disease modifying therapy for Alzheimer's disease

In June 2021, Eisai and their development partner, Biogen Inc. (Biogen), announced that the Food and Drug Administration (FDA) of the USA had granted Accelerated Approval for their investigation treatment, aducanumab (to be marketed as ADUHELM), for the treatment of Alzheimer's disease.

The accelerated approval was granted based on data from clinical trials demonstrating the effect of ADUHELM on reducing amyloid beta plaques, a biomarker that is reasonably likely to predict clinical benefit, in this case a reduction in clinical decline. Under the accelerated approval conditions, which provide patients suffering from the disease earlier access to treatment, Eisai and Biogen will conduct a controlled trial to verify the clinical benefit of ADUHELM in patients with Alzheimer's disease. If the trial fails to verify clinical benefit, the FDA may initiate proceedings to withdraw approval of the drug.

The approval by the FDA of ADUHELM is the first new treatment approved for Alzheimer's disease since 2003 and is the first approved therapy that targets the fundamental pathophysiology of the disease.

Other therapies may follow

Also in June 2021, the FDA granted Breakthrough Therapy designation for two additional new potential treatments that are being developed, one by Eisai and Biogen and another by Eli Lilly & Co. The breakthrough therapy designation aims to expedite the development and review of drugs that are intended to treat a serious condition when preliminary clinical evidence indicates that the drug may demonstrate substantial improvement on a clinically significant endpoint(s) over already available therapies that have received full FDA approval. The benefits of a Breakthrough Therapy designation include more intensive guidance on an efficient development program as well as eligibility for rolling review and potentially priority review.

The Breakthrough Therapy designation of these additional potential treatments brings us ever closer to heralding in the incredibly exciting period as a society when we'll see a range of therapy options available for this terrible disease.

More broadly, the world adapted to the pandemic

Throughout a year when Cogstate generated record financial results, nearly all Cogstate staff were working 100% remotely. Cogstate committed to a "virtual-first" working environment throughout the year and will commit to this working model going forward. Cogstate staff have overwhelmingly expressed their appreciation for the flexibility afforded them by the virtual working model that still provides opportunities for in-person collaboration and team building.

External to Cogstate, the global health pandemic has changed behaviour and led to adoption of technology solutions at a rate previously unseen, including remote clinical trials (also known as decentralised trials); an emerging trial design that threatens to disrupt the traditional site-centric model of clinical trials. Cogstate digital cognitive assessments offer the ability for remote or unsupervised assessment, which is essential in the context of decentralised trials of therapies designed to act on the central nervous system. We are excited about the opportunity for use of Cogstate technology in the context of decentralised trial design in coming periods.

Record financial results

2021 was a record-breaking financial year for Cogstate. The value of Clinical Trials sales contracts, the revenue generated, the profit and the cash flow from operations were all records for Cogstate. The financial results reflect not only the emerging commercial opportunities but also effective management of expenditure by the management team.

Cogstate generated revenue growth of $9.9 million compared to the prior year. That revenue increase generated an increase in Earnings Before Interest & Tax (which excludes US PPP loan non-operating income) of $6.3 million (or 64% of the revenue increase). That level of financial leverage should please all shareholders as we look forward to another year of revenue growth in the 2022 financial year.

Cogstate finished the year with $22.4 million of net cash and no debt – again, another record for Cogstate.

Enhancing Board leadership

It was with great pleasure that we welcomed Kim Wenn to the Cogstate Board of Directors during the 2021 financial year. Kim brings extensive technology experience and strong commercial expertise to the Board of Cogstate, with over 30 years experience in innovation roles. Until July 2018, Kim held the role of Chief Information Officer at Tabcorp Holdings, an ASX50 listed company where Kim led a team of 1,200 technology experts to drive strategic direction through digital transformation. Kim's experience includes, among other things, business strategy, governance and change management—with a focus on digital disruption.

Through the second half of the 2021 financial year, we have already seen the value of adding a technologist to the Board room discussions.

Thanks to all those that continue to chase the dream

On behalf of the Board and everyone at Cogstate, we want to thank our shareholders for your continued support.

We are very proud of the impact that Cogstate is already having, and will increasingly have, on brain health for people around the world. Through our continued support of research, development of new therapies and improved diagnosis, we are seeking to change health outcomes across the globe.

None of this would be possible without our hardworking and talented employees, the unwavering energy of the executive management team and the support and guidance of the Board.

As we look forward to the 2022 financial year, we are excited about the significant commercial opportunities that have emerged over the last 12-24 months, and we are excited to deliver against our long-term growth strategies that we believe will deliver long-term shareholder value.

Martyn Myer AO
Chairman

Brad O'Connor
CEO

Directors' Report

Your directors present their report together with the financial report of the consolidated entity, consisting of Cogstate Limited and the entities it controlled ("the Group" or "Cogstate"), for the financial year ended 30 June 2021 and the auditor's report thereon.

Principal activities

During the year, the principal activities of the Group consisted of:

- Creation, validation and commercialisation of digital brain health assessments; and
- Design and provision of quality assurance services in clinical trials, focused on the administration, scoring and recording of conventional brain health assessments.

Cogstate solutions are widely used in both academic and industry sponsored research. As at 30 June 2021, Cogstate technology had been deployed in more than:

1,800
academic research studies

400
industry sponsored clinical trials

Business Strategies and Prospects

Cogstate was formed in December 1999 with a business thesis centered around the role of digital brain health assessments in an aging society with an increasing awareness of brain health.

Over time, Cogstate's business has evolved and expanded.

Creation and Scientific Validation of Digital Brain Health Assessments

Cogstate was founded as a disruptive solution that sought to leverage technology to simplify the measurement of cognition (brain health) in order to make cognitive assessment more accessible to the community. Once the initial versions of the technology had been created, focus quickly turned to scientific validation of the technology; proving equivalence and/or superiority to standard measures of cognition such as a neurological exam conducted by specialist physicians. Today, Cogstate technology is scientifically proven, with support provided in the form of over 500 peer reviewed publications across a wide range of indications and drug classes.

The Role of Academic Collaboration in Scientific Validation

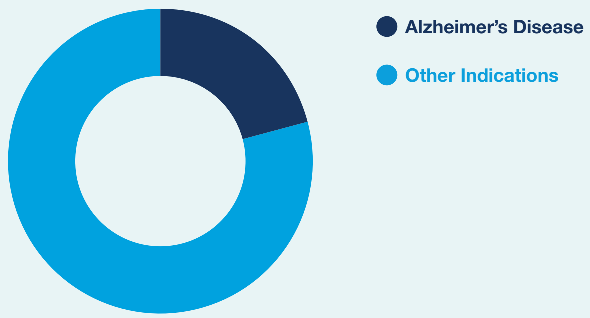
Since the development of the first version of its technology, Cogstate has sought to collaborate with academics the world over. As part of these collaborations, Cogstate provides technology at little or no cost to academics, but in return is granted access to data that can be used for validation or marketing. At 30 June 2021, Cogstate technology has been utilised in over 1,800 academic research studies.

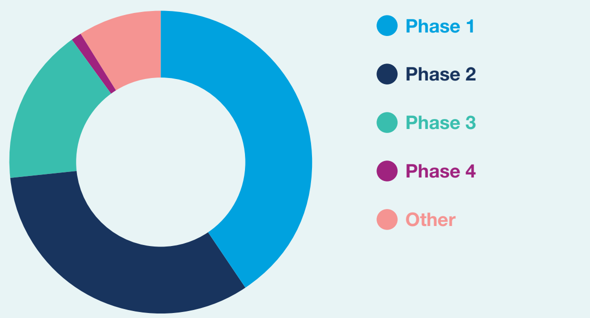
Launch of Clinical Trials Offering

Leveraging the validation obtained through academic collaborations, in 2004, Cogstate executed its first commercial agreement with Pfizer to support a clinical trial. Since that time, Cogstate has extensive experience in the conduct of clinical trials in a range of different indications. Over the years, Cogstate has supported more than 90 different customers, in the conduct of more than 400 clinical trials, in 75 countries, involving 9,250 clinical trial sites where Cogstate has trained almost 19,000 site staff in respect of the neuropsychological assessments deployed in the trial.

While trials of potential treatments for Alzheimer's disease and other related dementias are an important part of Cogstate's clinical trials business, of the 424 clinical trials conducted by Cogstate only 21% have related to Alzheimer's disease. Cogstate continues to work across a broad range of indications to measure cognition as either an efficacy or a safety endpoint.

Cogstate's has experience across all stages of clinical trials, from early-stage phase 1 trials all the way through to large international phase 3 trials, as well as post-marketing phase 4 trials.





Extending Cogstate's Total Addressable Market to Include Consumers and Physicians

In 2017, Cogstate's Cognigram product received clearance as a HIPAA compliant U.S. FDA Class II Medical Device, which subsequently received marketing authorisation in multiple additional regulatory jurisdictions around the world. Then in 2020, Cogstate and pharmaceutical company Eisai Co., Ltd established a global partnership to develop and commercialise such digital brain performance assessment tools for individuals and doctors. Eisai chose to partner with Cogstate as a result of our significant scientific and commercial validation. The approval by the Food and Drug Administration (FDA) in the United States of the first ever disease modifying therapy for Alzheimer's disease, Aduhelm, that was developed by Eisai and their development partner Biogen, provides Cogstate with a unique opportunity for our technology to play a critical role in identification of individuals who may benefit from the therapeutic treatment.

Cogstate is organised into two main operating divisions:

Clinical Trials Segment

Over the last 16 years, almost all Cogstate revenue has been generated from the sale of technology and associated services to pharmaceutical and biotechnology companies to demonstrate a drug's impact on cognition in clinical research studies. Initially, revenue was derived only from the provision of highly sensitive computerised cognitive tests, as well as service fees associated with the deployment of the technology. Over time, services were added in respect of the management, training and monitoring to improve the reliability and sensitivity of conventional cognitive assessments. Today, Cogstate's full-service solutions span the entire clinical trial lifecycle from study design to final statistical analysis. Recently expanded offerings include more flexible deployment models and modalities for computerised testing, as well as more efficient and effective rater training and monitoring solutions to meet the quality assurance needs of clinical trials.

Growth strategies in Clinical Trials include:

- Leverage adoption of decentralised clinical trials to grow market share
- Continue to expand indications, while also benefitting from the increased research investment in Alzheimer's disease
- Focus on channel partnerships as a means of growing customer base
- Continued marketing of utility and scientific validity of Cogstate technology
- Leverage brand awareness generated from the launch of consumer and physician tools within the Healthcare market

Healthcare Segment

Outside of the Clinical Trials segment, Cogstate has developed tools specifically designed to aid healthcare professionals with objective assessments of cognition in patients. The system, branded as Cognigram™, allows for regular and standardised testing to assist in the early detection of cognitive decline that could be related to a range of factors including head injury, neurodegenerative disease or side effects following pharmacological treatments. There are additional applications in areas such as pre- and post-operative care - especially critical in vulnerable or aging populations - to help ensure a full recovery and reduce rates of hospital re-admittance. Informative and automated reports allow clinicians to easily track a patient's cognitive change over time, compare results to age-matched normative data, and understand performance on both specific cognitive domains and composite scores.

Notwithstanding the list of applications above, the most significant opportunity for Cognigram is in the dementia market.

Cognigram has achieved regulatory clearance to market in multiple jurisdictions including the United States, Europe and Australia.

In 2018, Cogstate made a decision to cease independent direct marketing of Cognigram and instead sought to distribute the technology through a strategic partner who would seek to drive the adoption of cognitive testing as part of a broader ecosystem of solutions (including therapeutic treatment) designed to more broadly address dementia in society. The change in strategy has resulted in a decrease in direct sales and marketing costs for Cogstate and opportunities for expansion in new markets.

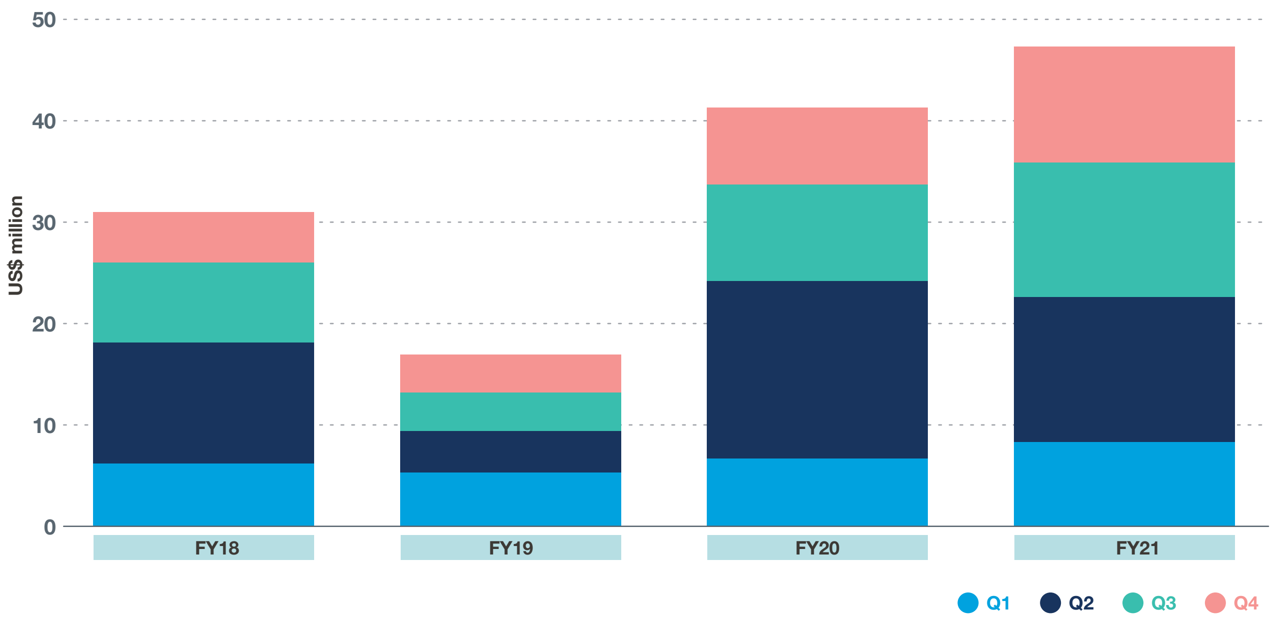
Following the execution of the global license agreement with Eisai Co., Ltd in 2020, growth strategies in Healthcare are focused on the launch and adoption of Cogstate technology to support the launch of the first Alzheimer's disease modifying therapeutic treatment.

Review of Results and Operations

Clinical Trials Sales Contracts

The value of Clinical Trials sales contracts executed during FY21 increased by 15% compared to the prior year. Alzheimer's disease continues to represent a significant driver of Clinical Trials sales, representing 65.3% of the value of contracts executed in FY21, compared to 59.7% in FY20.

Clinical Trial Sales Contracts Executed



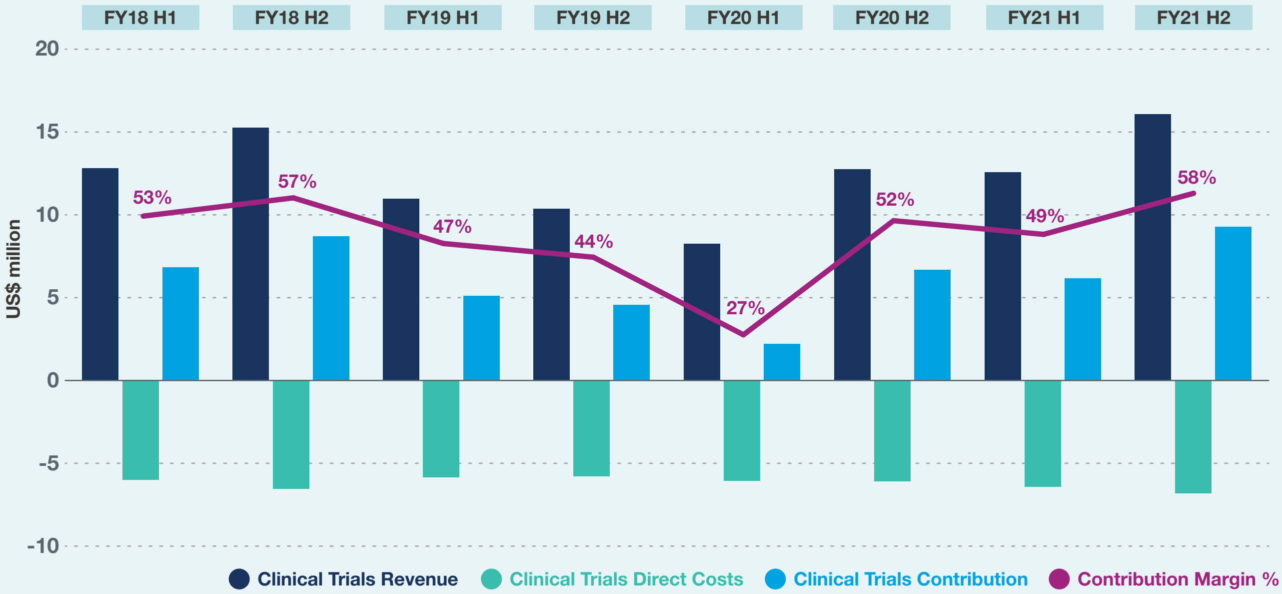
During 2021, the reported new contract signings has excluded third-party services (including but not limited to the costs of eCOA technology solution provided by Clinical Ink) however in the prior year, Cogstate reported contracts inclusive of third-party services – a reconciliation is provided below to allow comparison to the prior year results:

