

ASX Announcement

21 April 2022

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Business Update and March 2022 Quarter Cashflow

All figures in US\$

PCP = Previous Corresponding Period

Cogstate Ltd (ASX:CGS) has today released a business update and its Appendix 4C – Quarterly Cash Flow statement for the quarter ended 31 March 2022 (3Q22).

Highlights:

CLINICAL TRIALS SALES CONTRACTS OF \$19.2M, UP 44% COMPARED TO PCP AND A RECORD 3Q RESULT.

3Q22 REVENUE OF \$9.3M, UP 5% COMPARED TO PCP

- Clinical Trials revenue of \$8.0m, up 10% compared to PCP
- Healthcare revenue of \$1.1m, down 24% compared to PCP

TOTAL REVENUE BACKLOG OF \$143.5 MILLION, A RECORD RESULT, UP 80% COMPARED TO PCP

- Clinical Trials revenue backlog of \$103.6 million, up 86% compared to PCP
- Healthcare revenue backlog of \$39.9 million

NET CASH OF \$26.1M AT 31 MARCH 2022*

- Cash inflow from operations of \$2.3m, excluding cash flows relating to pass-through costs paid on behalf of customers (\$3.0m including pass through cash flows).
- Net cash increased \$1.5m from \$24.6m at 31 December 2021

GUIDANCE IN RESPECT OF FY22 REMAINS UNCHANGED

- Group FY22 revenue in the range of \$44-\$47m with FY22 Operating expenses to remain in the range of 31%-33% of revenue, taking FY22 EBIT margins to a range of 20%-24%. Further details page 9.

	3Q22	3Q21	3Q22 vs 3Q21
	US\$m	US\$m	%
Total revenue from ordinary activities	9.3	8.8	5%
- Clinical Trials revenue	8.0	7.3	10%
- Healthcare revenue	1.1	1.5	(24%)
- Research revenue	0.1	0.06	100%
Sales contracts executed	19.2	13.3	44%
Contracted future revenue	143.5	79.7	80%
Net operating cash flow	3.0	(1.3)	n/a
Total cash flow	2.3	(1.2)	n/a
Net cash balance at end of period*	26.1	17.6	48%
Trade receivables	8.9	7.5	20%

* Calculated as gross cash less borrowings and less cash receipts received in advance for future pass-through charges.

Explanatory Notes

- Sales contracts:** In the Clinical Trials division, Cogstate enters into contracts (“sales contracts”) with both pharmaceutical and biotechnology companies for the provision of Cogstate technology and services, for use in clinical research trials, to determine the extent to which their investigational compound is impacting the cognition of the patient population. The contract value will differ for each clinical trial, depending upon the scope of the technology and services provided by Cogstate, as well as the complexity and length of the trial. An increase in the total value of sales contracts executed will increase the revenue backlog and will, over time, result in an increase to revenue recognised by Cogstate.
- Calculation of revenue from Clinical Trials division:** Revenue from sales contracts is recognised over the life of the contract. The length of a clinical trial can vary from several months for a phase 1 study and up to 4-5 years for a phase 3 study. Revenue is recognised based upon achievement of pre-determined milestones. During each period, revenue may be recognised from (i) contracts in the backlog at the beginning of the period, as well as (ii) sales contracts executed during the period. Usually there is a time lag between an increase or decrease in the level of sales contracts executed and a corresponding change to recognised revenue.
- Contracted future revenue backlog:** Executed sales contract values that have not yet been recognised as revenue at period end are referred to as “contracted future revenue”. The revenue from these contracts will be recognised upon achievement of pre-determined milestones throughout the clinical trials. The contracted future revenue figure provides insight into future revenue performance.
- Healthcare revenue:** Cogstate has developed tools specifically designed to aid healthcare professionals, in general and specialist practice medicine, with objective assessments of cognition in patients. Cogstate’s Healthcare offering includes the system branded as Cognigram™, a medical device which 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 neurodegenerative diseases such as Alzheimer’s disease. On 26 October 2020, Cogstate announced an exclusive global licensing agreement with pharmaceutical company Eisai (was previously just Japan), under which Eisai will market Cogstate technology as digital cognitive assessment tools targeting physicians, corporations, municipalities and also directly to consumers.

Under the 10-year global (ex-Japan) agreement between Eisai and Cogstate executed on 26 October 2020:

- 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).
- 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 cash royalty, which ramp up over the contract period.