	1Q US$m	2Q US$m	1H US$m	3Q US$m	4Q US$m	2H US$m	Full 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

Clinical Trials Segment Result

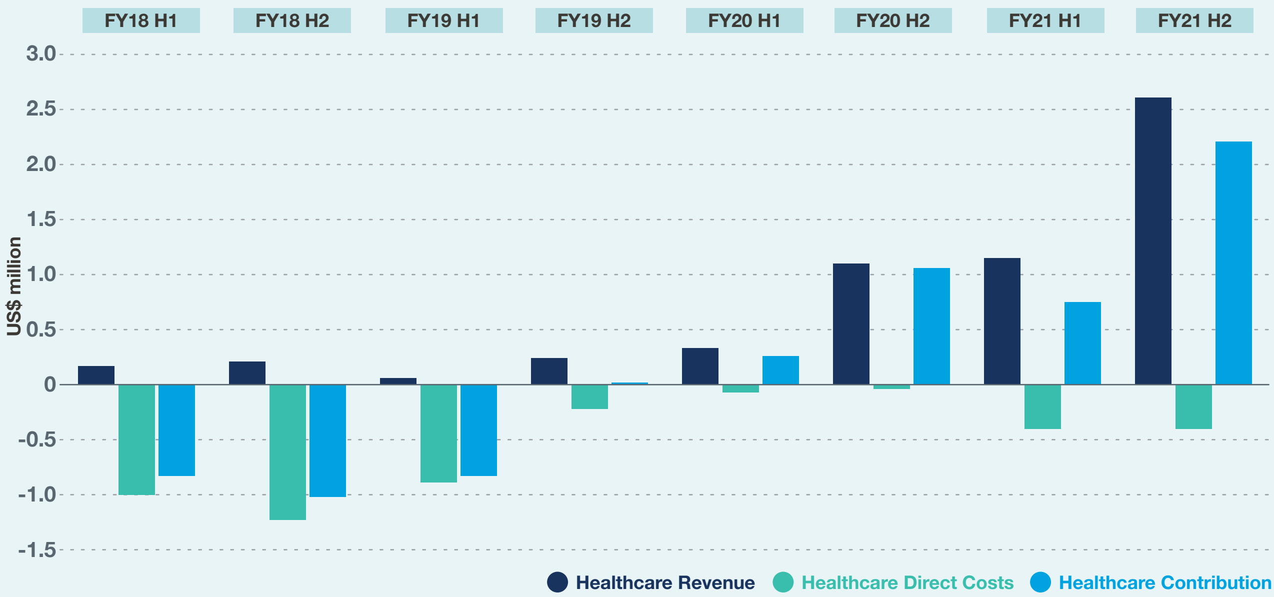
The level of Clinical Trials sales contracts executed through FY20 and FY21 has resulted in an increase in Clinical Trials revenue in FY21 of $7.6 million, compared to the prior year. Existing capacity within that business segment has allowed management to maintain cost control and thereby increase segment contribution by $6.6 million, compared to the prior year. That is, of the $7.6 million increase in Clinical Trials revenue, 87% of that increase has flowed through to an increase in segment contribution.

Broken down by half year, the FY21 segment contribution margin was 49% during the first half of FY21, increasing to 58% during the second half of FY21.



Healthcare Segment Result

Revenue for the Healthcare segment increased by 162% compared to the prior year as revenue from the Eisai global agreement was recognised (further details provided below). Following the decision made in 2018 to cease direct marketing of Cogstate technology in the Healthcare segment, direct costs have decreased substantially and margins have increased – a 79% contribution margin was reported in FY21 on $3.76 million of revenue.



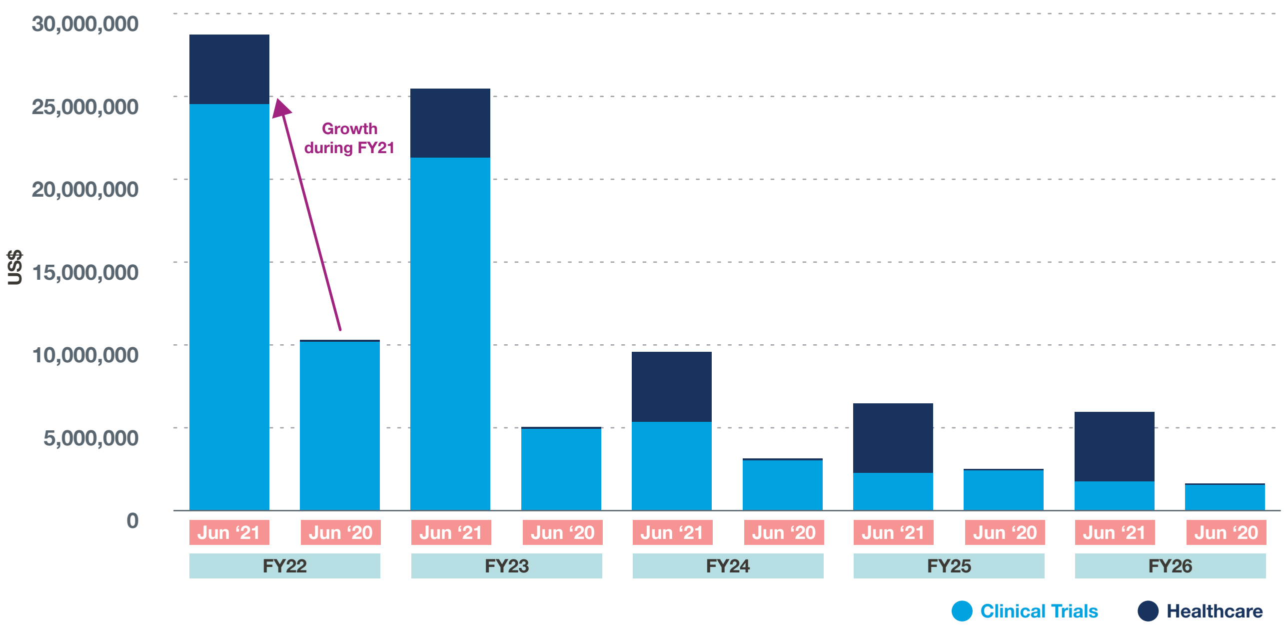
Contracted Future Revenue

Total contracted future revenue increased by 151% to $101.5m as at 30 June 2021, compared to $40.4m at 30 June 2020. The contracted future revenue figure provides insight into future revenue performance of the Group.

The revenue backlog for both the Clinical Trials and Healthcare segments are highlighted in the table below:

	30 June 2021 US$	Restated 30 June 2020 US$
Contracted Clinical Trials Revenue	58,424,721	39,437,244
Eisai Licence - Global (commercial years 1-10)	42,211,299	-
Eisai Licence - Japan (10 year licence)	815,494	915,412
Total Contracted Future Revenue	**101,451,514**	**40,352,656**

The expected run-off of future revenue backlog is shown in the chart below. Please note that the chart shows the expected revenue for each year from FY22 – FY26, calculated as at the end of FY21, with a comparison to the same calculation as at the end of FY20. For example, as at 30 June 2021, contracted revenue for FY22 is $28.7 million ($24.5m in respect of Clinical Trials and $4.2m in respect of Healthcare). At 30 June 2020 (a year earlier), contracted revenue for FY22 was $10.3 million.



Important Commercial Developments

Japan Licence – FY20 Development

In August 2019, Cogstate entered into an agreement with pharmaceutical company, Eisai Co., Ltd., (Eisai) to distribute Cogstate technology in Japan. Under the exclusive licensing agreement, Eisai will market Cogstate technology as a digital cognitive assessment tool for cognition in Japanese markets. The agreement specifically excludes clinical trials, where Cogstate will continue to market its offering independently.

Under the terms of the agreement Eisai:

- Provided an upfront royalty payment to Cogstate of $1 million (received during the December 2019 half-year);
- Is funding necessary product development activities to further tailor Cogstate solutions for the Japanese user base; and
- Fund a commercial team in Japan.

Cogstate and Eisai will share profits equally after taking into account the associated cost of sales for the product in Japan.

The agreement has an initial term of ten years, with performance criteria to maintain exclusivity at year 5 and 8.

Global Licence – FY21 Development

In October 2020, Cogstate announced that it had entered into an agreement with pharmaceutical company, Eisai Co., Ltd., to exclusively distribute Cogstate digital cognitive assessment technologies in healthcare and other markets world-wide. The agreement specifically excludes clinical trials, where Cogstate will continue to market its offering independently.

Under the terms of the agreement Eisai:

- Provided an upfront payment to Cogstate of $15 million (received in December 2020);
- Will pay Cogstate a royalty, determined by reference to a range of factors including retail market price (after allowance for customary rebates, discounts and/or sales taxes) of Cogstate technology in all regions, or calculated on a per user basis, and which will be no less than the minimum royalty detailed below;
- Will fund necessary product development activities to further tailor Cogstate solutions for each territory and use case;
- Will be responsible for all commercial activities in respect of the sale and marketing of Cogstate technology in all territories; and
- Cogstate will continue to develop and update the existing technology as required.

The resulting data from use of the technology will be jointly owned by Eisai and Cogstate.

The agreement has an initial term of ten years for each country, from its first commercial product sale on a country by country basis, where Eisai will make commercially reasonable efforts to make the first commercial sale within the following timelines:

- USA: within 1 year;
- EU: within 3 years;
- China: within 4 years;

The initial term of the agreement for all other countries (other than those listed above) will expire on the same day as the initial term will expire for latest of the above mentioned three territories. Eisai will have a right to terminate the agreement after year five under certain conditions.

In addition to the upfront payment of US$15 million, the agreement provides for cumulative royalties of at least US$30 million over the term of the licence. The minimum royalties, which will be paid quarterly, shall increase from year to year and can be segmented as follows:

- Cumulatively will not total less than US$10 million for the period of years one to five; and
- Cumulatively will not total less than US$20 million for the period of years six to ten.

Treatment of Royalty Payments Under Eisai Licences

Revenue from the Eisai licences (Japan and Global) are treated distinctly, but have some common elements:

- Upfront royalty payment (both Japan and Global agreements);
- Minimum annual royalty payment (only the Global agreement);
- Variable royalty (both Japan and Global agreements).

Variable consideration – consisting of the royalties above the fixed minimum - will fluctuate in accordance with the amount of sales and/or profit made by Eisai and as such will be recognised as revenue when Cogstate becomes entitled to those amounts.

The upfront royalty in respect of the Japan licence ($1 million) will be progressively recognised as revenue over the ten-year term of the licence, on a straight-line basis.

The fixed consideration under the Global licence is $45 million, consisting of:

- Upfront consideration of $15 million; and
- Minimum royalties totalling $10 million (for the initial 5 Commercial Years of the agreement)
- Minimum royalties totalling $20 million (for commercial years 6-10 of the agreement)

The contract states that a Commercial Year commences after the first commercial sale, which is required to occur within one year of the effective date. Accordingly, at contract inception, the Global licence has an enforceable term of up to 11 years.

Therefore, the fixed consideration under the Global licence ($45 million) will be progressively recognised as revenue over a period of eleven (11) years from contract execution, on a straight-line basis.

Under the 10-year global (ex-Japan) agreement between Eisai and Cogstate executed on 25 October 2020:

- Eisai had a right to terminate the agreement after year five under certain conditions. Following the approval of ADUHELM by the FDA in June 2021, Eisai no longer has that right to accelerated termination of the Cogstate-Eisai agreement;
- In addition to the upfront payments from Eisai of US$15 million, Cogstate is also due to receive an ongoing royalty on revenue derived by Eisai from the sale of Cogstate technology. Over the course of the 10-year global agreement, the contractual terms prescribe that the royalty payments shall not be less than an additional $30 million ($10 million over years 1-5 and $20 million over years 6-10).

Therefore, in addition to the minimum contractual royalty payments over commercial years 1-5 of US$10 million, Eisai are now also contractually obliged to make the minimum royalty payments to Cogstate over commercial years 6-10, being an additional aggregate payment of US$20 million over that period.

As a result, the full $45m (upfront payment of $15m plus the minimum royalties of $30m due over the course of the global license agreement) is being amortised on a straight-line basis over 11 years (10 year term + 12 months to commence). Actual cash royalties paid in each period will be the higher of (i) royalty amount calculated based on sales of product or (ii) minimum annual royalty.

Adjustments to Prior Year Reported Results

Due to the significance of the global licensing agreement, the Group has reviewed the application of its accounting policy in respect of revenue relating to the grant of licences, provision of supporting services and the provision of server access, in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*. This has resulted in a change to the application of the previous policy.

In the prior period, the Group recognised all of the $1 million upfront payment, received from Eisai, as revenue upon granting of the licences for the Japan region. The Group considers that recognising the upfront payment as revenue on a straight-line basis over the licence period better reflects its performance in providing access to the licence, continuing support services and servers. As required by the accounting standards, this change is applied retrospectively, and as a result, the Group has restated comparative revenue figures. This restatement has no impact on cash.

Likely Developments

The Group expects to maintain the present status and level of operations.

Financial Position

At 30 June 2021, the net assets of the Group were $21.8 million.

Summary Balance Sheet as at 30 June 2021:

	30 June 2021	(Restated) 30 Jun 2020	Variance increase/(decrease)	
	US$	US$	US$	%
Cash and cash equivalents	23,640,789	10,330,777	13,310,012	129
Trade and other receivables	7,851,228	4,279,881	3,571,347	83
Property, plant and equipment	1,204,718	1,270,833	(66,115)	(5)
Intangibles	8,718,811	6,945,603	1,773,208	26
Other assets	9,967,956	9,091,063	876,893	10
Total assets	**51,383,502**	**31,918,157**	**19,465,345**	**61**
Trade and other payables	8,739,882	7,665,806	(1,074,076)	(14)
Deferred revenue	16,026,733	1,176,712	(14,850,021)	(1262)
Other liabilities	4,833,550	7,587,907	2,754,357	36
Total liabilities	**29,600,165**	**16,430,425**	**(13,169,740)**	**(80)**
Capital	34,026,408	33,038,228	988,180	3
Accumulated losses	(10,802,762)	(16,246,037)	5,443,275	34
Reserves	(1,440,309)	(1,304,460)	(135,849)	(10)
Total equity	**21,783,337**	**15,487,731**	**6,295,606**	**41**

Net Cash

The Company had $22.4m net cash as at 30 June 2021 (calculated as gross cash less borrowings and less cash receipts received in advance for future pass-through charges).

	US$
Total cash at 30 June 2021	$23.6m
Cash held on behalf of customers in respect of pass-through expenses at 30 June 2021	($1.2m)
Cash held for operations at 30 June 2021	**$22.4m**
Total borrowings	-
Net cash	**$22.4m**

Cash Flow

The table below summarises the annual cashflow, while highlighting the upfront license fees received from Eisai and also separating the cash flows that relate to pass-through expenses paid on behalf of Cogstate customers. The summary shows net cash inflow of $14.0 million during the year, of which $13.8 million related to the receipt of the Eisai upfront license fee payment (net of costs).

	Cogstate Operations US$m	Customer Related Pass-Through Expenses US$m	Total US$m
Cash at 1 July 2020	**8.4**	**1.9**	**10.3**
Cash flow from operations			
Eisai upfront payment (net of costs)	13.8	-	13.8
Cash flow from ordinary operations	3.0	(0.7)	2.3
Total cash flow from operations	**16.8**	**(0.7)**	**16.1**
Cash flow from investing			
Capitalised software development	(2.6)	-	(2.6)
Property, Plant & Equipment	(0.6)	-	(0.6)
Grant funds received	0.6	-	0.6
Total cash flow from investing	**(2.6)**	**-**	**(2.6)**
Cash flow from financing	**(0.2)**	**-**	**(0.2)**
Net cash flow during the year	**14.0**	**(0.7)**	**13.3**
Cash at 30 June 2021	**22.4**	**1.2**	**23.6**

Loan Forgiveness

In May 2020, Cogstate Inc., a US domiciled, wholly owned subsidiary of Cogstate Ltd, secured a US$2.44 million loan from Citibank under the Paycheck Protection Program (PPP) contained within the Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law in the USA in March 2020. The PPP allowed businesses and non-profits with fewer than 500 employees to obtain loans of up to $10 million to incentivise companies to maintain their workforce as they managed the business disruptions caused by the COVID-19 pandemic.

The PPP loan had a term of two years, was unsecured, and was guaranteed by the U.S. Small Business Administration. The loan carried a fixed interest rate of 1% p.a., with the first six months of interest deferred. Under the terms of the CARES Act, the Company was able to apply for forgiveness of all loan proceeds used for USA based payroll costs, rent, utilities and other qualifying expenses during the 24-week period following receipt of the loan, provided the Company maintained its employment and compensation within certain parameters during such period, and provided further that not more than 25% of the amount forgiven could be attributed to non-payroll costs.

Cogstate complied with all requirements of the PPP loan and all funds were used as prescribed.

Cogstate has been advised by the Small Business Administration that all interest and principal payable under the terms of the loan have now been forgiven.

Material Business Risks

Cogstate actively manages the risks that could materially impact our ability to sustain our future financial performance and deliver our long term strategy. The material business risks that have the potential to impact achievement of the Group's strategic priorities and business objectives, with relevant mitigation strategies, are outlined below.

These risks should not be taken to be a complete or exhaustive list of the risks and uncertainties associated with Cogstate. Many of the risks are outside the control of the Directors. There can be no guarantee that Cogstate will achieve its stated objectives, that it will meet trading performance or financial results guidance that it may provide to the market, or that any forward looking statements contained in this report will be realised or otherwise eventuate. The more generic risk areas that affect most companies or general economic factors that may impact Cogstate have not been included below.