Business Update - Commentary

Positive momentum in the Clinical Trials market continues, especially in Alzheimer's disease. The 3Q22 sales result (\$19.2 million sales contracts executed) is the second highest result in the company's history (behind only the 1Q22 quarter), demonstrating the significant growth and sustained adoption of Cogstate technology and services, especially in Alzheimer's disease trials. Clinical Trials sales contracts over the first three quarters of FY22 total \$73.6 million, up 105% on the equivalent period in the prior financial year, with 89% relating to Alzheimer's disease trials.

Cogstate's channel partnership sales strategy in Clinical Trials is beginning to show benefit. Meaningful progress has been made with one of our industry partners resulting in sizeable joint awards for both companies with two top 15 pharmaceutical companies. There is a growing pipeline of opportunities that we are progressing through channel partners.

The industry shift toward decentralised/hybrid trials continues and Cogstate is extremely well positioned to capitalise on this trend since our computerized tests are ideal for remote administration and we have significant and growing experience supporting centralised rating of non-Cogstate tests, which is a trend we expect to continue. Through the first three quarters, Cogstate has executed multiple sales contracts with a decentralised offering and we have multiple additional sales opportunities in play across rare disease and Alzheimer's disease.

Cogstate has joined the [Decentralized Trials & Research Alliance \(DTRA\)](https://www.dtra.org/) whose 100 member organisations work to accelerate the adoption of patient-focused, decentralised clinical trials and make research participation accessible to everyone. Cogstate supports remote cognitive testing for thousands of patients and trial participants worldwide, and we look forward to learning from and contributing to DTRA's initiatives of creating definitions, refining best practices, providing education, and removing barriers to participation. Learn more about DTRA's mission and members > <https://www.dtra.org/>

The status of reimbursement in the USA of monoclonal antibodies targeting amyloid in Alzheimer's disease has been clarified following release of medicare coverage policy by the Centers for Medicare and Medicaid Services (CMS). The final policy, released on 7 April 2022, was very similar to the draft release previously, other than allowing that monoclonal antibody directed against amyloid that are approved by FDA for the treatment of Alzheimer's disease based upon evidence of efficacy from a direct measure of clinical benefit may be covered in CMS-approved prospective comparative studies. Study data for CMS-approved prospective comparative studies may be collected in a registry. We note that Cogstate's offering aligns well with collection of cognitive data via both virtual and in-person assessment as part of a registry.

Through Cogstate commercial partner, Eisai, Cogstate technology has been launched throughout Asia during 3Q22.

In February 2022 Japanese smartphone manufacturer, FCNT, hosted a new product showcase featuring the Raku-Raku F-52B, a model targeting older adults that comes with Cogstate technology pre-installed, which is branded as NouKNOW.

In January 2022, Eisai announced that Cogstate technology, branded as CogMate, will be marketed directly to consumers in Taiwan and Hong Kong, targeting municipalities and corporations. Launch has gone well with first sales already occurring.

Revenue

Cogstate reported quarterly revenue of \$9.3 million for 3Q22, up 5% on pcp (3Q21 \$8.8m). Revenue for the 9 months ended 31 March 2022 was \$32.3 million, up 43% on pcp.

Revenue	3Q22	3Q21	Variance	FY22 YTD	FY21 YTD	Variance
	US\$ m	US\$ m	%	US\$ m	US\$ m	%
Clinical Trials	8.0	7.3	10%	28.8	19.8	45%
Healthcare	1.1	1.5	(24%)	3.3	2.7	22%
Research	0.1	0.06	100%	0.1	0.2	(50%)
Total Revenue	9.3	8.8	5%	32.3	22.7	43%

Clinical Trials revenue in 3Q22 was \$8.0m, up 10% on pcp, but down 18% compared to the most recent quarter (2Q22).

3Q22 Clinical Trials revenue was impacted by timing issues, specifically:

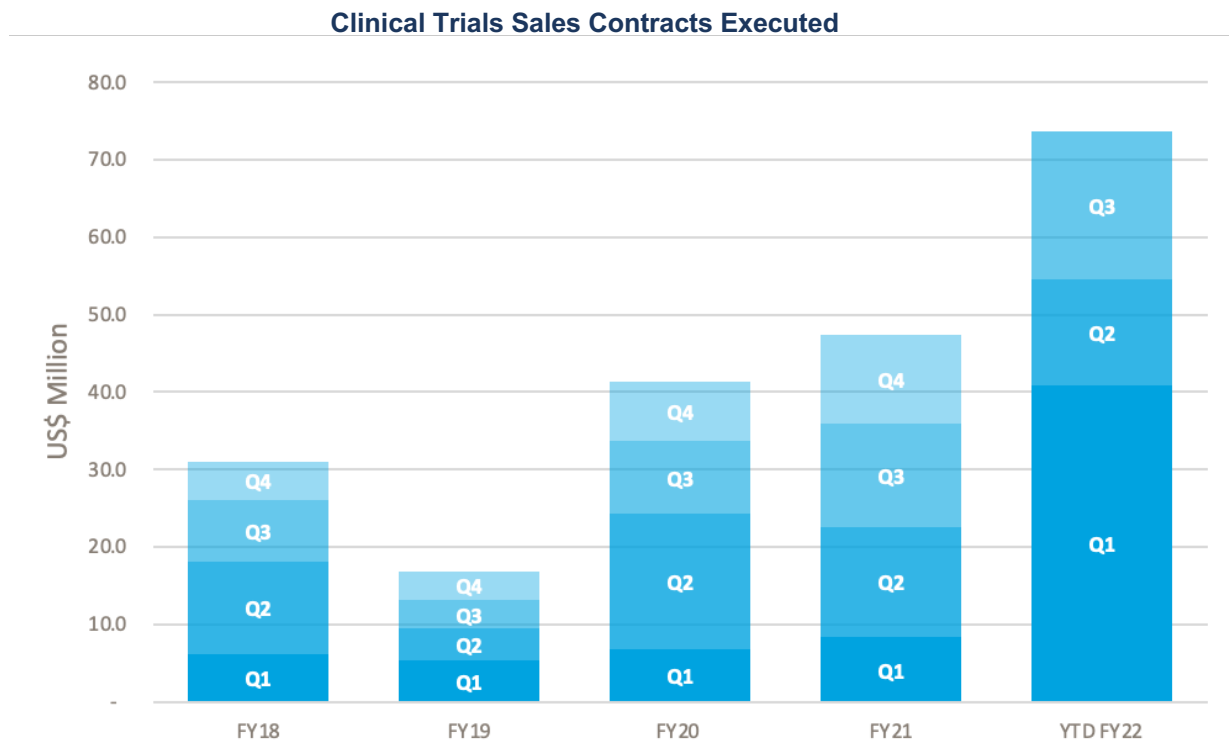
- 1) Delays with respect to study activity, specifically slower than expected patient enrolment in a key Alzheimer's study (noting that the enrolment delays are specific to the study and not indicative of broader industry issues). The slower than expected study recruitment has delayed the provision of Cogstate services, thereby impacting invoicing and recognition of revenue during 3Q22. This is expected to be a timing issue only and Cogstate expects that the deferred revenue will be recognised in the June quarter.
- 2) A large percentage of the \$19.2 million of Clinical Trials sales contracts executed in the quarter occurred during the last two weeks of March. Therefore, only minimal revenue from those new contracts was recognised during 3Q22. In-quarter revenue yields vary depending on a number of dynamics including the timing of contracts signed, the types of new trials signed, and the speed of patient recruitment. Further detail on historical revenue yields has been provided as an appendix on page 10 of this document.

Notwithstanding the 3Q22 revenue result, revenue guidance for 2H22 and FY22 remains unchanged – with deferred revenue expected to be recognised in 4Q22.

In Healthcare, 3Q22 revenue was primarily the recognition of approximately \$1.1m of deferred revenue associated with the Eisai licencing agreement. Healthcare revenue was down 24% on pcp, but identical to the most recent quarter (2Q22). The variation compared to pcp reflects a change to previous treatment of reimbursement of the cost of technology development, funded by Eisai. This was previously treated as revenue but changed to cost recovery in FY22.

Sales Contracts Executed

For the quarter ended 31 March 2022, Cogstate executed \$19.2 million of Clinical Trials sales contracts, a record third quarter. Overall, 87% of the \$19.2 million of contracts executed during the quarter was in respect of Alzheimer's disease trials. Clinical Trials sales contracts year to date (at 31 March 2022) now total \$73.6 million, up 105% on the equivalent period in the prior financial year, with 89% relating to Alzheimer's disease trials.