Risk Area	Impact of the risk	Mitigation and monitoring strategies
Disruption and competition	New disruptive business models, competitors entering the market or existing competitors aggressively increasing their market share could negatively impact revenue and earnings.	Cogstate is constantly innovating and during FY21 has created the role of Chief Innovation Officer, with a focus on continual innovation. Cogstate is vigilant in monitoring global competitive trends. Cogstate establishes close relationships with major customers, ensuring that we understand their current and future needs.
Information security and cyber security	Cogstate may be affected by impacts on the Company's business due to hardware or software malfunction, security and data breaches, malicious attacks, hacking or other unauthorised use of information or data stored on internal or external servers or transmitted via internal or external networks.	Information technology controls are continually monitored and protected through the use detective, preventative, and response tools. Cogstate's disaster recovery and business continuity planning is intended to mitigate any potential operational disruptions in the event a security incident occurs.
Major business disruption	In the event of a major, prolonged and unplanned business disruption, Cogstate may be unable to operate effectively. This may result in Cogstate being unable to provide services to customers, which could impact the Company's financial performance and reputation.	Cogstate staff have transitioned to a "virtual-first" work environment with a globally dispersed workforce, utilising secure network connections to access sensitive and proprietary systems. Periodic review of Business Continuity and Disaster Recovery plans are undertaken.
Talent	Cogstate financial performance relies on the skill and commitment of key talent in a competitive environment. Loss of key people could create leadership and capability gaps which may have an adverse effect on Cogstate's operations as the Company may be unable to recruit suitable replacements within a short timeframe.	Cogstate is aware of the need to create a culture that attracts and retains key talent. The remuneration structure is designed to attract and retain key employees and provide a direct link to Cogstate's long-term financial performance.
Vendor failure to perform	Within the Clinical Trials segment, Cogstate relies on some key technology vendors and/or partners and the inability of one or more of these vendors to provide their services may impact the ability of Cogstate to deliver for its customers.	Cogstate has established systems and processes to ensure that key objectives are aligned, and outcomes can be delivered by all parties. Regular meetings ensure strategic alignment between key management at Cogstate and vendor companies. Escalation management has been established and understood by all parties.

Risk Area	Impact of the risk	Mitigation and monitoring strategies
Revenue concentration	Two customers each represent more than 10% of Cogstate revenue in the 2021 financial year; one customer in Clinical Trials and one customer in Healthcare. Additionally, in the Clinical Trials segment, Cogstate derives approximately 52% of revenue from Alzheimer's disease clinical trials. A downturn in Alzheimer's disease could negatively impact Cogstate revenue and earnings.	Over recent years, Cogstate has expanded its capabilities in indications outside Alzheimer's disease, such as rare disease and psychiatric indications, along with a general focus on indications where cognition may be measured as a safety endpoint. Cogstate is focused on expanding market coverage through a range of commercial strategies, including additional direct sales resources as well as focused channel partnerships. Expansion of Cogstate capabilities in remote assessment (decentralised trials) provides opportunity for an increase in market share.
Intellectual property and proprietary rights	Cogstate's failure to develop, protect and/or acquire intellectual property and rights could result in Cogstate losing any competitive advantage in its industry or a reduction in the commercial value of its product offerings. Cogstate's failure to conduct its operations without respecting the intellectual property rights of others could lead to costly and time-consuming litigation.	Technology innovation is a priority area of focus for Cogstate management. Cogstate protects its proprietary technology through a combination of patents, trademarks, copyrights and trade secret protection. Cogstate ensures that its employees and those consultants involved it its product development and commercialization process are bound by confidentiality and intellectual property assignment provisions. Cogstate's legal team works closely with company management to ensure proper practices are in place for capturing and protecting intellectual property as well as respecting third party rights.

Board of Directors

The following persons held office as directors of Cogstate Limited during the financial year:

- Martyn Myer (Chairman)
- Brad O'Connor (CEO)
- David Dolby
- Richard Mohs
- Ingrid Player
- Richard van den Broek
- Kim Wenn *(appointed 30 November 2020)*

Martyn Myer AO BE, MESc, MSM

Chairman

Mr Myer sits on the Fishermans Bend board, a Victorian Government board charged with developing the Fishermans Bend precinct, and the boards of the Australian Chamber Orchestra and Watertrust Australia Limited. He previously served as Deputy Chancellor of the Council of the University of Melbourne, President of The Myer Foundation, one of two principle Myer Family philanthropic funds, President of the Howard Florey Institute of Experimental Physiology and Medicine and was a director of The Florey Institute of Neuroscience and Mental Health, where he participated in the transition of the Institute's research focus towards diagnostic and therapeutic neuroscience, including a focus on degenerative brain diseases.

Committees: Remuneration and Nomination Committee (Chair) and Audit, Risk and Compliance Committee

Other directorships and interests: Cogstate Inc., Cogstate Health Inc., Cogstate Sports Pty Ltd and Cogstate Spain SL, Fishermans Bend, the Australian Chamber Orchestra and Watertrust Australia Limited

Brad O'Connor B Bus

Managing Director and Chief Executive Officer

Mr O'Connor has responsibility for Cogstate's overall strategic direction and day-to-day operations as well as development of expansion opportunities outside of the core clinical trials business. Prior to taking the position of CEO at Cogstate in 2005, Mr O'Connor joined Cogstate as Chief Financial Officer and Company Secretary in 2004. Prior to that, Mr O'Connor held senior positions at Spherion Group, Australian Wine Exchange and PricewaterhouseCoopers.

Other directorships and interests: Cogstate Inc., Cogstate Health Inc., Cogstate Sports Pty Ltd, Cogstate Healthcare LLC and Cogstate Spain SL.

David Dolby BSE, MBA

Non-Executive Director

Mr Dolby is founder and CEO of Dolby Family Ventures, a venture capital investment firm focused on technology and life sciences investments in neuro technology and therapeutics targeting Alzheimer's disease. He represents the Dolby Family Trust on a number of technology, scientific research, and consumer products investments focusing on innovation and commercialising intellectual property.

Committees: Remuneration and Nomination Committee

Other directorships and interests: Dolby Laboratories (from 2011), Salk Institute for Biological Sciences (from 2019), Academy Museum of Motion Pictures (from 2019), Tipping Point Community (from 2015), CFO of the Ray and Dagmar Dolby Family Fund (since 2010).

Richard Mohs PhD

Independent Non-Executive Director

Dr Mohs is currently Chief Scientific Officer for the Global Alzheimer's Platform (GAP) Foundation, a non-profit devoted to enhancing the speed and quality of Alzheimer's disease research. Richard also serves as a consultant to academic institutions, foundations and biopharmaceutical companies, and is a member of the Board of Governors for the Alzheimer's Drug Discovery Foundation. Dr Mohs retired from Eli Lilly in 2015, where he held leadership positions including Vice President for Neuroscience Early Clinical Development and Leader of the Global Alzheimer's Drug Development Team. Before joining Eli Lilly, Dr Mohs spent 23 years with the Mount Sinai School of Medicine where he was Professor in the Department of Psychiatry and Associate Chief of Staff for Research at the Bronx Veterans Affairs Medical Centre.

Committees: Remuneration and Nomination Committee and Audit, Risk and Compliance Committee

Other directorships and interests: Alzheimer's Drug Discovery Foundation, Chief Science Officer, Global Alzheimer's Platform Foundation, Consultant for various biotechnology companies, academic institutions and foundations

Ingrid Player BEc and LLB (Hons), GAICD, FGIA

Independent Non-Executive Director

Ms Player brings deep healthcare sector experience and strong commercial expertise to the Board of Cogstate. She has held senior executive roles with Healthscope Ltd, a leading private healthcare provider in Australia, including the former positions of Group Executive – Legal, Governance and Sustainability, and General Counsel and Company Secretary from 2005 until 2019. Ms Player also has considerable international commercial and regulatory experience that spans different markets and industries, which she gained in private legal practice in Australia and in The Netherlands. She holds a Bachelor of Economics & Bachelor of Laws (Hons) from Monash University. She is a graduate member of the Australian Institute of Company Directors and Fellow of the Governance Institute of Australia.

Committees: Remuneration and Nomination Committee and Audit, Risk and Compliance Committee (Chair)

Other directorships and interests:
HealthShare Victoria
Cleanaway Waste Management Limited (from 01 March 2021).

Richard van den Broek CFA

Independent Non-Executive Director

Mr van den Broek is founder and managing partner of HSMR Advisors LLC, a U.S. based fund manager with an investment emphasis on small and mid-cap biotech public companies. Prior to his time as an investor in the healthcare industry Mr van den Broek had a ten year career as a biotech analyst, starting at Oppenheimer & Co., then Merrill Lynch, and finally at Hambrecht & Quist.

Committees: Remuneration and Nomination Committee

Kim Wenn BCompSc

(appointed 30 November 2020)

Independent Non-Executive Director

Ms Wenn brings extensive technology experience and strong commercial expertise to the Board of Cogstate, with over 30 years experience in innovation roles. Until July 2018, Kim held the role of Chief Information Officer at Tabcorp Holdings, an ASX50 listed company where Kim led a team of 1,200 technology experts to drive strategic direction through digital transformation. Kim's experience includes, among other things, business strategy, governance and change management—with a focus on digital disruption.

Ms Wenn holds a Bachelor of Computer Science from Monash University and completed an Advanced Management Program from Harvard University. She is a graduate member of the Australian Institute of Company Directors.

Committees: Remuneration and Nomination Committee (from 30 November 2020) and Audit, Risk and Compliance Committee (from 30 November 2020)

Other directorships and interests: Volt Bank Limited.

Company secretaries

The following persons held office as Company Secretary of Cogstate Limited during the financial year:

- David Franks (appointed 26 February 2021)
- Keith Hawkins (resigned 26 February 2021)
- John Glueck (resigned 26 February 2021)

David Franks BEc, CA, F Fin, FGIA, JP

(appointed 26 February 2021)

Mr Franks is a Director and Principal of the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: Aumake Limited, COG Financial Services Limited, Cogstate Limited, JCurve Solutions Limited, IXUP Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited.

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

	Board meetings		Board meetings (sub-committee)		Audit, Risk & Compliance committee meetings		Remuneration & Nomination committee meetings	
	A	B	A	B	A	B	A	B
Martyn Myer AO	13	13	2	2	5	5	2	2
Brad O'Connor	13	13	2	2	N/A	N/A	N/A	N/A
David Dolby	13	13	N/A	N/A	N/A	N/A	2	2
Richard Mohs	13	13	N/A	N/A	5	5	2	2
Ingrid Player	13	13	2	2	5	5	2	2
Richard van den Broek	13	13	N/A	N/A	N/A	N/A	2	2
Kim Wenn	6	6	N/A	N/A	3	3	0	0

A: Number of meetings attended

B: Number of meetings held during the year

Audit, Risk & Compliance

Ingrid Player (Chair), Martyn Myer AO, Richard Mohs, Kim Wenn (from 30 November 2020)

Remuneration & Nomination

Martyn Myer AO (Chair), Richard van den Broek, David Dolby, Richard Mohs, Ingrid Player, Kim Wenn (from 30 November 2020)

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of Cogstate Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Mr Martyn Myer	23,614,566	200,000
Mr Brad O'Connor	4,373,102	2,250,000
Mr David Dolby	25,832,802	100,000
Mr Richard Mohs	55,000	-
Ms Ingrid Player	134,098	-
Mr Richard van den Broek	4,358,500	100,000
Ms Kim Wenn	900	-

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of Cogstate Limited or any of its subsidiaries.

Dividends

No dividends have been paid during the financial year. The directors do not recommend that a dividend be paid in respect of the financial year (2020: US$nil).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Unissued shares

As at the date of this report, there were 12,214,643 unissued ordinary shares under employee options. Refer to the Remuneration Report and Note 30 of the financial report for further details of the employee options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued on the exercise of options

The following ordinary shares of Cogstate Limited were issued during the year ended 30 June 2021 on the exercise of options granted under the Cogstate Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options exercised	Issue price of shares	Number of shares issued
26/Aug/20	0.27	50,000
27/Aug/20	0.27	50,000
01/Sep/20	0.27	50,000
09/Sep/20	0.27	50,000
10/Sep/20	0.27	50,000
01/Oct/20	0.26	50,000
15/Oct/20	0.26	50,000
09/Nov/20	0.64	16,667
15/Dec/20	0.60	100,000
17/Mar/21	0.84	750,000
		1,216,667

Insurance of officers

During the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Cogstate Limited against costs incurred in defending proceedings for conduct involving any wrongful act by a director. Under the policy, the Company cannot release to any third party or otherwise publish the amount of the premium. Accordingly, the Company relies on section 300(9) of the *Corporations Act 2001* to exempt it from the requirement to disclose the premium amount of the relevant policy.

Non-audit services

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Risk and Compliance committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Risk and Compliance committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2021 US$	2020 US$
Taxation services		
Pitcher Partners firm (Melbourne)	3,523	11,761
Network firms of Pitcher Partners	32,729	34,889
Total remuneration for taxation services	**36,252**	**46,650**
Other services		
Pitcher Partners firm (Melbourne)	2,722	-
Network firms of Pitcher Partners	11,006	-
Total remuneration for non-audit services	**49,980**	**46,650**

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

COGSTATE LIMITED

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COGSTATE LIMITED

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Cogstate Limited and the entities it controlled during the year.

M J HARRISON
Partner

24 August 2021

PITCHER PARTNERS
Melbourne

Audited Remuneration Report

1. Who does this report cover?

The directors present the Cogstate Limited 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company, and includes the four executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives and general managers of the Parent and the Group.

Name	Position
Non-Executive Directors	
Martyn Myer AO	Chairman (Non-Executive)
David Dolby	Non-Executive Director
Richard Mohs	Non-Executive Director
Ingrid Player	Non-Executive Director
Richard van den Broek	Non-Executive Director
Kim Wenn *(appointed Director 30 November 2020)*	Non-Executive Director
Senior Executives	
Brad O'Connor	Managing Director and CEO
Paul Maruff	Chief Innovation Officer
Ken Billard *(commenced employment 18 November 2019)*	Chief Commercial Officer
Darren Watson *(commenced employment 1 February 2021)*	Chief Financial Officer
Ben Bloomfield *(commenced employment 11 January 2021)*	Chief Technology Officer

The composition of the list of senior executives has changed from the 2020 remuneration report, reflecting changes in the executive team. Darren Watson was appointed to the role of Chief Financial Officer on 1 February 2021 (previously the most senior finance executive had been a Finance Director that did not appear in the list of senior executives). Ben Bloomfield was appointed to the role of Chief Technology officer on 11 January 2021, replacing an interim CTO that had been in place since the departure of Rich Gleeson in January 2020). Ken Billard was appointed to the role of Chief Commercial Officer during the prior year (on 18 November 2019), following the departure of Lammert Albers on 25 October 2019. John Glueck ceased employment with Cogstate on 26 February 2021.

Voting and comments made at the Company's 2020 Annual General Meeting

Cogstate Limited received more than 81% of "yes" votes on its remuneration report for the 2020 financial year.

2. Remuneration principles

The Company is committed to attracting and retaining the best people to work in the organisation, including directors and senior management. A key element in achieving that objective is to ensure that the Company is able to remunerate its key people adequately and appropriately given market conditions and their experience.

The Company has established a framework for remuneration that is designed to:

1. ensure that coherent remuneration policies and practices are observed which:
    a. enable the attraction and retention of directors and management who will create value for shareholders; and
    b. are aligned with the overall risk management framework of the Company;
2. fairly and responsibly reward directors and senior management having regard to the Company's performance, the performance of the senior management and the general pay environment; and
3. comply with all relevant legal and regulatory provisions.

3. Remuneration governance framework

3.1 Role of the Board and Remuneration Committee

The Board is responsible for ensuring that Cogstate's remuneration structures are equitable and aligned with the long-term interests of Cogstate and its stakeholders. The Remuneration Committee, established by the Board, is made up of a majority of independent directors, with responsibility for reviewing key aspects of Cogstate's remuneration structure and arrangements.

The Remuneration Committee reviews and recommends to the Board:

- fixed remuneration and incentive arrangements for the Senior Executives and other executives reporting to the CEO;
- major changes and developments to employee incentive plans; and
- remuneration arrangements for Non-Executive Directors.

4. FY21 remuneration policy

Remuneration structure

In accordance with best practice corporate governance, the structure of executive and non-executive directors and key management personnel remuneration is separate and distinct.

4.1 Senior Executives

Executive remuneration policy and framework

The objective of the remuneration policy is to design and implement a remuneration framework to meet the remuneration principles outlined above.

Cogstate's remuneration philosophy is to attract and retain talented employees through an engaging and equitable reward framework. It aims to encourage and recognise high performance in a manner which is aligned with the long-term interests of Cogstate and its shareholders.

The principles that underpin the remuneration policy for the executives are the same as those that apply to other employees. The CEO's arrangements have a greater emphasis on a higher proportion of remuneration in performance related pay. The performance measures used to determine short term incentives for the CEO and all employees are linked to the delivery of strategy consistent with Cogstate's purpose.

The Remuneration and Nomination Committee believes that the appropriate remuneration framework for the Cogstate KMPs is comprised of fixed and variable elements. The fixed component comprises base salary and pension / superannuation, in line with relevant statutory provisions. The variable component is comprised of short and long term incentives. In setting remuneration, the Committee takes into account reports and advice detailing market levels of remuneration for comparable roles.

Remuneration is benchmarked and determined in the home jurisdiction of the executive. The CEO's remuneration is benchmarked in the USA. The Remuneration and Nomination Committee believes the most appropriate comparator market for most executives is the USA; where the Group currently earns the majority of its revenue and conducts the majority of its business.

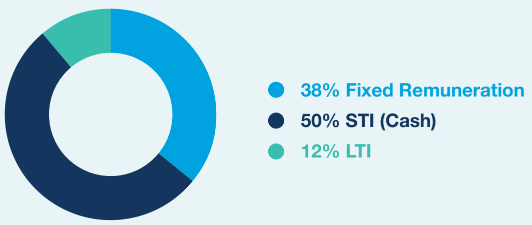
This philosophy resulted in a Senior Executive remuneration framework for the 2021 financial year consisting of both fixed and variable remuneration components. The objectives and key elements of each component are presented below:

Remuneration Framework FY21

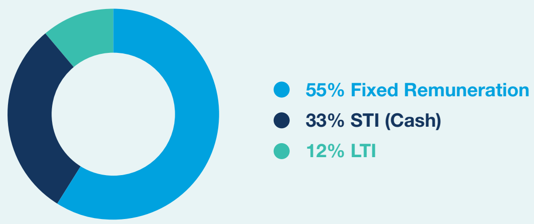
	Fixed	Variable 'At-Risk'	
Objective	The fixed component is in place to attract and retain key talent	The variable component is performance-based and aligned with Cogstate's strategic direction to deliver both short and long term value creation to shareholders	
Component	Fixed remuneration	Short Term Incentive (STI)	Long Term Incentive (LTI)
Basis of Quantum	Fixed remuneration reflects seniority, complexity, nature and size of the role and is reviewed annually	Awards based on the achievement of the company's strategic priorities and operational targets and commensurate with the remuneration received by executives. Performance measures each year are chosen on the basis that they are expected to have a significant short and long-term impact on the company's success and are both financial and non-financial targets	Awards to executives based on a manner which aligns this element of remuneration with the creation of shareholder wealth
Vehicle	Cash	Cash	Employee Share Option Plan

The FY21 remuneration framework for all Senior Executives is unchanged from FY20. The applied remuneration mix for actual performance is shown in the diagrams below.

FY21 - CEO



FY21 - OTHER SENIOR EXECUTIVES



4.2 Non Executive Directors (NEDs)

Cogstate's remuneration policy for NEDs aims to ensure that Cogstate can attract and retain suitably qualified and experienced NEDs having regard to:

- the level of fees paid to NEDs of other ASX listed Australian companies;
- the size and complexity of Cogstate's operations; and
- the responsibilities and work requirements of Board members.

NEDs receive a base fee for being a Board Director and additional fees for being a Chairman of a Board Committee (except Remuneration & Nomination Committee). The NEDs do not receive any additional fees for serving on a Board Committee, other than an additional fee paid to the Chair of the Audit, Risk and Compliance Committee.

The fees are unchanged in FY21 from FY20 and are set out below. Fees include superannuation contributions in accordance with the current Superannuation Guarantee legislation.

			Board Fees
Position	Base fee	Audit, Risk & Compliance Committee	Remuneration & Nomination Committee
Board Chairman	A$110,000	-	-
Board NED	A$75,000	-	-
Committee Chairman	-	A$10,000	-
Committee Member	-	-	-

The current NED fee pool is A$650,000 per annum (set by shareholders at the 2020 AGM) and the total fees for FY21 including superannuation contributions were A$464,038 which is below the agreed limit.

NEDs are also entitled to be reimbursed for all travel and other expenses reasonably incurred in attending to Cogstate's affairs. In order to maintain independence, NEDs are not eligible for any performance-based payments.

NED shareholding policy

The Board recognises the importance of aligning NED interests with the long-term interests of shareholders and considers that an investment in Cogstate shares demonstrates this alignment. All Cogstate NEDs hold an equity interest in Cogstate, the details of which are spelt out in this Remuneration Report.

5. FY21 company performance

The following table shows key performance indicators for the Group over the last 5 years:

Consolidated	2021	Restated 2020	2019	2018	2017
Profit/(loss) for the year attributable to owners of Cogstate Ltd (US$'000)	5,233	(1,957)	(2,496)	(566)	(643)
Basic earnings/(loss) per share (cents)	3.1	(1.2)	(2.1)	(0.5)	(0.6)
Dividend payments (cents)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-
Increase/(decrease) in share price (cents)	100	17	(57)	(38)	36
Increase/(decrease) in share price (%)	277.8%	84.6%	(74.3%)	(33.3%)	46.2%
Total KMP Incentives as percentage of profit/(loss) for the year (%)	21.7%	(48.0%)	(17.5%)	(130.2%)	(94.3%)

The above table illustrates the link between Cogstate Limited's (loss)/profit after tax and payments made under the STI plan. The relationship between the two will differ from year to year, since STI awards are made on an assessment of both financial and non-financial criteria.

6. Senior Executive remuneration in detail

6.1 Received remuneration

	Short-term employee benefits			Post-employment benefits	Long-term benefits		Share-based payments	
2021 Name	Cash salary and fees US$	Cash bonus* US$	Non-monetary benefits US$	Superannuation US$	Long service leave US$	Termination Benefits US$	Options US$	Total US$
Non-executive directors								
M Myer	75,134	-	-	7,138	-	-	-	82,272
D Dolby	54,990	-	-	-	-	-	-	54,990
R Mohs	54,990	-	-	-	-	-	-	54,990
I Player	58,058	-	-	5,516	-	-	-	63,574
R van den Broek	54,990	-	-	-	-	-	-	54,990
K Wenn[1]	30,995	-	-	2,945	-	-	-	33,940
Sub-total non-executive directors	**329,157**	**-**	**-**	**15,599**	**-**	**-**	**-**	**344,756**
Executive director								
B O'Connor	343,697	540,000	41,154	18,546	6,090	-	126,600	1,076,087
Other key management personnel (Group)								
P Maruff[2]	290,091	239,975	12,754	18,546	4,834	-	39,242	605,442
K Billard	344,298	227,760	-	20,556	-	-	107,839	700,453
D Watson[2, 3]	124,507	62,914	-	7,598	1,914	-	37,291	234,224
B Bloomfield[2, 4]	142,628	64,603	-	8,394	2,182	-	37,291	255,098
Total key management personnel compensation (Group)	**1,574,378**	**1,135,252**	**53,908**	**89,239**	**15,020**	**-**	**348,263**	**3,216,060**

* Bonuses are accrued at 30 June and paid in the following financial year

[1] K Wenn appointed director effective 30 November 2020

[2] Employee was paid in $AU and payment was converted to US$ at spot rate at the time of the payment

[3] D Watson commenced employment effective 01 February 2021

[4] B Bloomfield commenced employment effective 11 January 2021

2020 Name	Short-term employee benefits Cash salary and fees US$	Cash bonus* US$	Non-monetary benefits US$	Post-employment benefits Superannuation US$	Long-term benefits Long service leave US$	Termination Benefits US$	Share-based payments Options US$	Total US$
Non-executive directors								
M Myer	67,659	-	-	6,428	-	-	5,228	79,315
D Dolby	50,719	-	-	-	-	-	2,614	53,333
R Mohs	50,719	-	-	-	-	-	-	50,719
I Player[1]	43,307	-	-	4,114	-	-	-	47,421
R van den Broek	50,719	-	-	-	-	-	2,614	53,333
J McAloon[2]	17,757	-	-	1,687	-	-	-	19,444
Sub-total non-executive directors	**280,880**	**-**	**-**	**12,229**	**-**	**-**	**10,456**	**303,565**
Executive director								
B O'Connor	371,439	462,500	28,930	14,261	7,897	-	45,663	930,690
Other key management personnel (Group)								
P Maruff[3]	260,271	186,309	11,713	14,261	4,352	-	29,792	506,698
K Billard[4]	208,654	216,753	-	6,731	-	-	9,099	441,237
J Glueck[5]	85,577	22,351	-	2,567	-	-	1,618	112,113
L Albers[6]	164,194	51,822^	-	1,932	-	27,073	-	245,021
R Gleeson[7]	161,154	-	-	5,608	-	-	-	166,762
Total key management personnel compensation (Group)	**1,532,169**	**939,735**	**40,643**	**57,589**	**12,249**	**27,073**	**96,628**	**2,706,086**

* Bonuses are accrued at 30 June and paid in the following financial year

[1] I Player appointed director effective 29 August 2019

[2] J McAloon retired effective 21 October 2019

[3] Employee was paid in $AU and payment was converted to US$ at spot rate at the time of the payment

[4] K Billard commenced employment effective 18 November 2019

[5] J Glueck commenced employment effective 18 February 2020

[6] L Albers ceased employment effective 25 October 2019

[7] R Gleeson ceased employment effective 15 January 2020

^ This is not a cash bonus, but rather a commission payment based upon actual sales contracts executed

7. Fixed Remuneration

Fixed Remuneration is made up of cash salary, superannuation and other approved benefits and is reviewed annually to assess its alignment to individual performance and market practice.

8. Short Term Incentive (STI)

8.1 STI Policy

PURPOSE	The objective of the STI is to link achievement of the company's strategic priorities and operational targets with the remuneration received by executives. Performance measures each year are chosen on the basis that they are expected to have a significant short and long term impact on the company's success.
PERFORMANCE PERIOD	Targets were set at the commencement of FY21 and assessed at the end of the financial year, based on the Company's audited annual results and individual performance against non-financial targets.
PERFORMANCE CONDITIONS	For FY21, all STI targets for Senior Executives were aligned with the strategic goals across the Group. The composition of these targets is set out below for eligible STI participants in FY21.

Targets and Weightings (as a percentage of STI opportunity for target performance)

Senior Executive	Position	Profit before tax	Divisional Financial Measure(s)	Non-Financial Measures
Brad O'Connor	CEO	50%	20%	30%
Paul Maruff	Chief Science Officer	50%	N/A	50%
Ken Billard	Chief Commercial Officer	0%	100%	0%
Darren Watson	Chief Financial Officer	50%	N/A	50%
Ben Bloomfield	Chief Technology Officer	50%	N/A	50%

Profit before tax is the statutory result. All executives at Cogstate work towards the same Profit before tax goal.

Divisional financial measures comprise specific financial targets, at either a segment or Group level, that are specific to the individual executive and his or her area of expertise and control. Examples of divisional financial measures include:

- Achievement of Clinical Trials sales targets; and
- Achievement of segment profit contribution targets.

Other measures comprise specific targets and goals that are both strategic for the company and specific to the individual executive and his or her area of expertise and control. Examples of such non-financial measures include:

- Development of new technology platforms and/or new forms of assessment that are relevant for continued expansion of the Company's business.
- Conduct of scientific activity, such as publication of peer reviewed data, that supports use of Cogstate assessments or systems in commercial environments.
- Establishment of new sales channels.
- Implementation of operational efficiency measures or system updates; or
- Other divisional specific goals considered strategic to the business.

All of these are areas which are aligned with Cogstate's strategic goals and are key to positive outcomes for Cogstate and its stakeholders.

Performance against targets is assessed by the Board based on the Company's annual audited results and financial statements. The methods adopted to assess performance have been chosen as the Board believes they are the most appropriate way to assess the true financial performance of the company and determine remuneration outcomes.

TREATMENT ON CESSATION	On cessation of employment, Senior Executives are not entitled to any unpaid STI, other than where the Senior Executive resigns for illness or other approved reasons, or where employment is terminated due to redundancy. In such cases, the Senior Executive, subject to Board discretion, may receive a pro-rata STI award based on performance over the period of the year that they were employed.

8.2 STI awards for FY21

8.2.1 Details of FY21 STI outcomes for Senior Executives

Statutory profit before tax included one-off adviser expenses of ($0.5m) in the first half of the 2021 financial year and a one-off gain of $2.4m in the second half the 2021 financial year related to loan forgiveness (please see the note on page 18 of this Annual Report for details in respect of the loan forgiveness). Removing the impact of these one-off items, Profit Before Tax on an adjusted basis was $3.9m (+$0.1m in 1H21 and +$3.8m in 2H21). Assessment of STI awards for all executives was based upon adjusted, or underlying, profit before tax.

STI awards for Senior Executives ranged between threshold and target opportunity, reflecting relative achievement of financial and non-financial metrics.

The table below summarises the STI outcomes for each scorecard measure for eligible FY21 participants.

				Percentage of Maximum STI	
Senior Executives	**Profit Before Tax**	**Divisional Financial Measures**	**Non- Financial Measures**	**% Awarded**	**% Not awarded**
Brad O'Connor *CEO*	At target	Between threshold & target	Between threshold & target	90	10
Paul Maruff *Chief Innovation Officer*	At target	N/A	At target	100	-
Ken Billard *Chief Commercial Officer*	N/A	At target	N/A	65	35
Darren Watson *Chief Financial Officer*	At target	N/A	At target	100	-
Ben Bloomfield *Chief Technology Officer*	At target	N/A	Between threshold & target	90	10

Key ● At target ● Between threshold & target

8.3 Long Term Incentive (LTI)

8.3.1 LTI Policy FY21

PURPOSE	The LTI is designed to align the interests of Senior Executives with the interests of shareholders by providing the opportunity for participants to receive an equity interest in Cogstate through the granting of options via the Employee Option Plan. Growth remains a key aspect of Cogstate's strategic plan and it is appropriate that Senior Executives be incentivised to achieve targets which demonstrate sustainable growth. LTI grants are not made each year but are made as considered appropriate to attract new executives as well as provide both incentive and retention for existing executives.
PARTICIPATION	Select Senior Executives were granted options under the LTI in FY21. The decision to award a grant of options was based upon the balance of LTI for those individuals at the beginning of the year.
VEHICLE AND ALLOCATION METHODOLOGY	Options are issued for nil consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at the specified exercise price. One third of the options may be exercised after two years. The remaining two thirds can be exercised after the following year. Options may also have performance hurdles that must be met prior to vesting; the grant of options to both the CEO, the CFO and the CTO during FY21 included such performance hurdles. Since June 2009 options issued expire after five years. Options are calculated at fair value using a binomial option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. For further details relating to the options, refer to Note 30. Each option holder does not carry any voting or dividend entitlements.

PERFORMANCE CRITERIA	In respect of LTI issued during the 2021 financial year, the vesting criteria for LTI issued is outlined below: The CEO LTI was subject to the following commercial hurdles: I. The completion of a commercial deal with a pharmaceutical company or other company to utilise Cogstate's technology for triaging of patients into the prescription of an Alzheimer's disease modifying drug AND the approval of the drug in question by the FDA; or II. The achievement of US$7.5 million annual EBIT in any one year. LTI issued to both the Chief Financial Officer and Chief Technology Officer was broken into three tranches, with all having a time based vesting component, and: I. 30% of total options, with no performance vesting criteria; II. 35% of total options vesting is subject to the company exceeding $4m EBIT in respect of any one financial year from FY22 to FY24; and III. 35% of total options vesting is subject to the company exceeding $7 million EBIT collectively over FY22 to FY24.
TREATMENT ON CESSATION	Where a participant ceases employment for cause or due to resignation (other than due to death, ill health, or disability) all unvested Employee Share Options will automatically lapse. In all other circumstances, the Employee Share Options will remain on foot and subject to the original performance conditions, as if the participant had not ceased employment. However, pursuant to the ESOP Rules, the Board retains absolute discretion to determine to vest or lapse some or all Employee Share Options in all circumstances.
CHANGE OF CONTROL	Where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the Employee Share Options. Where only some of the Employee Share Options are vested on a change of control, the remainder of the Employee Share Options will immediately lapse.

8.3.2 LTI under the Employee Share Option Plan granted to KMP in FY21

Senior Executive	Position	Number of Options Granted	Grant Date	Exercise price per option (A$)	Share price on Grant Date (A$)
Brad O'Connor	CEO	1,250,000	27 October 2020	0.782	1.21
Paul Maruff	Chief Science Officer	223,125	31 July 2020	0.69	0.54
Darren Watson	Chief Financial Officer	1,000,000	17 March 2021	1.00	0.96
Ben Bloomfield	Chief Technology Officer	1,000,000	17 March 2021	1.00	0.96

The relative proportions of remuneration that are linked to performance are as follows:

	STI		LTI*	
Consolidated	**2021**	**2020**	**2021**	**2020**
Non-Executive Directors of Cogstate Limited				
Martyn Myer	0.00%	0.00%	0.00%	6.59%
David Dolby	0.00%	0.00%	0.00%	4.90%
Richard Mohs	0.00%	0.00%	0.00%	0.00%
Ingrid Player	0.00%	0.00%	0.00%	0.00%
Richard Van Den Broek	0.00%	0.00%	0.00%	4.90%
Kim Wenn[1]	0.00%	0.00%	0.00%	0.00%
Executive Director of Cogstate Limited				
Brad O'Connor	50.18%	49.69%	11.76%	4.91%
Key Management Personnel				
Paul Maruff	39.64%	36.77%	6.48%	5.88%
Ken Billard	32.52%	49.12%	15.40%	2.06%
Darren Watson[2]	26.86%	0.00%	15.92%	0.00%
Ben Bloomfield[3]	25.32%	0.00%	14.62%	0.00%

* Since the long-term incentives are provided exclusively by way of options, the percentages disclosed also reflect the value of remuneration consisting of options, based on the value of options expensed during the year

[1] Kim Wenn was appointed effective 30 November 2020

[2] Darren Watson commenced employment effective 01 February 2021

[3] Ben Bloomfield commenced employment effective 11 January 2021

9. Executive service agreements

9.1 Key terms of executive service agreement for Brad O'Connor (CEO)

Duration	Ongoing
Periods of notice required to terminate	Either party may terminate the contract by providing twelve months written notice. The Company may terminate the contract immediately upon the event of certain specified acts or omissions by Mr O'Connor.
Termination payments	May not exceed the maximum amount which the Company is permitted to pay the CEO under the *Corporations Act 2001*. STI is not payable where the CEO has resigned and terminates before the payment becomes payable (as determined at the sole discretion of the Board). STI is payable if the STI becomes due and employment is terminated by the Company, other than for cause. Unvested Employee Share Options will be treated in accordance with the relevant Plan Rules. Any Employee Share Options that are vested may be exercised by Mr. O'Connor within a 30-day period. Any options that are unvested, or any vested options not exercised within 30 days of termination of the employment contract, will be forfeited.