For context, a history of Clinical Trials sales contracts executed, per quarter, since 1 July 2019 is provided below:

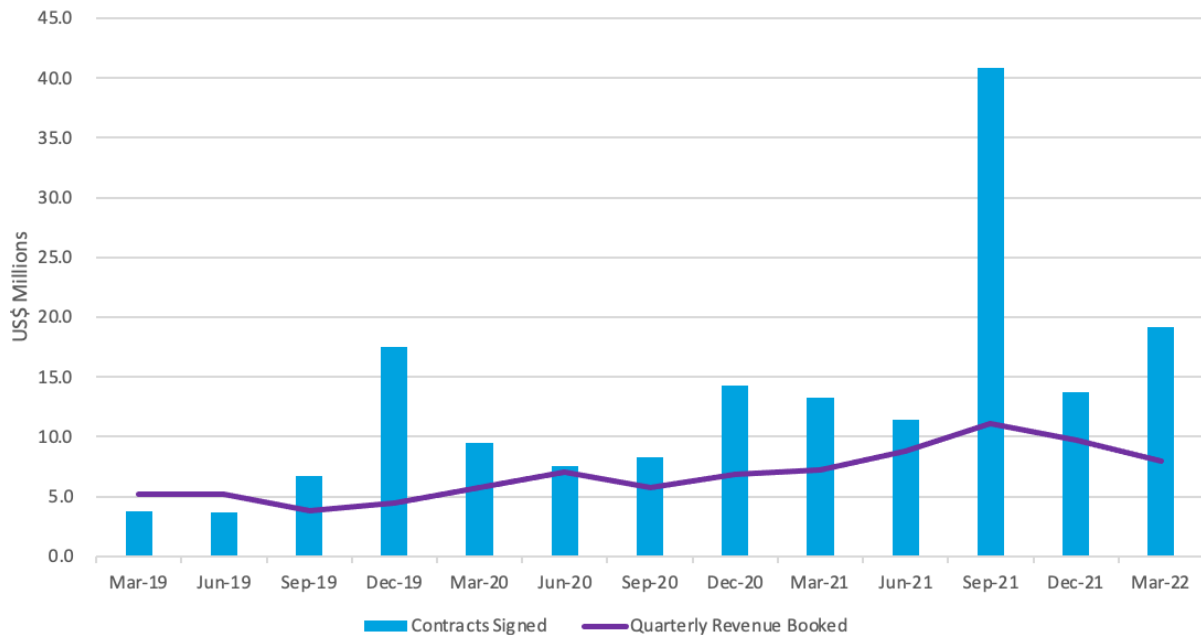
	Sep Quarter US\$m	Dec Quarter US\$m	1 st Half US\$m	Mar Quarter US\$m	Jun Quarter US\$m	2 nd Half US\$m	Financial Year US\$m
FY22 YTD	\$40.8	\$13.7	\$54.5	\$19.2			
FY21	\$8.3	\$14.3	\$22.6	\$13.3	\$11.4	\$24.7	\$47.3
FY20	\$6.7	\$17.5	\$24.2	\$9.4	\$6.5	\$15.9	\$40.2

Contracted Future Revenue

Total Contracted future revenue increased to \$143.5m as at 31 March 2022 vs \$132.9m as at 31 December 2021 and \$79.7m in pcp. The contracted future revenue figure provides insight into future revenue performance of the Group.