9.2 Key terms of executive service agreement for other Senior Executives

Duration	Ongoing
Periods of notice required to terminate	Other Senior Executives have 1-6-month notice periods (other than where employment is terminated for serious misconduct, in which case no notice is required). Payment in lieu of all or a portion of the notice period may be made at the Company's discretion.
Termination payments	May not exceed the maximum amount which the Company is permitted to pay the Senior Executive under the *Corporations Act 2001*. STI is not payable where the Senior Executive has resigned and terminates before the payment becomes payable (as determined at the sole discretion of the Board). STI is payable if the STI becomes due and employment is terminated by the Company, other than for cause. Unvested Employee Share Options will be treated in accordance with the relevant Plan Rules. Any Employee Share Options that are vested may be exercised within a 30-day period. Any options that are unvested, or any vested options not exercised within 30 days of termination of the employment contract, will be forfeited.

The *Corporations Act 2001* restricts the termination benefits that can be provided to KMP on cessation of their employment unless shareholder approval is obtained.

10. Statutory remuneration disclosures

10.1 Movements in Employee Share Options held by Senior Executives

Options granted to Non-Executive Directors, Executive Directors and Key Management Personnel during the year are detailed in the below table:

FY2021	Granted number	Grant date	Fair value per option grant date	Exercise price per share A$	Final vesting date	First exercise date	Last exercise date	Value of option granted during the year US$	Value of option exercised during the year US$*	Value of option lapsed during the year US$	Amount paid for option exercised#
Non- Executive Directors of Cogstate Limited											
M Myer	-	-	-	-	-	-	-	-	-	-	-
D Dolby	-	-	-	-	-	-	-	-	16,056	-	-
R Mohs	-	-	-	-	-	-	-	-	-	-	-
I Player	-	-	-	-	-	-	-	-	-	-	-
R van den Broek	-	-	-	-	-	-	-	-	16,173	-	-
K Wenn[1]	-	-	-	-	-	-	-	-	-	-	-
Executive Directors of Cogstate Limited											
B O'Connor	1,250,000	27/10/20	-	0.782	27/10/23	27/10/22	27/10/25	-	-	-	630,000
Key Management Personnel											
P Maruff	223,125	15/11/20	-	0.69	31/08/23	31/08/22	15/09/25	-	-	-	-
K Billard	-	-	-	-	-	-	-	-	-	-	-
D Watson[2]	1,000,000	17/03/21	-	1.00	28/08/24	28/02/23	28/08/26	-	-	-	-
B Bloomfield[3]	1,000,000	17/03/21	-	1.00	28/08/24	28/02/23	28/08/26	-	-	-	-

* The value of options (at the exercise date) granted as part of remuneration that were exercised during the year has been determined as the intrinsic value of the options at that date (being the difference between the exercise price and the underlying share price at date of exercise)

No amounts remain unpaid on options exercised during the year

[1] K Wenn appointed director effective 30 November 2020

[2] D Watson commenced employment effective 01 February 2021

[3] B Bloomfield commenced employment effective 11 January 2021

10.2 Equity instrument disclosures relating to key management personnel

(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Cogstate Limited and other key management personnel of the Group, including their personally related parties, are set out below.

Consolidated 2021 Name	Balance at start of the year*	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Cogstate Limited							
M Myer	200,000	-	-	-	200,000	200,000	-
B O'Connor	1,750,000	1,250,000	(750,000)	-	2,250,000	-	2,250,000
D Dolby	150,000	-	(50,000)	-	100,000	100,000	-
R van den Broek	150,000	-	(50,000)	-	100,000	100,000	-
Total	**2,250,000**	**1,250,000**	**(850,000)**	**-**	**2,650,000**	**400,000**	**2,250,000**
Other key management personnel of the Group							
P Maruff	650,000	223,125	-	-	873,125	383,333	489,792
K Billard	1,500,000	-	-	-	1,500,000	-	1,500,000
D Watson[1]	-	1,000,000	-	-	1,000,000	-	1,000,000
B Bloomfield[2]		1,000,000	-	-	1,000,000	-	1,000,000
J Glueck[3]	250,000	-	-	(250,000)	-	-	-
Total	**2,400,000**	**2,223,125**	**-**	**(250,000)**	**4,373,125**	**383,333**	**3,989,792**

*Opening balance has been restated to exclude holdings of related parties

[1] D Watson commenced employment effective 01 February 2021

[2] B Bloomfield commenced employment effective 11 January 2021

[3] J Glueck ceased as a KMP in FY21 and ceased employment effective 26 February 2021

All vested options are exercisable at the end of the year.

Consolidated 2020 Name	Balance at start of the year*	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Cogstate Limited							
M Myer	200,000	-	-	-	200,000	200,000	-
B O'Connor	1,850,000	1,000,000	(1,100,000)	-	1,750,000	750,000	1,000,000
D Dolby	200,000	-	(50,000)	-	150,000	150,000	-
R van den Broek	150,000	-	-	-	150,000	150,000	-
Total	**2,400,000**	**1,000,000**	**(1,150,000)**	**-**	**2,250,000**	**1,250,000**	**1,000,000**
Other key management personnel of the Group							
P Maruff	650,000	-	-	-	650,000	250,000	400,000
K Billard[1]	-	1,500,000	-	-	1,500,000	-	1,500,000
J Glueck[2]	-	250,000	-	-	250,000	-	250,000
L Albers[3]	878,572	-	(128,572)	(750,000)	-	-	-
R Gleeson[4]	650,000	-	-	(650,000)	-	-	-
Total	**2,178,572**	**1,750,000**	**(128,572)**	**(1,400,000)**	**2,400,000**	**250,000**	**2,150,000**

*Opening balance has been restated to exclude holdings of related parties

[1] Ken Billard commenced employment effective 18 November 2019

[2] John Glueck commenced employment effective 18 February 2020

[3] L Albers ceased employment effective 25 October 2019

[4] R Gleeson ceased employment effective 15 January 2020

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Cogstate Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Consolidated 2021 Name	Balance at the start of the year*	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Cogstate Limited				
Ordinary shares				
M Myer	23,614,566	-	-	23,614,566
B O'Connor	5,873,102	750,000	(2,250,000)	4,373,102
D Dolby	25,782,802	50,000	-	25,832,802
R Mohs	55,000	-	-	55,000
I Player	134,098	-	-	134,098
R van den Broek	4,308,500	50,000	-	4,358,500
K Wenn[1]	-	-	900	900
Other key management personnel of the Group				
P Maruff	500,000	-	-	500,000

*Opening balance has been restated to exclude holdings of related parties

[1] K Wenn appointed director effective 30 November 2020

Consolidated 2020 Name	Balance at the start of the year*	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Cogstate Limited				
Ordinary shares				
M Myer	21,467,786	-	2,146,780	23,614,566
B O'Connor	4,839,183	1,100,000	(66,081)	5,873,102
D Dolby	21,441,389	50,000	4,291,413	25,782,802
R Mohs	55,000	-	-	55,000
I Player[1]			134,098	134,098
R van den Broek	3,935,000	-	373,500	4,308,500
J McAloon[2]	53,000	-	(53,000)	-
Other key management personnel of the Group				
P Maruff	500,000	-	-	500,000
L Albers[3]	121,428	128,572	(250,000)	-

*Opening balance has been restated to exclude holdings of related parties

[1] I Player appointed director effective 29 August 2019

[2] J McAloon retired effective 21 October 2019

[3] L Albers ceased employment effective 25 October 2019

Director-related entity transactions

Directors of the Company and their director-related entities, conduct transactions with the Company within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the Company would have adopted if dealing with a director or director-related entity at arm's length in similar circumstances.

A related party of Brad O'Connor is employed by Cogstate Ltd. Remuneration and terms of this employment are made on a normal arm's length basis.

A related party of Martyn Myer is employed by Cogstate Ltd. Remuneration and terms of this employment are made on a normal arm's length basis.

End of audited remuneration report.

This report is made in accordance with a resolution of directors.

Martyn Myer AO, Chairman
Melbourne, 24 August 2021

Financial Report

These financial statements are the consolidated financial statements of the Group consisting of Cogstate Limited and its subsidiaries. A list of the major subsidiaries is included in Note 28. The financial statements are presented in US dollars.

Cogstate Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian securities exchange (ASX:CGS).

Its registered office is: Cogstate Limited, Suite 117, 425 Smith Street Fitzroy Vic 3065 Australia

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report.

The financial statements were authorised for issue by the directors on 24 August 2021.

Financial Statements

Notes to the Financial Statements

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Notes	2021 US$	Restated 2020 US$
Operations			
Revenue	5	32,686,396	22,771,196
Finance income	5	10,194	11,989
Total revenue	5	32,696,590	22,783,185
Cost of sales	6	(15,205,319)	(13,586,477)
Gross profit		**17,491,271**	**9,196,708**
Other income	7	2,466,310	68,710
Employee benefits expense	8	(7,882,718)	(6,159,812)
Depreciation & amortisation	9	(1,839,043)	(1,708,837)
Occupancy		(263,235)	(85,562)
Marketing		(106,670)	(163,709)
Professional fees		(1,473,526)	(888,235)
General administration		(2,114,512)	(2,484,301)
Net foreign exchange gain/(loss)		(393,582)	(81,803)
Travel expenses		31,029	(522,535)
Finance expenses		(89,316)	(152,611)
Other income/(expenses)		(5,738)	(12,603)
Profit/(loss) before income tax		**5,820,270**	**(2,994,590)**
Income tax (expense)/benefit	10	(586,987)	1,038,006
Profit/(loss) from continuing operations		**5,233,283**	**(1,956,584)**
Profit/(loss) for the year		**5,233,283**	**(1,956,584)**
Total comprehensive profit/(loss)		**5,233,283**	**(1,956,584)**
Profit/(loss) is attributable to:			
Owners of Cogstate Limited		5,233,283	(1,956,584)
Total comprehensive profit/(loss) for the year is attributable to:			
Owners of Cogstate Limited		5,233,283	(1,956,584)
Total comprehensive profit/(loss) for the year attributable to owners of Cogstate Limited arises from:			
Continuing operations		5,233,283	(1,956,584)

		Cents	Restated Cents
Earnings per share from profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic profit/(loss) per share	13(a)	3.07	(1.23)
Diluted profit/(loss) per share	13(b)	3.02	(1.23)
Earnings per share from profit/(loss) attributable to the ordinary equity holders of the Company			
Basic profit/(loss) per share	13(a)	3.07	(1.23)
Diluted profit/(loss) per share	13(b)	3.02	(1.23)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying Notes.

Consolidated statement of financial position
As at 30 June 2021

	Notes	2021 US$	Restated 2020 US$
ASSETS			
Current assets			
Cash and cash equivalents	14	23,640,789	10,330,777
Trade and other receivables	15	7,851,228	4,279,881
Other current assets	16	2,580,641	1,494,782
Total current assets		**34,072,658**	**16,105,440**
Non-current assets			
Property, plant and equipment	17	1,204,718	1,270,833
Intangible assets	18	8,718,811	6,945,603
Lease assets	19	1,590,165	2,344,086
Deferred tax assets	11	5,797,150	5,252,194
Total non-current assets		**17,310,844**	**15,812,716**
Total assets		**51,383,502**	**31,918,156**
LIABILITIES			
Current liabilities			
Trade and other payables	20	8,739,882	7,665,806
Deferred revenue	21	7,134,583	361,492
Short-term borrowings	22	-	2,532,712
Provisions	23	2,452,717	1,900,093
Lease liabilities	19	606,619	775,326
Total current liabilities		**18,933,801**	**13,235,429**
Non-current liabilities			
Provisions	23	23,828	4,943
Deferred revenue	21	8,892,150	815,220
Lease liabilities	19	1,133,790	1,744,271
Deferred tax liabilities	12	616,596	630,562
Total non-current liabilities		**10,666,364**	**3,194,996**
Total liabilities		**29,600,165**	**16,430,425**
Net assets		**21,783,337**	**15,487,731**
EQUITY			
Share capital	24	34,026,408	33,038,228
Other reserves	25	(1,440,309)	(1,304,460)
Accumulated losses		(10,802,762)	(16,246,037)
Capital and reserves attributable to owners of Cogstate Limited		**21,783,337**	**15,487,731**
Total equity		**21,783,337**	**15,487,731**

The above consolidated statement of financial position should be read in conjunction with the accompanying Notes.

Consolidated statement of changes in equity
For the year ended 30 June 2021

	Notes	Contributed equity US$	Share based payments reserve US$	Foreign currency translation reserve US$	Retained earnings US$	Total equity US$
		Attributable to owners of Cogstate Limited				
Balance as at 1 July 2019		25,341,756	1,896,341	(2,944,799)	(14,289,453)	10,003,845
Restated loss for the year		-	-	-	(1,956,584)	(1,956,584)
Total comprehensive income for the year		**-**	**-**	**-**	**(1,956,584)**	**(1,956,584)**
Transactions with owners in their capacity as owners						
Issue of capital	24(b)	7,460,805	-	-	-	7,460,805
Transfer to share capital on exercise of options	24(b)	138,336	(138,336)	-	-	-
Exercise of options	24(b)	229,950	-	-	-	229,950
Cost of share-based payment	25(a)	-	(117,666)	-	-	(117,666)
Cost of issue of shares	24(b)	(132,619)	-	-	-	(132,619)
As at 30 June 2020 (restated)		**33,038,228**	**1,640,339**	**(2,944,799)**	**(16,246,037)**	**15,487,731**
As at 1 July 2020 (restated)		33,038,228	1,640,339	(2,944,799)	(16,246,037)	15,487,731
Profit for the year		-	-	-	5,233,283	5,233,283
Total comprehensive income for the year		**-**	**-**	**-**	**5,233,283**	**5,233,283**
Dissolution of foreign subsidiary	28	-	-	(209,992)	209,992	-
Transactions with owners in their capacity as owners						
Transfer to share capital on exercise of options	24(b)	380,209	(380,209)	-	-	-
Exercise of options	24(b)	607,971	-	-	-	607,971
Cost of share-based payment	25(a)	-	454,352	-	-	454,352
As at 30 June 2021		**34,026,408**	**1,714,482**	**(3,154,791)**	**(10,802,762)**	**21,783,337**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying Notes.

Consolidated statement of cash flows
For the year ended 30 June 2021

	Notes	2021 US$	2020 US$
Cash flows from operating activities			
Receipts from customers		42,736,588	24,661,614
Payments to suppliers and employees		(25,953,119)	(22,323,384)
Finance costs		(44,069)	(74,351)
Government grants and tax incentives		56,431	34,396
Net cash flows pre impact of pass-through charges		**16,795,831**	**2,298,275**
Net pass-through		(681,421)	(1,568,064)
Net cash flows from operating activities*	**27**	**16,114,410**	**730,211**
Cash flows (used in) investing activities			
Grant funds received (non-government)		633,333	726,667
Purchase of property, plant & equipment	17	(625,337)	(510,099)
Payment for capitalised software development costs	18	(2,631,227)	(2,626,409)
Repayment of short-term borrowings		-	(433,394)
Interest received		2,416	14,969
Net cash flows (used in) investing activities		**(2,620,815)**	**(2,828,266)**
Cash flows (used in)/from financing activities			
Proceeds from issue of shares	24(b)	607,971	7,690,755
Proceeds from borrowings (US PPP loan)	22	-	2,444,200
Principal portion of lease payments		(791,554)	(789,521)
Transaction costs of issue of shares	24(b)	-	(132,619)
Net cash flows (used in)/from financing activities		**(183,583)**	**9,212,815**
Net increase in cash and cash equivalents		**13,310,012**	**7,114,760**
Cash and cash equivalents at beginning of period		10,330,777	3,216,017
Cash and cash equivalents at end of year	**14**	**23,640,789**	**10,330,777**

*Net cash flows from operating activities account for the cash flows that relate to pass-through expenses paid on behalf of Cogstate customers.

The above consolidated statement of cash flows should be read in conjunction with the accompanying Notes.

Notes to the Consolidated Financial Statements

1 Summary of significant accounting policies

(a) Prior period adjustment

In August 2019, Cogstate entered into an agreement with pharmaceutical company, Eisai Co., Ltd., (Eisai) to distribute Cogstate technology in Japan. Under the exclusive licencing agreement, Eisai will market Cogstate technology as a digital cognitive assessment tool for cognition in Japanese markets (the Japan Licence). The agreement specifically excludes clinical trials, where Cogstate will continue to market its offering independently.

Following the execution of the Japan Licence, in October 2020, Cogstate announced that it had entered into a second agreement with Eisai to exclusively distribute Cogstate digital cognitive assessment technologies in healthcare and other markets world-wide, excluding Japan (the Global Licence). Again, the Global Licence specifically excludes clinical trials, where Cogstate will continue to market its offering independently.

Due to the significance of the global licensing agreement, the Group has reviewed its previous application of its accounting policy in respect of revenue relating to the grant of licences in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*. This has resulted in a change to the previous application of the policy and the Group has judged that the granting of licences and the provision of server access to support the tests should be accounted for as a single performance obligation. The associated revenue is recognised over the licence period, which coincides with the period of server access.

The effect of this change is that $1 million of revenue that had previously been recognised upfront upon granting of the Japan licences, will instead be recognised evenly over time over the ten-year licence period. As required by the accounting standards, this change is applied retrospectively, and as a result, the group has restated comparative revenue figures. This restatement has no impact on cash. For the Eisai Global agreement, the consideration promised in the contract, including the non-refundable upfront cash receipt and the initial five years of fixed minimum royalty payments totalling $25 million, will be recognised as revenue evenly over 6 years (commercial year 1 + 5 year agreement) as the enforceable term of the licence period.

Following the US Food and Drug Administration approval of ADUHELM in June 2021, the enforceable term of the license is now 10 years. As a result an additional $10 million for the minimum fixed royalty for years 6-10 will also be recognised, meaning $45 million will be recognised evenly over a period of 11 years (commercial year 1 + 10 year agreement).

The following tables illustrate the impact of the change with respect to the prior period adjustment:

(a)(i) Consolidated statement of profit or loss and other comprehensive income

	Notes	30 June 2020 US$	Increase/ (Decrease) US$	Restated 30 June 2020 US$
Consolidated statement of profit or loss and other comprehensive income (extract)				
Royalty income	5	2,350,910	(915,412)	1,435,498
Total revenue		**23,686,608**	**(915,412)**	**22,771,196**
Gross profit		**10,112,120**	**(915,412)**	**9,196,709**
Profit/(loss) before income tax		**(2,079,178)**	**(915,412)**	**(2,994,590)**
Income tax benefit		763,382	274,624	1,038,006
Profit/(loss) from continuing operations for the period		**(1,315,796)**	**(640,788)**	**(1,956,584)**
Total comprehensive loss		**(1,315,796)**	**(640,788)**	**(1,956,584)**

(a)(ii) Consolidated statement of financial position

	Notes	30 June 2020 US$	Increase/ (Decrease) US$	Restated 30 June 2020 US$
Consolidated statement of financial position (extract)				
Deferred tax assets	11	4,977,570	274,624	5,252,194
Total non-current assets		**15,538,092**	**274,624**	**15,812,716**
Total assets		**31,643,532**	**274,624**	**31,918,156**
Trade and other payables		7,665,806	-	7,665,806
Deferred revenue	21	261,300	100,192	361,492
Total current liabilities		**13,135,237**	**100,192**	**13,235,429**
Deferred revenue	21	-	815,220	815,220
Total non-current liabilities		**2,379,776**	**815,220**	**3,194,996**
Total liabilities		**15,515,013**	**915,412**	**16,430,425**
Net assets		**16,128,519**	**(640,788)**	**15,487,731**
Accumulated losses		(15,605,249)	(640,788)	(16,246,037)
Capital and reserves attributable to owners of Cogstate Limited		**16,128,519**	**(640,788)**	**15,487,731**
Total equity		**16,128,519**	**(640,788)**	**15,487,731**

(b) Basis of preparation

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Cogstate Limited and its subsidiaries.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Cogstate Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2020, including AASB 2018-7.

AASB 2018-7 principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The application of AASB 2018-7 has not materially impacted the financial statements of the Group.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2020.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by revaluations to fair value for certain classes of assets as described in the accounting policies, and derivative financial instruments, which have been measured at fair value.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(c) Principles of consolidation

The consolidated financial statements are those of the Group, comprising the financial statements of the parent entity and of all entities which the parent entity controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established.

(d) Foreign currency translation

(i) Transactions and balances

Transactions in foreign currencies of entities within the Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

All resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

(e) Revenue

The Group derives revenue from the sale of licenced software and cognitive testing services. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

Revenue from the provision of licenced software

The Group provides licenced software to Clinical Trials, Healthcare & Research customers, comprising access to the software.

Revenue is recognised at a point in time when the licenced software is released to the customer, as risks and rewards of ownership are considered passed to the buyer at this point. As such, no right to a refund exists.

Customers are generally invoiced on a monthly basis, and outstanding invoices are due for payment within 30-90 days of the invoice date.

Revenue from the provision of cognitive testing services

The Group's Clinical Trials division provides cognitive testing services to customers in respect to project management, data management, scientific consulting, statistical analysis, scales procurement, rater training and monitoring solutions. Revenue is recognised over time as the services are provided to the customer.

Customers are generally invoiced on a monthly basis, and outstanding invoices are due for payment within 30-90 days of the invoice date.

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods or services transferred to the customer. Contract assets are measured at the amount of consideration that the Group expects to be entitled in exchange for goods or services transferred to the customer.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted goods or services to the customer.

Grant income

Grant income, received from ADDF to develop a well-established memory test, called the International Shopping List Test (ISLT), for use on smartphones and tablets, shall be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Royalty income

The entitlement to a sales-based royalty in exchange for a licence of intellectual property is recognised as revenue as, or when, the subsequent sale occurs, or the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied), whichever event is the later to occur.

Interest income

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amounts of goods and services tax (GST).

(f) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Cogstate Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set out in the consolidated financial statements.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(h) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets that have an indefinite useful life are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use. Refer to Note 18 for further information.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of six months or less held at call with financial institutions.

Short term deposits are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. They are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(j) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the Group's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30-90 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Loans to related parties

Loans to related parties are debt instruments, and are classified (and measured) at amortised cost on the basis that:

(a) they are held within a business model whose objective is achieved by the group holding the financial asset to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

(a) debt instruments measured at amortised cost;

(b) debt instruments classified at fair value through other comprehensive income; and

(c) receivables from contracts with customers and contract assets.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. The 12-month expected credit losses is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

(a) significant financial difficulty of the issuer or the borrower;

(b) breach of contract;

(c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

(k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

- Office Equipment 3 - 15 years
- Computer Equipment 1 - 5 years
- Leasehold Improvements 5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(l) Intangible assets

(i) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets include acquired intellectual property rights over key business technologies and processes. These intangible assets relating to the Clinical Trials business unit have been determined to have indefinite useful lives and the cost model is utilised for their measurement. These technologies form the basis of the Cogstate business and this fact has allowed the Group to determine that these assets have an indefinite useful life.

Software development costs

Costs incurred in developing software are initially recognised as an asset, and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised costs of the software database platform is amortised over a useful life of 9 years which is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

(ii) Research and development

Expenditure on research activities is recognised as an expense as incurred.

Expenditure on development activities is capitalised only when technical feasibility studies demonstrate that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible assets over their estimated useful lives, of 9 years. Amortisation commences when the asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liabilities are settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Other long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

(iii) Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of equity-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

- The Non-Executive Director Share Option Plan (NEDOP), which provides benefits to directors. Previously non-executive directors, with the approval of shareholders, have been issued equity in the form of options under the non-executive director option plan, but this practice has ceased.
- The Employee Share Option Plan (ESOP), which provides benefits to senior executives and employees. Information relating to these schemes is set out in Note 30.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model, further details of which are given in Note 30.

In valuing equity-settled transactions, the Board has the option to impose additional vesting criteria, in the form of performance hurdles that must be met before an option will vest; as well as no account is taken of any performance conditions, other than conditions linked to the price of the shares of Cogstate Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of

(i) the grant date fair value of the award;

(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met and

(iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 13).

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis except for the GST component of investing or financing activities which are presented as operating cash flows.

(p) Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Rounding of amounts

The Group has applied the relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar, or in certain cases, to the nearest thousand dollars (where indicated).

(s) Going Concern Assumption

The 2021 financial statements have been prepared on a going concern basis. This is based on the Group continuing to be in a positive net asset position and continuing to carry significant cash reserves that enable the Group to meet its debts as and when they fall due.

2 Financial risk management

The Group's principal financial instruments comprise receivables, payables, cash, short-term deposits and derivatives.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Audit, Risk & Compliance Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit allowances, and future cash flow forecast projections.

The Group holds the following financial instruments:

	2021 US$	Restated 2020 US$
Financial assets		
Cash and cash equivalents	23,640,789	10,330,777
Trade and other receivables	7,851,228	4,279,881
	31,492,017	**14,610,658**
Financial liabilities		
Trade and other payables	8,739,882	7,665,806
Short term borrowings	-	2,532,712
Lease liabilities	1,740,409	2,519,597
	10,480,291	**12,718,115**

(a) Market risk

(i) Foreign exchange risk

Approximately 98% (2020: 99.9%) of the Group's sales are denominated in the functional currency, whilst approximately 78% (2020: 80%) of costs are denominated in the Group's functional currency.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in USD, was as follows:

	30 June 2021 US$	Restated 30 June 2020 US$
Cash and cash equivalents	1,617,639	785,806
Trade receivables	239,447	174,336
Trade payables	(42,076)	(131,081)
Provisions	(1,199,114)	(932,252)
Income tax	-	(39,541)
Net exposure	**615,896**	**(142,732)**

Sensitivity

At 30 June 2021, had the US Dollar moved, as illustrated in the table below, with all other variables held constant and based on a base rate of US$1.00 = A$1.3301 and US$1.00 = EUR0.8406 and US$1.00 = CAD$1.2394, post tax profit and equity would have been affected as follows:

	Post tax profit/(loss)		Equity	
	Better/(Worse) 2021 US$	Restated Better/(Worse) 2020 US$	Better/(Worse) 2021 US$	Restated Better/(Worse) 2020 US$
USD:AUD+10%	37,687	(422,352)	37,687	(422,352)
USD:EUR+10%	(10,453)	(3,821)	(10,453)	(3,821)
USD:CAD+10%	162,729	(11,663)	162,729	(11,663)
TOTAL	**189,963**	**(437,836)**	**189,963**	**(437,836)**
USD:AUD-10%	(37,687)	422,352	(37,687)	422,352
USD:EUR-10%	10,453	3,821	10,453	3,821
USD:CAD-10%	(162,729)	11,663	(162,729)	11,663
TOTAL	**(189,963)**	**437,836**	**(189,963)**	**437,836**

Management believes that the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

(ii) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash on hand and short term deposits which are subject to varying interest rates.

At balance date the Group had the following mix of financial assets exposed to variable interest rate risk shown in USD.

	30 June 2021 US$	30 June 2020 US$
Cash at bank and on hand	810,085	306,928
Short term deposits	9,909,556	91,824
Short term borrowing	-	(2,532,712)
Lease liabilities	(1,740,409)	(2,519,597)
Net exposure	**8,979,232**	**(4,653,557)**

Sensitivity

If interest rates were to increase/decrease by 1%/(0.5%) from rates used for the entire year, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	Post tax profit/(loss)		Equity	
	Better/(Worse) 2021 US$	Better/(Worse) 2020 US$	Better/(Worse) 2021 US$	Better/(Worse) 2020 US$
Increase 1%	89,792	(46,536)	89,792	(46,536)
Decrease 0.5%	(44,896)	23,268	(44,896)	23,268

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprises cash, short term deposits, and trade receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable Note.

There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of major Australian and US financial institutions to minimise the risk of default of counterparties.

The Group trades only with recognised, credit-worthy third parties, and as such collateral is not requested nor is it the Group's policy to secure its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(c) Liquidity risk

All financial liabilities are able to be settled as and when they fall due. The following table outlines the Group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

	< 6 months US$	> 6 months US$	Total contractual cash flows US$	Carrying amount US$
30 June 2021				
Payables	6,983,964	-	6,983,964	6,983,964
Insurance premium funding	-	-	-	-
Lease liabilities	352,141	1,438,797	1,790,938	1,740,409
US PPP Loan	-	-	-	-
Total	**7,336,105**	**1,438,797**	**8,774,902**	**8,724,373**
30 June 2020				
Payables	6,822,842	-	6,822,842	6,822,842
Insurance premium funding	88,512	-	88,512	88,512
Lease liabilities	444,984	2,185,760	2,630,744	2,519,597
US PPP Loan	2,444,200	-	2,444,200	2,444,200
Total	**9,800,538**	**2,185,760**	**11,986,298**	**11,875,151**

(d) Fair value measurements

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and Notes to the financial statements.

3 Critical accounting estimates and judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and tax losses in Australia and the United States as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and tax losses. No tax losses have been recognised as deferred tax assets from losses incurred in Spain. In addition, no deferred tax asset has been recognised with respect to the potential use of US R&D and CT tax credits.

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Impairment of intangibles with indefinite useful lives

The Group determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. No impairment loss was recognised during the current year. The assumptions used in this estimation of recoverable amount and the carrying amount of intangibles with indefinite useful lives are discussed in Note 18.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model, with the assumptions detailed in Note 30. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity. For options with performance based hurdles, probabilities have been assessed at 30 June as to whether the hurdles will be met by the option vesting dates.

Long service leave provision

As discussed in Note 1(n), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in Note 9.

4 Segment information

(a) Description of segments

Identification of reportable segments

The Group has four reportable segments as described below:

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (deemed the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the market the services are provided in (i.e. cognitive testing in clinical trials, cognitive assessment in academic research and cognitive assessment in healthcare). Discrete financial information is reported to the executive management team on at least a monthly basis, as these are the source of the Group's major risks and have the most effect on the rates of return.

The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest revenue
- Interest expense
- Foreign exchange gain/(loss)
- Profit/(loss) on disposal of assets
- Finance costs
- Depreciation expense (indirect)
- Other income
- Administration costs

Types of services

Cogstate's first operating segment is cognitive testing in clinical trials. In this market, Cogstate's technology and associated services are used to quantify the effect of disease and of drugs, devices or other interventions on human subjects participating in clinical trials primarily conducted by pharmaceutical, and biotechnology companies.

The second operating segment is the healthcare market. In this market, the technology and associated services are being developed as a tool for primary care physicians and/or hospitals to assess cognitive decline.

The third identified segment is provision of technology and associated services to academic researchers.

The fourth identified segment is the administration costs of the business that do not relate to a specific segment.

Although sales in each market are conducted in different geographic regions, none has been determined as operating or reporting segments as often the geographic source of the revenue can differ to the geographic source of the costs for the same project. Therefore management currently review internal reports based on worldwide revenue and results.

(b) Segment information

The following table present revenue and profit/(loss) information regarding the segments of clinical trials, healthcare and research markets for the years ended year ended 30 June 2021 and 30 June 2020.

2021	Clinical Trials US$	Healthcare US$	Research US$	Administration US$	Total US$
Sales to external customers	28,667,707	3,758,790	259,899	-	32,686,396
Cost of sales	(13,213,693)	(799,871)	(731,788)	-	(14,745,352)
Direct depreciation	(459,967)	-	-	-	(459,967)
Segment gross profit	**14,994,047**	**2,958,919**	**(471,889)**	**-**	**17,481,077**
Interest revenue	-	-	-	10,194	10,194
Gross comprehensive income	**14,994,047**	**2,958,919**	**(471,889)**	**10,194**	**17,491,271**
Operating profit	14,994,047	2,958,919	(471,889)	(11,803,384)	5,677,693
Depreciation	-	-	-	(1,839,043)	(1,839,043)
FX gain/(loss), realised and unrealised	-	-	-	(393,582)	(393,582)
Profit/(loss) on disposal of assets	-	-	-	(1,792)	(1,792)
Government income	-	-	-	22,110	22,110
US PPP loan (non-operating income)	-	-	-	2,444,200	2,444,200
Finance costs	-	-	-	(89,316)	(89,316)
Segment result	**14,994,047**	**2,958,919**	**(471,889)**	**(11,660,807)**	**5,820,270**

Restated 2020	Clinical Trials US$	Healthcare US$	Research US$	Administration US$	Total US$
Sales to external customers	21,075,922	1,435,498	259,776	-	22,771,196
Cost of sales	(12,235,674)	(114,718)	(936,718)	-	(13,287,110)
Direct depreciation	(299,367)	-	-	-	(299,367)
Segment gross profit	**8,540,881**	**1,320,780**	**(676,942)**	**-**	**9,184,719**
Interest revenue	-	-	-	11,989	11,989
Gross comprehensive income	**8,540,881**	**1,320,780**	**(676,942)**	**11,989**	**9,196,708**
Operating profit	8,540,881	1,320,780	(676,942)	(10,305,783)	(1,121,064)
Depreciation	-	-	-	(1,708,837)	(1,708,837)
FX gain/(loss), realised and unrealised	-	-	-	(81,803)	(81,803)
Profit/(loss) on disposal of assets	-	-	-	1,015	1,015
Proceeds from sale of Axon Sports	-	-	-	68,710	68,710
Finance costs	-	-	-	(152,611)	(152,611)
Segment result	**8,540,881**	**1,320,780**	**(676,942)**	**(12,179,309)**	**(2,994,590)**

(c) Segment Revenue

Cogstate Ltd had two external customers whose individual contribution to total Cogstate Ltd revenue exceeded 10% during the current financial year. These customers and their respective contributions to total revenue included:

- Eli Lilly and Company $9.6m
- Eisai Co Ltd $3.5m

In 2020, Cogstate Ltd had one external customer whose respective contribution to total Cogstate Ltd revenue exceeded 10%. This customer and their respective contributions to total revenue included:

- Eli Lilly and Company $3.8m

Consistent with the requirements of AASB 8, as the Chief Operating Decision Maker does not receive information regarding segment assets, no disclosure of segment assets has been provided.