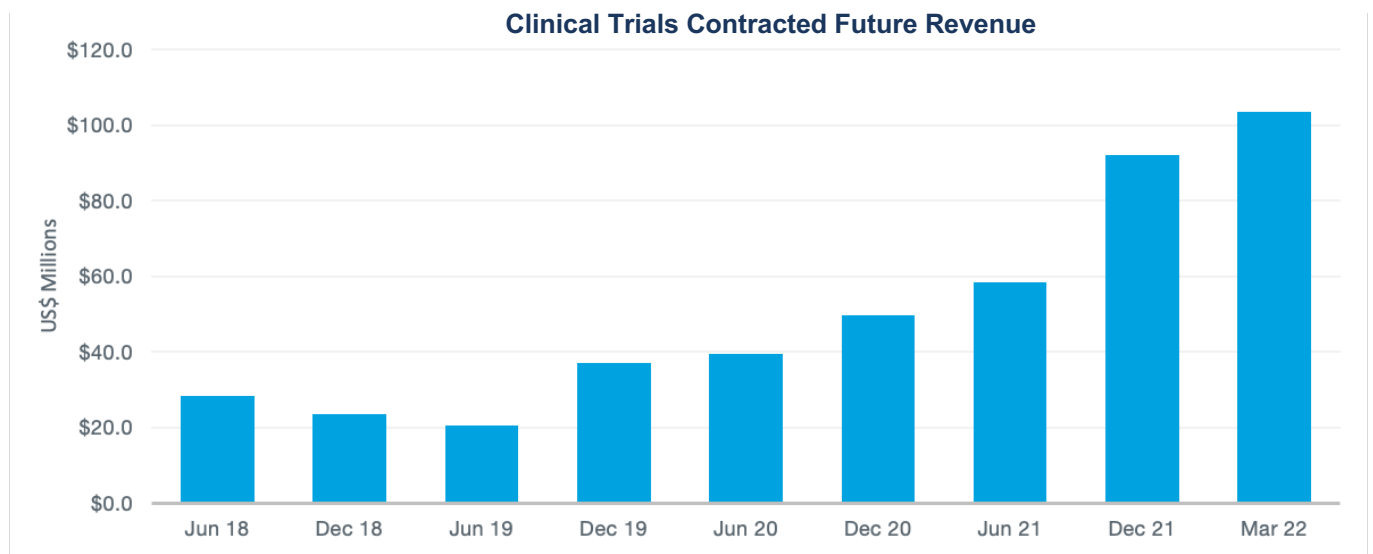
In Clinical Trials, contracted future revenue increased during 3Q22 with the value of contracts executed (\$19.2m) exceeding Clinical Trials revenue recognised (\$8.0m). The value of new contracts signed has now exceeded revenue recognised in each of the last 11 consecutive quarters.

Clinical Trials Sales Contracts vs Revenue Recognised



This has in turn driven a further expansion in the backlog of Clinical Trials contracted future revenue to a record of \$103.6m. The graph below shows contracted future Clinical Trials revenue as at the end of each half year period since June 2018, as well as the March 2022 quarter.

Clinical Trials Contracted Future Revenue



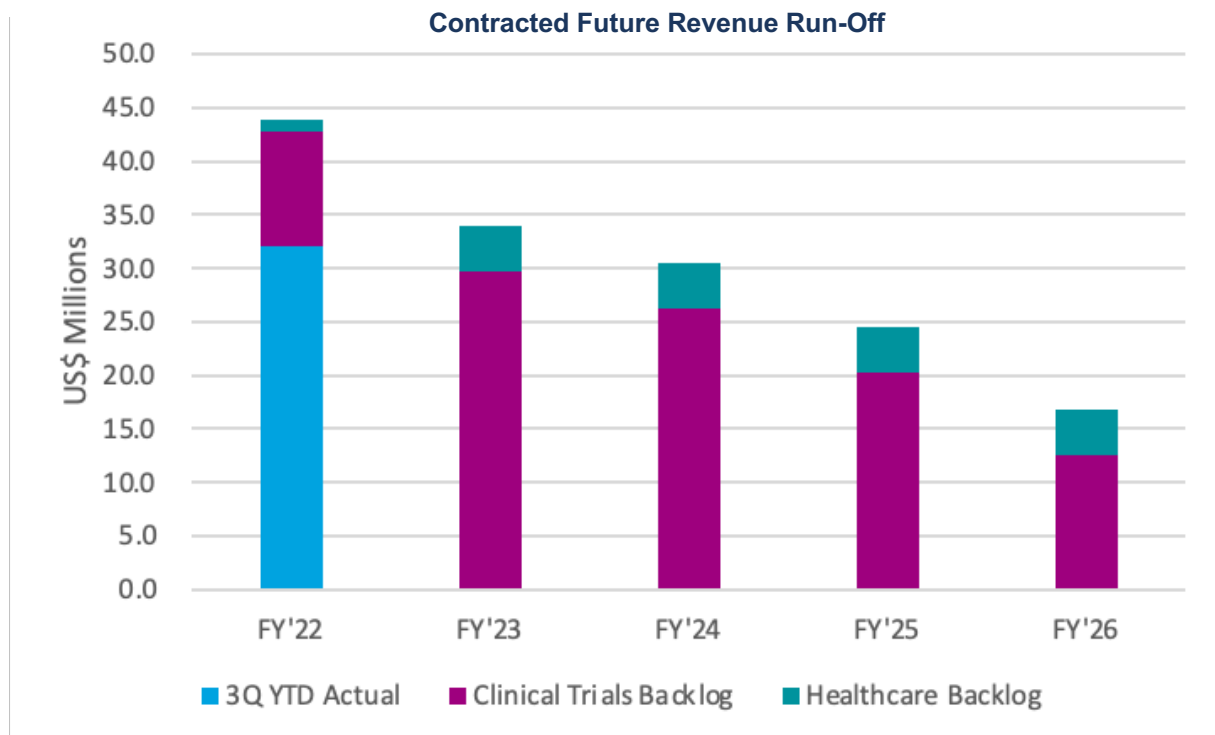
Cogstate continues to win work across a number of different indications, but Alzheimer's disease is a significant contributor, now representing 81% of contracted future Clinical Trials revenue.