5 Revenue

	2021 US$	Restated 2020 US$
Timing of revenue recognition		
At a point in time*		
Clinical Trials	5,452,838	4,831,326
Healthcare**	870,171	1,350,910
Research	259,899	259,776
	6,582,908	**6,442,012**
Over time*		
Clinical Trials	23,214,869	16,244,596
Healthcare	2,888,619	84,588
	26,103,488	**16,329,184**
Finance income	**10,194**	**11,989**
	32,696,590	**22,783,185**

* For a definition of point in time and over time, refer to Note 1(e).

** FY20 Healthcare revenue restatement: Per Note 1(a), during the year Cogstate entered into a new global contract to grant licences to its intellectual property to its customer, Eisai. The effect of this change is that $1.0 million of revenue that had previously been recognised upfront upon granting of the Japan licences, will instead be recognised evenly over time over the ten-year licence period.

	2021 US$	Restated 2020 US$
The aggregate amount of transaction prices (unrecognised revenue) allocated to remaining performance obligations, at the reporting date, is as follows:		
Clinical Trials (contracted future revenue)	58,424,721	39,437,244
Healthcare (contracted future revenue)	43,026,793	915,412
	101,451,514	**40,352,656**

6 Cost of sales

	2021 US$	2020 US$
Direct wages and salaries	(12,940,521)	(12,255,657)
Direct contractor	(999,958)	(604,263)
Direct depreciation	(459,967)	(299,367)
Other cost of sales	(804,873)	(427,190)
Total cost of sales	**(15,205,319)**	**(13,586,477)**

7 Other income

	2021 US$	2020 US$
Government Income	22,110	68,710
US PPP Loan (non-operating income)*	2,444,200	-
	2,466,310	**68,710**

*In May 2020, Cogstate Inc secured a US$2.44 million loan from Citibank under the Paycheck Protection Program (PPP). The PPP allowed businesses and non-profits with fewer than 500 employees to obtain loans of up to $10 million to incentivise companies to maintain their workforce as they managed the business disruptions caused by COVID-19 pandemic. On 15 June 2021, Cogstate Inc received confirmation that this loan had been forgiven.

8 Employee benefit expense

	2021 US$	2020 US$
Wages and salaries	(9,537,935)	(8,491,389)
Less capitalisation of software costs	2,109,569	2,213,911
Share based payment expense	(454,352)	117,666
Total employee benefits expense	**(7,882,718)**	**(6,159,812)**

9 Depreciation and amortisation expense

Depreciation and amortisation included in the profit or loss	2021 US$	2020 US$
Depreciation (direct)*	(459,967)	(299,367)
	(459,967)	**(299,367)**
Depreciation (indirect)	(229,693)	(267,391)
Depreciation (lease assets)	(751,331)	(817,798)
Amortisation (intangibles)	(858,019)	(623,648)
Total depreciation (indirect) and amortisation	**(1,839,043)**	**(1,708,837)**
Total depreciation and amortisation	**(2,299,010)**	**(2,008,204)**

*Depreciation (direct) on equipment used directly in the generation of revenue has been disclosed as part of Cost of Sales in Note 6.

10 Income tax expense

(a) Income tax expense/(benefit)

	2021 US$	Restated 2020 US$
Current tax	1,301,655	376,413
Deferred tax	(555,481)	(1,220,724)
(Over)/under provision in prior years	(159,187)	(193,695)
	586,987	(1,038,006)
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing activities	586,987	(1,038,006)

(b) Reconciliation of income tax expense to prima facie tax expense/(benefit)

	2021 US$	Restated 2020 US$
Profit/(loss) from continuing operations before income tax expense	5,820,270	(2,994,590)
Prima Facie Tax at the Australian tax rate of 30.0% (2019 - 30.0%)	1,746,081	(898,377)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Differences in tax rates	(185,432)	(135,150)
Tax losses not recognised	71,149	40,310
(Over)/under provision in prior years	(159,187)	(193,695)
Income not assessable for income tax purposes	(671,697)	(20,608)
Foreign subsidiary loan forgiveness – non-deductible/assessable	(450,414)	-
Non deductible share based payments	121,148	(24,015)
Expenditure not deductible for income tax purposes	115,339	193,529
	586,987	**(1,038,006)**

(c) Tax losses

	2021 US$	2020 US$
Opening balance - Unrecognised deferred tax asset on unused tax losses	504,335	464,025
Potential tax benefit of foreign losses (current year)	71,149	40,310
Closing balance - Unrecognised deferred tax asset on unused tax losses	575,484	504,335
Unrecognised deferred tax asset for US R&D and CT credits	1,092,162	1,290,682

The benefit will only be obtained if:

(a) the Spanish company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;

(b) the Spanish company continues to comply with the conditions for deductibility imposed by law;

(c) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses; and

(d) the US R&D and CT credits will become certain to be utilised before they expire.

11 Non-current assets - Deferred tax assets

	2021 US$	Restated 2020 US$
Tax losses	1,147,638	3,271,761
R&D tax offsets	-	933,533
Employee benefits	679,092	523,312
Accrued expenses	896	756
Deferred revenue	3,908,038	274,624
Foreign exchange	-	153,660
Capital raising costs	23,925	31,901
Provision for doubtful debts	-	18,261
Lease assets and lease liabilities	37,561	44,386
	5,797,150	**5,252,194**

In Cogstate Ltd tax losses of US$1,147,638 are available for future use as at 30 June 2021 (30 June 2020: US$3,271,761). The majority of tax losses and all R&D tax offsets have been absorbed primarily due to an upfront royalty payment of US$15 million in conjunction with our Global License Agreement with Eisai Co Ltd.

In Cogstate Inc there are no tax losses available for future use at 30 June 2021.

Tax losses incurred in Spain have not yet been recognised as a deferred tax asset for future use.

12 Non-current liabilities - Deferred tax liabilities

	2021 US$	2020 US$
Accrued interest income	-	1,033
Foreign exchange	616,596	627,515
Intangible assets	-	2,014
	616,596	**630,562**

13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Basic earnings per share

	2021 US Cents	Restated 2020 US Cents
From continuing operations attributable to the ordinary equity holders of the Company	3.07	(1.23)
Total basic earnings per share attributable to the ordinary equity holders of the Company	3.07	(1.23)

(b) Diluted earnings per share

	2021 US Cents	Restated 2020 US Cents
From continuing operations attributable to the ordinary equity holders of the Company	3.02	(1.23)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	3.02	(1.23)

(c) Reconciliation of earnings used in calculating earnings per share

	2021 US$	Restated 2020 US$
Basic earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
Used in calculating basic earnings per share	5,233,283	(1,956,584)
Diluted earnings per share		
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company		
Used in calculating diluted earnings per share	5,233,283	(1,956,584)

(d) Weighted average number of shares used as denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	170,333,993	159,364,244
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	173,060,429	159,364,244

(e) Information on the classification of securities

(i) Options

Options granted to employees under the Cogstate Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 30.

14 Current assets - Cash and cash equivalents

	2021 US$	2020 US$
Cash at bank and in hand	13,631,233	10,138,953
Short-term deposits	10,009,556	191,824
Total cash and short term deposits	**23,640,789**	**10,330,777**

Net cash

The Group had $22.4 million net cash as at 30 June 2021 (calculated as gross cash less borrowings and less cash received in advance for future pass-through charges).

	2021 US$	2020 US$
Total cash at 30 June	23,640,789	10,330,777
Cash held on behalf of customers in respect of pass-through expenses at 30 June	(1,249,073)	(1,940,494)
Cash held for operations at 30 June	**22,391,716**	**8,390,283**
Total borrowings	-	(2,532,712)
Net cash	**22,391,716**	**5,857,571**

15 Current assets - Trade and other receivables

	2021 US$	2020 US$
Trade receivables	7,851,228	4,340,750
Allowance for expected credit losses	-	(60,869)
	7,851,228	**4,279,881**

Trade and other receivables ageing analysis at 30 June is:

	Gross 2021 US$	Gross 2020 US$
Not past due	7,734,795	4,153,144
Past due 30-59 days	72,880	96,786
Past due 60-89 days	43,553	83,227
Past due more than 90 days	-	7,593
	7,851,228	**4,340,750**
Provision for impairment of receivables	-	(60,869)
	7,851,228	**4,279,881**

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are due for payment within 30-90 days of the invoice date.

Impairment of receivables from contracts with customers and other receivables

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

16 Current assets - Other current assets

	2021 US$	2020 US$
Accrued income	1,807,654	779,143
Prepayments	741,125	644,491
Other receivables	31,862	71,148
Total other current assets	**2,580,641**	**1,494,782**

17 Non-current assets - Property, plant and equipment

	2021 US$	2020 US$
Property, plant and equipment		
Gross value	5,988,322	5,594,746
Accumulated depreciation	(4,783,604)	(4,323,913)
	1,204,718	**1,270,833**

	2021 US$	2020 US$
Property, plant and equipment		
Opening net book amount	1,270,833	1,344,666
Additions	625,337	510,099
Disposals	(1,792)	(17,174)
Depreciation charge	(689,660)	(566,758)
Closing net book amount	**1,204,718**	**1,270,833**

18 Non-current assets - Intangible assets

	2021 US$	2020 US$
Software development		
Database platform	7,080,235	5,968,150
ISLT smart-phone application	1,221,340	451,879
Software licence	108,338	216,676
Intellectual Property - Clinical Trials	308,898	308,898
	8,718,811	**6,945,603**

Year ended 30 June 2021	Software Development (Database Platform)* US$	Software Development (ISLT smart-phone application)** US$	Software Licence US$	Intellectual Property - Clinical Trials US$	Total US$
Opening net book amount	5,968,150	451,879	216,676	308,898	6,945,603
Amortisation	(749,681)	-	(108,338)	-	(858,019)
Capitalisation	1,861,766	769,461	-	-	2,631,227
Closing net book amount	7,080,235	1,221,340	108,338	308,898	8,718,811

Year ended 30 June 2020	Software Development (Database Platform)* US$	Software Development (ISLT smart-phone application)** US$	Software Licence US$	Intellectual Property - Clinical Trials US$	Total US$
Opening net book amount	4,308,930	-	325,014	308,898	4,942,842
Amortisation	(515,310)	-	(108,338)	-	(623,648)
Capitalisation	2,174,530	451,879	-	-	2,626,409
Closing net book amount	5,968,150	451,879	216,676	308,898	6,945,603

*** Software includes capitalised development costs being an internally generated intangible asset (database platform infrastructure)**

Cogstate has been developing a new database platform infrastructure for use within the clinical trials segment. The new platform will replace a custom-built infrastructure that was launched in 2006. Following internal review, it was determined that the existing infrastructure was inefficient to maintain and did not provide necessary functionality for Cogstate's future commercial plans.

From the new platform, Cogstate will launch the various cognitive tests, process raw data and produce necessary reports. The platform will incorporate a commercial electronic data capture (EDC) system to store and manage both cognitive test outcomes as well as other clinical outcomes collected as part of Cogstate's current service offering.

As part of the new development, it has been necessary to develop a custom-built integration layer to synchronise data between the commercial EDC system and Cogstate's proprietary computerised cognitive assessments.

The platform will provide operational efficiency through better and easier management and reporting of data. The platform will also provide Cogstate a more scalable and flexible system from which Cogstate will be able to incorporate other technologies and/or assessment modalities that, in the future, may be complementary to Cogstate's commercial solutions.

The platform is being built in stages and once stages are complete, the completed stages will be released to customers. In FY21, stages 7 through 10 of the platform have been released to customer and since the release date, the capitalised costs have been amortised over the platform useful life of 9 years.

**** Software includes capitalised development costs being an internally generated intangible asset (ISLT smartphone application)**

In FY20, the Alzheimer's Drug Discovery Foundation's (ADDF) formally announced an award of funding to Cogstate from the ADDF Diagnostics Accelerator (DxA) initiative, seeking to develop novel biomarkers for the early detection of Alzheimer's disease and related dementias.

The award of up to $1.36 million to Cogstate is focused on the development of a well-established memory test, called the International Shopping List Test (ISLT), for use on smartphones and tablets. The technology adaptation is designed to enable autonomous assessment of memory by individuals in their own home. Improved access to such an easy-to-use and sensitive measure of memory is expected to enable identification of memory problems earlier and in more diverse populations, thereby supporting earlier diagnosis and access to potential interventions.

The development work undertaken this year to further develop the ISLT has been capitalised as at 30 June. The amount capitalised reflects both the labour effort expended and actual third party costs incurred in developing the smartphone application.

Impairment losses recognised

Continuing Operations

These assets were tested for impairment during the year ended 30 June 2021.

Impairment tests for intangibles

Acquired intellectual property rights have been allocated to one cash generating unit, which is a reportable segment, for impairment testing as follows:

- Clinical Trials cash generating unit

There was no impairment of the carrying value of the intellectual property for the Clinical Trials cash generating unit.

Clinical Trials cash generating unit (indefinite life intellectual property)

The recoverable amount of the Clinical Trials unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a three year period and a terminal growth rate of 3% (2020: 3%).

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of the Clinical Trials cash generating unit for 30 June 2021 and 30 June 2020.

Budgeted gross sales - the basis used to determine the value assigned to the budgeted gross sales is the contracted sales for the coming periods taken at the date of the budget formulation, increased for expected new contractual agreements. Thus, values assigned to gross sales reflect past experience, except for new contractual agreements, which are estimated at approximately the same level as the most recent financial year, over half of which, for the next financial year, are being tendered for.

Budgeted operating expenses - the basis used to determine the value assigned to the budgeted operating expenses is the level of the most recent financial year increased on average by the consumer price index plus one percentage point. Thus, values assigned to operating expenses reflect past experience, whilst allowing for general price rises and additional costs necessary for a Group in a growth phase.

The pre-tax discount rate applied to cash flow projections is 20% (2020: 20%).

The cash generating unit's recoverable amount exceeds the carrying value of the cash generating unit.

19 Lease assets & lease liabilities

The company leases office premises and specialised equipment for periods not exceeding 5 years. The company is required to return the underlying assets in a specified condition at the end of the lease term.

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease Assets	2021 US$	2020 US$
Carrying amount of lease assets, by class of underlying asset:		
Buildings	1,545,814	2,277,058
Equipment	44,351	67,028
	1,590,165	**2,344,086**

Lease Assets	2021 US$	2020 US$
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:		
Carrying amount at 1 July 2020	2,344,086	3,107,984
Additions	-	57,353
Depreciation	(751,331)	(817,798)
Net foreign exchange differences	(2,590)	(3,453)
Carrying amount at 30 June 2021	**1,590,165**	**2,344,086**

Lease Liabilities	2021 US$	2020 US$
Reconciliation of the carrying amount of lease liabilities at the beginning and end of the financial year:		
Carrying amount at 1 July 2020	2,519,597	3,300,751
Principal reduction	(779,188)	(781,154)
Carrying amount at 30 June 2021	**1,740,409**	**2,519,597**
Carrying amount of lease liabilities:		
Current lease liabilities	(606,619)	(775,326)
Non-current lease liabilities	(1,133,790)	(1,744,271)
Total carrying amount of lease liabilities	**(1,740,409)**	**(2,519,597)**

Lease Expenses and Cash Flows	2021 US$	2020 US$
Depreciation expense on lease assets	751,331	817,798
Interest expense on lease liabilities	44,069	74,351
Lease payments	835,623	863,872
Net foreign exchange differences	12,366	8,367

20 Current liabilities - Trade payables and other liabilities

	2021 US$	Restated 2020 US$
Trade payables	1,793,550	1,235,656
Accrued payables	4,024,187	3,615,586
Grant funding*	1,360,000	726,667
Prepaid pass-through	1,166,227	1,971,600
Provision for tax	395,918	116,297
	8,739,882	**7,665,806**

*The Biotechnology Grant Funding agreement was executed in February 2020 with the Alzheimer's Drug Discovery Foundation's (ADDF) Diagnostics Accelerator (DxA) initiative, seeking to develop novel biomarkers for the early detection of Alzheimer's disease and related dementias. The award of up to $1.36 million to Cogstate is focused on the development of a technology-based approach for early detection of memory impairment and decline. The software development work has been performed by Cogstate's existing software engineering team, along with an external US based digital consultancy firm, and those costs have been capitalised as at 30 June 2021 (refer note 18). The amount capitalised reflects the labour effort expended in developing the smartphone application.

21 Deferred revenue

Current deferred revenue	2021 US$	Restated 2020 US$
Clinical Trials	2,946,810	261,300
Healthcare		
- Eisai Japan	99,918	100,192
- Eisai Global	4,087,855	-
	7,134,583	**361,492**

Non-current deferred revenue	2021 US$	Restated 2020 US$
Clinical Trials	53,130	-
Healthcare		
- Eisai Japan	715,576	815,220
- Eisai Global	8,123,444	-
	8,892,150	**815,220**

Deferred Revenue	2021 US$	Restated 2020 US$
Carrying amount of deferred revenue:		
Current deferred revenue	7,134,583	361,492
Non-current deferred revenue	8,892,150	815,220
	16,026,733	**1,176,712**

22 Current liabilities - Short-term borrowings

	2021 US$	2020 US$
Insurance premium funding	-	88,512
US PPP loan	-	2,444,200
	-	**2,532,712**

23 Current liabilities - Provisions

	2021 US$	2020 US$
Current		
Long service leave	439,480	393,759
Annual leave	2,013,237	1,506,334
	2,452,717	**1,900,093**
Non-current		
Long service leave	23,828	4,943

24 Contributed equity

(a) Share capital

	2021 Shares	2020 Shares	2021 US$	2020 US$
Ordinary shares				
Ordinary shares - fully paid	**170,988,331**	**169,771,664**	**34,026,408**	**33,038,228**

(b) Movements in ordinary share capital

	Number of shares	US$
1 July 2019	**119,196,193**	**25,341,756**
Exercise of options	1,645,239	229,950
Issue of shares	48,930,232	7,460,805
Cost of issue of shares	-	(132,619)
Transfer from options reserve	-	138,336
30 June 2020	**169,771,664**	**33,038,228**
Exercise of options	1,216,667	607,971
Transfer from options reserve	-	380,209
30 June 2021	**170,988,331**	**34,026,408**

(c) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board has resolved that no dividend should be declared in respect of the year ended 30 June 2021 (30 June 2020: nil).