In Healthcare, a further \$39.9m of payments remains to be recognized in relation to the Eisai Global partnerships over the license periods.

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

	31 Mar 22	31 Dec 21	31 Mar 21
	US\$	US\$	US\$
Contracted Clinical Trials Revenue	103,604,361	91,982,782	55,673,915
Eisai Licence – Global (commercial years 1-10)	39,137,008	40,150,572	23,191,465
Eisai Licence – Japan (10 year licence)	740,350	765,125	840,268
Total Contracted Future Revenue	143,481,719	132,898,479	79,705,648

The expected run-off of future revenue backlog is shown in the chart below:



Operating Cash Flow

The table below summarises the cashflow for the quarter, while separating the cash flows that relate to pass-through expenses paid on behalf of Cogstate customers. Customer related pass-through for Cogstate is a timing difference only.

The summary shows a total operating cash inflow from operations of \$2.28 million during the quarter for Cogstate, with an additional \$0.76 million related to pass-through costs, for a total cash inflow from operations of \$3.0 million.

	Cogstate Operations	Customer Related Pass-Through Expenses	Total
	US\$m	US\$m	US\$m
Cash at 01 January 2022	24.6	0.7	25.3
Cash flow from operations			
Eisai upfront payment (net of costs)	-	-	-
Cash flow from ordinary operations	2.3	0.8	3.0
Total cash flow from operations	2.3	0.8	3.0
Cash flow from investing			
Capitalised software development	(0.5)	-	(0.5)
Property, Plant & Equipment	(0.1)	-	(0.1)
Grant funds received	-	-	-
Total cash flow from investing	(0.6)	-	(0.6)
Cash flow from financing			
Proceeds from the exercise of options	0.0	-	0.0
Principal portion of lease payments	(0.1)	-	(0.1)
Total cash flow from financing	(0.1)	-	(0.1)
Less Borrowings	(0.1)	-	-
Cash at 31 March 2022	26.1	1.5	27.6

- Net cash, excluding amounts held on behalf of customers for payment of pass-through expenses, increased by \$1.5 million during the quarter, to \$26.1 million.
- Cash receipts from customers totalled \$9.3 million for the quarter, down from \$10.7 million in the prior period. This fall in cash collections from quarter-to-quarter is subject to timing differences and an increase in cash collections is expected in Q4 FY22.
- Cogstate has commenced invoicing Eisai for minimum quarterly royalty payments under the Global Agreement (excl. Japan) in 2Q22. Such invoices will be issued quarterly for the 10-year life of the license agreement.

- Cash outflows relating to staff costs for the March quarter (\$4.4m) were lower than the December 2021 quarter (\$5.9m) due to;
 - the payment of Q1 FY22 payroll taxes and commissions both paid (\$0.9m) in Q2 FY22; and
 - additional US fortnightly pay cycle (\$0.55m) in Q2 FY22.

Related Party Transaction

- As noted in item 6 of the Appendix 4C Cashflow Statement, payments made to related parties and their associates totalled \$272,204 for the quarter. The payments relate to:
 - Non-executive directors' fees paid to Martyn Myer, David Dolby, Richard Mohs, Richard van den Broek, Ingrid Player and Kim Wenn totalling \$109,454.
 - Salary and wages remuneration to executive director (CEO – Brad O'Connor) and another related party individual totalling \$162,750.
 - All noted remuneration is on commercial terms.

Investing Cash Outflow

- Software development costs of \$0.5 million were capitalised during 3Q22. This includes external third-party costs and internal staff labour.

Financing Cash Flow

- Net financing cash outflow of \$0.14 million relates to principal portion of lease payments.

FY22 Guidance and Outlook.

GUIDANCE IN RESPECT OF THE FULL FINANCIAL YEAR REMAINS UNCHANGED

Clinical Trials:

- 2H22 revenue range of \$19m-\$22m; FY22 revenue range of \$40-\$43m
- 2H22 gross contribution margin in the range of 54%-57%; FY22 contribution margin in the range of 58%-61%
- 2H22 revenue dependent on the value of new sales contracts executed in 2H22, but supported by strong sales pipeline
- Possible upside to gross contribution margin depending on software license revenue mix in 2H22

Healthcare

- 2H22 revenue of \$2.2M; FY22 revenue of \$4.4M
- 2H22 and FY22 gross contribution margin of 75%-80%

Research

- FY22 gross contribution of (\$0.7M)

Group Results

- 2H22 revenue range of \$21-\$24m, FY22 revenue range of \$44-\$47m
- Operating Expense expected to be 31%-33% of revenue, an improvement of 5% to 7% percentage points on FY21
- EBIT margins of 20% - 24%, providing for FY EBIT in the range of \$8.8m to \$11.3m
- Operating Cash Flow for 2H22 expected to be at least \$4m, taking Operating Cash Flow for FY22 to at least \$5m

Appendix:

Revenue Yield From Clinical Trials Sales Contracts

Revenue from sales contracts in the Clinical Trials division is recognised progressively as each respective trial is completed. The speed by which that revenue is recognised, referred to here as the “revenue yield”, may vary due to many factors including:

- Timing of contract execution – contracts executed late in a quarter will have minimal in-quarter revenue yield.
- Length of the trial – revenue is recognised progressively throughout a trial, and therefore a longer phase 3 trial will typically have a larger contract value but the revenue will yield over a longer time period. In recent years, a larger percentage of Cogstate sales contracts have been phase 3 trials. Phase 3 trials can vary significantly in respect of expected time to completion – from 3 to 8 years in length.
- Time between contract execution and trial initiation – due to complexity or desire to plan well, some contracts are executed well in advance of trial initiation and therefore only minimal revenue may be recognised within the first few weeks of contract execution.
- Software license mix – license fee revenue is recognised upon release of software, usually within 8-12 weeks of contract execution. Therefore, a project with a higher percentage of license fee revenue will yield revenue more quickly.
- Patient enrolment – faster enrolment leads to faster trial activity for Cogstate, resulting in revenue yielding more quickly. Conversely, slower enrolment will delay Cogstate activity and result in revenue yielding more slowly. Cogstate does not normally have any way to impact patient enrolment.
- Contract scope – trials vary in terms of scope with Cogstate providing a range of different services, such as consulting, project management, site services (site set-up, management), rater training and assessment, central monitoring, data analysis and reporting. The scope influences the revenue yield.

The following table provides a summary of revenue yield from the last 6 quarters:

	Revenue recognised In-Quarter Signed	Revenue recognised Quarter + 1	Revenue recognised Quarter +2	Revenue recognised Quarter +3
High Case	28%	1%	8%	7%
Low Case	4%	26%	11%	11%
Average	17%	14%	10%	10%

About Cogstate

Cogstate Ltd (ASX:CGS) is the neuroscience technology company optimising brain health assessments to advance the development of new medicines and to enable earlier clinical insights in healthcare. Cogstate technologies provide rapid, reliable and highly sensitive computerised cognitive tests across a growing list of domains and support electronic clinical outcome assessment (eCOA) solutions to replace costly and error-prone paper assessments with real-time data capture. The company’s clinical trials solutions include quality assurance services for study endpoints that combine innovative operational approaches, advanced analytics and scientific consulting. For 20 years, Cogstate has proudly supported the leading-edge research needs of biopharmaceutical companies and academic institutions and the clinical care needs of physicians and patients around the world. In the Healthcare market, in August 2019 Cogstate entered into an exclusive licensing agreement with the pharmaceutical company Eisai, under which Eisai will market Cogstate technologies as digital cognitive assessment tools in Japanese markets. In October 2020, Cogstate extended its agreement with Eisai to the Rest of the World. The product, branded as NouKNOW, launched in Japan on 31 March 2020 (nouknow.jp). For more information, please visit www.cogstate.com.