The Group is not subject to any externally imposed capital requirements.

25 Other reserves

(a) Other reserves

	2021 US$	2020 US$
Share-based payments reserve	1,714,482	1,640,339
Foreign currency translation reserve	(3,154,791)	(2,944,799)
	(1,440,309)	**(1,304,460)**

	2021 US$	2020 US$
Movements:		
Share based payments		
Balance 1 July	1,640,339	1,896,337
Share based payments expense	454,352	(117,666)
Other comprehensive income adjustment	-	4
Transfer to share capital on exercise of options	(380,209)	(138,336)
Balance 30 June	1,714,482	1,640,339

	2021 US$	2020 US$
Share based payments		
Employees	1,714,482	1,640,339
Non-employees	-	-
	1,714,482	1,640,339

(b) Nature and purpose of other reserves

(i) Share-based payments

This reserve is used to record the value of equity benefits provided in a share based payment transaction to employees and directors as part of their remuneration. Refer to Note 30 for further details of these plans.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 1(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss upon the disposal of the net investment.

26 Parent entity financial information

(a) Summary financial information

Information relating to Cogstate Ltd:	2021 US$	Restated 2020 US$
Current assets	32,586,051	13,477,991
Total assets	47,279,561	26,029,077
Current liabilities	(22,097,392)	(11,531,393)
Total liabilities	(30,960,240)	(12,371,383)
Net assets	**16,319,321**	**13,657,694**
Issued capital	(34,026,408)	(33,038,228)
Accumulated losses	16,712,472	18,311,776
Share based payment reserve	(1,714,482)	(1,640,339)
Foreign currency translation reserve	2,709,097	2,709,097
Total shareholders' equity	**(16,319,321)**	**(13,657,694)**

(b) Guarantees and commitments entered into by the parent entity

	2021 US$	2020 US$
Guarantee entered into by the parent entity in relation to lease of premises	66,343	60,932
	66,343	60,932

27 Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	2021 US$	Restated 2020 US$
Profit/(loss) of the year	5,233,283	(1,956,584)
Depreciation and amortisation	2,299,010	2,008,204
Loss/(profit) on disposal of assets	1,792	(1,015)
Non-cash employee benefits expense - share-based payments	454,352	(117,666)
US PPP loan (non-operating income)	(2,444,200)	-
Net exchange differences	37,807	(133,786)
Change in operating assets & liabilities:		
(Increase) decrease in trade debtors and other receivables	(3,571,347)	(4,290)
(Increase) decrease in deferred tax assets	(544,956)	(1,567,028)
(Increase) decrease in other operating assets	(989,225)	314,546
(Increase) decrease in prepayments	(96,634)	(34,444)
(Increase) decrease in lease assets	753,921	(2,344,086)
(Decrease) increase in trade creditors and other liabilities	72,611	489,400
(Decrease) increase in deferred revenue	14,850,021	1,176,712
(Decrease) increase in provision for income taxes payable	279,620	(17,742)
(Increase) decrease in lease liabilities	(779,188)	2,519,597
(Decrease) increase in deferred tax liabilities	(13,966)	313,470
(Decrease) increase in employee provisions	571,509	84,923
Net cash inflow from operating activities	16,114,410	730,211

28 Related party transactions

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in Note 1(c):

		Equity holding %	
Name of entity	Country of incorporation	2021 %	2020 %
Cogstate Inc	USA	100%	100%
Cogstate Health Inc	USA	100%	100%
Cogstate Healthcare LLC	USA	100%	100%
Cogstate Sport Pty Ltd	Australia	100%	100%
Cogstate Canada Inc*	Canada	0%	100%
Cogstate Spain SL	Spain	100%	100%

*Cogstate Canada Inc was dissolved as at 1 March 2021

(b) Parent entities

Cogstate Limited is the ultimate parent of the Group.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 29.

(d) Director-related entity transactions

Directors of the Company and their director-related entities, conduct transactions with the Company within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the Company would have adopted if dealing with a director or director-related entity at arm's length in similar circumstances.

A related party of Brad O'Connor is employed by Cogstate Ltd. Remuneration and terms of this employment are made on a normal arm's length basis.

A related party of Martyn Myer is employed by Cogstate Ltd. Remuneration and terms of this employment are made on a normal arm's length basis.

(e) Eisai Co Ltd

Eisai Co Ltd holds 6.9% of the outstanding shares of Cogstate Ltd as at 30 June 2021.

On 25 October 2020, Cogstate Ltd entered into a Global Licensing Agreement with Eisai Co Ltd. This is in addition to the Japan Licensing Agreement entered into with Eisai Co Ltd in FY20.

These contracts have generated revenue for the Group of $3.5 million in FY21. These contracts have future revenue (represented as Deferred Revenue) of $13 million as at 30 June 2021.

29 Key management personnel disclosures

(a) Key management personnel compensation

	2021 US$	2020 US$
Short-term employee benefits	2,763,538	2,512,547
Post-employment benefits	89,239	57,589
Long-term benefits	15,020	12,249
Termination benefits	-	27,073
Share-based payments	348,263	96,628
	3,216,060	**2,706,086**

30 Share-based payments

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2021 US$	2020 US$
Expense arising from equity settled share-based payment expense/(benefit)	454,352	(117,666)

Reconciliation of share-based payment expense/(benefit) for the 2021 financial year is as follows:

	2021 US$	2020 US$
Expense reversed as options not fully vested/lapsed	(228,319)	(384,590)
Expense for options issued during current financial year	390,070	41,080
Expense for options issued in previous financial years	292,601	225,844
	454,352	(117,666)

(b) Employee Option Plan

An employee share scheme has been established where Cogstate Limited may, at the discretion of the Board, grant options over the ordinary shares of Cogstate Limited to executives and certain members of staff of the Group, and to directors, subject to shareholder approval in required circumstances. The options, issued for nil consideration directly to employees, are granted in accordance with guidelines established by the directors of Cogstate Limited, with a recommendation from the management of Cogstate Limited, although the directors retain the final discretion on the issue of options. From 2009, the options are issued for a period of 5 years. The previous existing plan issued options for a period of 10 years.

In most cases, one third of the options are exercisable on the second anniversary of the date of the grant. The remaining two thirds of the options are exercisable after the following 12 months.

The options cannot be transferred and will not be quoted on the ASX. There are no cash settlement alternatives. There are currently 3 directors (2020: 3) and 38 executives/staff (2020: 36) eligible for this scheme.

(c) Summaries of options granted under ESOP

	2021 No.	2021 WAEP	2020 No.	2020 WAEP
Outstanding at the beginning of the year	8,015,000	$0.63	9,360,239	$0.64
Granted during the year	6,997,400	$0.82	2,800,000	$0.41
Forfeited during the year	(1,581,090)	$0.71	(2,500,000)	$0.72
Exercised during the year	(1,216,667)	$0.65	(1,645,239)	$0.21
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,214,643	$0.72	8,015,000	$0.63

The outstanding balance as at 30 June 2021 is represented by:

Number of options	Grant date	Vesting Date	Expiry Date	Exercise Price
1,100,000	30-Sep-16	30-Sep-19	30-Sep-21	0.9300
400,000	17-Oct-16	17-Oct-19	17-Oct-21	0.8400
100,000	29-Mar-18	29-Mar-21	29-Mar-23	0.8300
1,598,333	28-Sep-18	28-Sep-21	28-Sep-23	0.6400
50,000	29-Mar-19	29-Mar-22	29-Mar-24	0.2500
1,000,000	21-Oct-19	21-Oct-22	21-Oct-24	0.3400
1,500,000	31-Jan-20	31-Aug-23	31-Jan-25	0.4600
50,000	30-Apr-20	31-Aug-23	30-Apr-25	0.3200
1,966,310	31-Jul-20	31-Aug-23	15-Sep-25	0.6900
1,250,000	27-Oct-20	27-Oct-23	27-Oct-25	0.7820
950,000	15-Nov-20	31-Aug-23	31-Oct-25	0.7800
600,000	17-Mar-21	28-Feb-24	28-Feb-26	1.0000
1,400,000	17-Mar-21	28-Aug-24	28-Aug-26	1.0000
100,000	14-May-21	28-Feb-24	28-Feb-26	0.9930
150,000	14-May-21	28-Aug-24	28-Aug-26	0.9930
12,214,643				

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding at 30 June 2021 is 3.46 years (2020: 2.87 years).

(e) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.25-$1.00 (2020: $0.26-$0.93).

(f) Weighted average fair value

The weighted average fair value of options granted during the year was $0.8226 (2020: $0.4075).

(g) Option pricing model

Equity settled transactions

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a binomial model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2021 and 30 June 2020:

2021	31-Jul-20	27-Oct-20	15-Nov-20	17-Mar-21	14-May-21
Dividend yield (%)	0	0	0	0	0
Expected volatility (%)	60	60	60	60	60
Risk-free interest rate (%)	0.5	0.5	0.5	0.5	0.5
Expected life of option (years)	3	3	3	3	3
Option exercise price ($)	0.69	0.78	0.78	1.00	0.99
Market share price at grant date	0.54	1.21	0.97	0.96	0.84

2020	21-Oct-19	31-Jan-20	30-Apr-20	30-Apr-20
Dividend yield (%)	0	0	0	0
Expected volatility (%)	60	60	60	60
Risk-free interest rate (%)	0.97	0.5	0.5	0.5
Expected life of option (years)	3	3	3	3
Option exercise price ($)	0.34	0.46	0.38	0.32
Market share price at grant date	0.30	0.46	0.35	0.35

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

31 Commitments and contingencies

(a) Guarantees

Cogstate Limited has a bank guarantee in place for US$66,343 in respect of the Company's obligations under the lease of premises at Level 2/255 Bourke Street, Melbourne.

(b) Contingent liabilities

The Group had no contingent liabilities at 30 June 2021 (2020: nil).

32 Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

33 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Pitcher Partners (Melbourne)

	2021 US$	2020 US$
Audit and other assurance services		
Audit and review of financial statements	107,254	95,442
Other professional services	2,722	-
Total remuneration for audit and other assurance services	109,976	95,442
Taxation services		
Tax compliance services	3,523	11,761
Total remuneration for taxation services	3,523	11,761
Total remuneration of Pitcher Partners	113,499	107,203

(b) Network Firms of Pitcher Partners

	2021 US$	2020 US$
Other services		
Taxation services	32,729	34,889
Other professional services	11,006	-
Total auditors' remuneration	**43,735**	**34,889**

Directors' Declaration

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 42 to 74, are in accordance with the *Corporations Act 2001*, including:

    (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;

    (b) as stated in Note 1(b) the consolidated financial statements also comply with International Financial Reporting Standards; and

    (c) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2021.

This declaration is made in accordance with a resolution of directors.

Martyn Myer AO, Chairman
Melbourne, 24 August 2021

PITCHER PARTNERS

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cogstate Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 1(e), Note 5 and Note 7	
The Group recognised revenue of $32.7m relating to the provision of services and licencing access to computerised cognitive tests. The Group enters into contracts with customers that often span multiple financial years. We focused on the existence and accurate recognition of revenue in line with contract terms and the underlying performance of service obligations. • The license fee revenue is recognised when the significant risks and rewards relating to the licensed software are passed to the customer. • The recognition of testing services revenue for clinical trials is when the contracted services are provided • The ongoing provision of server access and related support is recognised as revenue over the contractual period. We focused on the appropriate recognition of revenue as a key audit matter as these flows are a key determinant of profit.	Our testing of revenue transactions focused on evidencing the supply of software, provision of services in accordance with contract terms and revenue recognition in line with AASB 15. Our procedures included amongst others: • Understanding and evaluating the design and implementation of the revenue recognition process and controls. • For a sample of revenue transactions: - Testing the revenue recorded to supporting documentation including signed contract. - Reviewing contract performance obligations, to evaluate whether the revenue was being recognised in line with the date of the software supply or rendering of services. - Testing the existence of monies receipted relating to license and service revenue. • Reviewing the general journals throughout the year impacting on revenue. • Testing material revenue transactions that were recognised as revenue in the final month of the financial year. • Assessing the adequacy of the disclosure in the financial report.

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Intangible Assets – software development Refer to Note 1(l) and Note 18	
Internally developed software totalling $8.3m is owned by the Group and represents a significant balance in the consolidated statement of financial position. The intangible asset is a key audit matter as the Group's largest asset, and as there is management judgement in determining the absorption of operating costs as development costs and the potential to impact the determination of profit for the year.	Our testing of the intangible asset, software development, focused on assessing the existence and accuracy of attributed expenditure. Our procedures included amongst others: • Testing on a sample basis the capitalised development costs by: ○ Vouching the capitalised time to approved employee timesheets; and, ○ Recalculating the value of time capitalised for a sample of employees by vouching hourly rates and other applicable on-costs to signed employment contracts. • Understanding and evaluating the design and implementation of the controls and processes addressing the recognition, valuation, recoverability and recording of intangible assets. • Assessing the adequacy of the disclosure in the financial report.

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

COGSTATE LIMITED
ABN: 80 090 975 723

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COGSTATE LIMITED

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 39 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Cogstate Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

M. Harri

M J HARRISON
Partner

Pitcher Partners

PITCHER PARTNERS
Melbourne

24 August 2021

Shareholder Information

The shareholder information set out below was applicable as at 30 June 2021.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security ordinary shares	
Holding	Shares	Options
1 to 1,000	438	-
1,001 to 5,000	527	-
5,001 to 10,000	170	-
10,001 to 100,000	243	17
100,001 and Over	63	24
	1,441	**41**

There were 105 holders of less than a marketable parcel of ordinary shares (less than A$500).

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary shares	
Name	Number held	Percentage of issued shares
NATIONAL NOMINEES LIMITED	28,947,551	16.9%
DAGMAR DOLBY	21,754,028	12.7%
CITICORP NOMINEES PTY LIMITED	21,055,219	12.3%
MYER & MYER PTY LTD	14,424,569	8.4%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,036,981	8.2%
NEBULA NEURO PTY LTD	8,000,000	4.7%
ANACACIA PTY LIMITED	6,771,764	4.0%
MPYER INVESTMENTS PTY LTD	6,061,872	3.5%
BNP PARIBAS NOMINEES PTY LTD	3,906,382	2.3%
MR BRADLEY JOHN O'CONNOR	2,705,929	1.6%
MYER & MYER PTY LTD	2,563,000	1.5%
DAVID DOLBY INVESTMENTS II LLC	2,202,274	1.3%
DR PETER ANTHONY BICK & MS MELANIE JO GRIBBLE	1,881,026	1.1%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,833,081	1.1%
DAGMAR DOLBY	1,776,500	1.0%
MR ALISTAIR DAVID STRONG	1,320,000	0.8%
MUTUAL TRUST PTY LTD	1,283,806	0.8%
BETA GAMMA PTY LTD	1,220,000	0.7%
MR DAVID ALEXANDER SIMPSON & MRS DAWN GENTRY SIMPSON	1,163,689	0.7%
ALEXANDER 2006 LLC	1,059,138	0.6%
	143,966,809	**84.2%**

Unquoted equity securities

	Number on issue	Number of holders
Options to acquire ordinary shares, issued under the Directors' and Employees Share Option Plan	12,214,643	41

C. Substantial holders

Substantial holders in the Company are set out below:

		Ordinary shares
Name	Number held	Percentage of issued shares
Australian Ethical Investment	26,299,570	15.4%
David Dolby	25,832,802	15.1%
Martyn Myer	23,614,566	13.8%
Fidelity Worldwide Investment (FIL Ltd)	12,759,045	7.5%
Eisai Co., Ltd	11,738,243	6.9%
Alan Finkel (held through Nebula Neuro Pty Ltd & Howitt Nominees Pty Ltd)	8,800,000	5.1%
	109,044,226	**63.8%**

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) All ordinary fully paid share carry one vote per share without restrictions.

(b) Options do not carry a right to vote.

(c) There is no current on market buy back.

Corporate Directory

Directors

Martyn Myer AO, *BE, MESc, MSM*
Chairman

Brad O'Connor, *B Bus*
Chief Executive Officer

David Dolby BSE, *MBA*
Non-Executive Director

Richard Mohs, *PhD*
Non-Executive Director

Ingrid Player, *BEc and LLB (Hons), GAICD, FGIA*
Non-Executive Director

Richard van den Broek, *CFA*
Non-Executive Director

Kim Wenn, *BCompSc*
Non-Executive Director

Company Secretaries

John Glueck, *BA, JD*
Resigned 26 February 2021

Keith Hawkins, *B Bus, CPA*
Resigned 26 February 2021

David Franks, *BEc, CA, F Fin, FGIA, JP*
Appointed 26 February 2021

Principal registered office in Australia

Suite 117, 425 Smith Street
Fitzroy Vic 3065 Australia

Share and debenture register

Link Market Services
Tower 4, Collins Square, 727 Collins Street,
Melbourne Vic 3008

Auditor

Pitcher Partners
Level 13, 664 Collins Street,
Docklands Vic 3008

Solicitors

Clayton Utz
333 Collins Street,
Melbourne Vic 3000

Bankers

National Australia Bank
Level 3/330 Collins Street,
Melbourne Vic 3000

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FOR ALL

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