For further information contact:

Brad O’Connor, Chief Executive Officer, boconnor@cogstate.com

Quarterly Report – 31 March 2022

Summary Financial Table

	Quarter Just Completed	Previous Quarter Completed	Previous Corresponding Quarter
	31-Mar-22 US\$ million	31-Dec-21 US\$ million	31-Mar-21 US\$ million
Receivables			
Opening balance	8.80	7.84	5.49
Closing balance	8.91	8.80	7.45
Net Increase/(Decrease) in Receivables	0.11	0.96	1.96
Payables			
Opening balance	(4.43)	(3.14)	(3.78)
Closing balance	(4.61)	(4.43)	(4.29)
Net Increase/(Decrease) in Payables	0.18	1.29	0.51
Cash Flow			
Cash receipts from customers	9.25	10.67	6.93
Cash payments to employees	(4.40)	(5.91)	(5.40)
Cash payments to suppliers	(2.57)	(3.39)	(2.05)
o Net pass-through	0.76	0.18	(0.80)
Cash receipts, non-trading	0.00	0.00	0.00
Net Operating Cash In/(Out) Flows	3.04	1.55	(1.32)
Net Investing Cash In/(Out) Flows	(0.59)	(0.50)	(0.14)
Net Financing Cash In/(Out) Flows	(0.14)	0.27	0.30
Foreign exchange movement	-	-	-
Net Increase/(Decrease) in cash held	2.31	1.32	(1.16)

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Cogstate Limited

ABN

80 090 975 723

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$US	Year to date (9 months) \$US
1. Cash flows from operating activities		
1.1 Receipts from customers	9,246,101	29,630,063
Pass through receipts	2,050,245	4,266,354
1.2 Payments for		
(a) research and development	-	(1,479)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	81,139	(112,788)
(d) leased assets (refer to 3.9)	-	-
(e) staff costs	(4,395,158)	(16,837,799)
(f) administration and corporate costs	(1,803,255)	(5,446,434)
(g) pass through payments	(1,288,471)	(3,996,396)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received (refer to 2.5)	-	-
1.5 Interest and other costs of finance paid	(11,894)	(34,894)
1.6 Income taxes paid	(1,468)	(496,032)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
Other professional fees (incl. accounting & audit)	(295,915)	(1,030,830)
Information Technology costs	(467,953)	(1,354,844)
Advisory fees	-	-
Legal costs, including patent costs	(39,687)	(148,023)
Listing fees & Associated costs	(21,212)	(99,469)
Travel Costs	(13,878)	(15,581)
1.9 Net cash from / (used in) operating activities	3,038,594	4,321,848

+ See chapter 19 for defined terms.

	Current quarter \$US	Year to date (9 months) \$US
2. Cash flows from investing activities	-	-
2.1 Payments to acquire:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(93,184)	(370,041)
(d) investments	-	-
(e) intellectual property	-	-
(f) capitalised software development	(496,753)	(868,127)
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Interest Received	28	11,773
2.6 Net cash from / (used in) investing activities	(589,909)	(1,226,395)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	1,402,345
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Principal portion of lease payments	(141,341)	(494,580)
3.10 Net cash from / (used in) financing activities	(141,341)	907,765

+ See chapter 19 for defined terms.

		Current quarter \$US	Year to date (9 months) \$US
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,336,663	23,640,789
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,038,594	4,321,848
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(589,909)	(1,226,395)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(141,341)	907,765
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	27,644,007	27,644,007

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$US	Previous quarter \$US
5.1	Bank balances	27,644,007	25,336,663
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,644,007	25,336,663

6. Payments to related parties of the entity and their associates		Current quarter \$US
6.1	Aggregate amount of payments to related parties and their associates included in item 1	272,204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Answer

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US	Amount drawn at quarter end \$US
7.1 Loan facilities		
7.2 Credit standby arrangements	99,694	69,918
7.3 Other (please specify)		
7.4 Total financing facilities	99,694	69,918

7.5 **Unused financing facilities available at quarter end** **29,776**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Bank Guarantee of US\$66k (A\$88k) and credit card facility of US\$34k (A\$45k).

8. Estimated cash available for future operating activities	\$US
8.1 Net cash from / (used in) operating activities (Item 1.9)	3,038,594
8.2 Cash and cash equivalents at quarter end (Item 4.6)	27,644,007
8.3 Unused finance facilities available at quarter end (Item 7.5)	29,776
8.4 Total available funding (Item 8.2 + Item 8.3)	27,673,783
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A as cash from operating activities in item 8.1 is positive

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2022

Authorised by: Darren Watson
On behalf of the Board of Cogstate Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

+ See chapter 19 for defined terms.