

# ASX Announcement

## 28 July 2022

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### Business Update and June 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 30 June 2022 (4Q22).

#### Highlights:

FY22 CLINICAL TRIALS SALES CONTRACTS OF \$82.5M, UP 74% COMPARED TO PCP

- 4Q22 Clinical Trial sales contracts of \$8.8m, down from \$11.6m PCP

4Q22 REVENUE OF \$12.6M, A RECORD QUARTER FOR COGSTATE, UP 26% COMPARED TO PCP

- Clinical Trials revenue of \$11.5m, up 30% compared to PCP
- Healthcare revenue of \$1.1m, no change compared to PCP

FY22 REVENUE OF \$45.0M, UP 38% COMPARED TO PCP

- Clinical Trials revenue of \$40.3m, up 41% compared to PCP
- Healthcare revenue of \$4.5m, up 19% compared to PCP

TOTAL REVENUE BACKLOG OF \$139.1M, UP 37% COMPARED TO PCP

- Clinical Trials revenue backlog of \$100.2 million, up 72% compared to PCP
- Healthcare revenue backlog of \$38.8 million

TOTAL CASH OF \$30.6M AT 30 JUNE 2022

- 4Q22 cash inflow from operations of \$5.4m.
- Total cash at 30 June 2022 increased \$3.0m from \$27.6m as at 31 March 2022
- FY22 net cash inflow from operations of \$9.7m and total cash increase during FY22 of \$7.0m

GUIDANCE IN RESPECT OF FY22 EARNINGS

- For the year to 30 June 2022, Cogstate expects to record a profit before tax in a range of \$10.3 - \$10.8 million – see page 3 of this release for more detail.
- Cogstate expects to release audited financial reports on Tuesday 30<sup>th</sup> August 2022.

	4Q22 US\$m	% Change PCP	FY22 US\$m	% Change PCP
Total revenue from ordinary activities	12.6	26%	45.0	38%
- Clinical Trials revenue	11.5	30%	40.3	41%
- Healthcare revenue	1.09	0%	4.5	19%
- Research revenue	0.07	0%	0.2	0%
Sales contracts executed	8.8	(23%)	82.5	74%
Contracted future revenue	139.1	37%	139.1	37%
Net operating cash flow	5.4	28%	9.7	(40%)
Total cash flow	3.0	(15%)	7.0	(48%)
Net cash balance at end of period*	28.7	28%	28.7	28%
Trade receivables	8.0	3%	8.0	3%

\* 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

Note: all figures represent un-audited financial results. Audited financial results are expected to be released on Tuesday 30<sup>th</sup> August 2022.

A strong finish to the FY22 year, with \$12.6m revenue recorded for the quarter – a record result for Cogstate – which took FY22 revenue to \$45.0 million.

Quarterly Revenue History:

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Clinical Trials	5.8	6.8	7.3	8.8	11.1	9.7	8.0	11.5
Healthcare	0.3	0.9	1.6	1.1	1.1	1.1	1.1	1.1
Research	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.1
<b>Total</b>	<b>6.2</b>	<b>7.7</b>	<b>8.8</b>	<b>10.0</b>	<b>12.3</b>	<b>10.8</b>	<b>9.3</b>	<b>12.6</b>

A record \$82.5 million of Clinical Trials sales contracts were executed during FY22, up from \$47.3 million in the prior year. The significant growth in the value of sales contracts executed reflects the increase in research & development spend in the area of Alzheimer's disease along with an increase in decentralised design of clinical trials – both changes that have positively impacted Cogstate's business.

Cost control, in respect of both direct costs and overhead costs, has resulted in growth in both gross margins and EBIT margins throughout FY22.

## FY22 Guidance Updated (Group Results)

FY22 Results	Previous Guidance	Updated Guidance
Revenue	\$44m - \$47m	\$45.0m
Operating Expenses	31% - 33% of revenue	30% - 31% of revenue
EBIT Margins	20% - 24% of revenue	23% - 24% of revenue
EBIT	\$8.8m - \$11.3m	\$10.3m - \$10.8m
Operating cashflow	>\$5m	\$9.7m

Further detailed analysis of the FY22 financial results will be provided upon release of the audited financial statements on Tuesday 30<sup>th</sup> August 2022.

## Revenue

Cogstate reported quarterly revenue of \$12.6 million for 4Q22, up 26% on pcp (4Q21 \$10.0m). Total revenue for FY22 was \$45 million, up 38% on pcp.

Revenue	4Q22	4Q21	Variance	FY22	FY21	Variance
	US\$ m	US\$ m				
Clinical Trials	11.5	8.8	30%	40.3	28.7	41%
Healthcare	1.09	1.09	0%	4.5	3.8	19%
Research	0.07	0.07	0%	0.2	0.2	0%
<b>Total Revenue</b>	<b>12.6</b>	<b>10.0</b>	<b>26%</b>	<b>45.0</b>	<b>32.7</b>	<b>38%</b>

Clinical Trials revenue in 4Q22 was \$11.5m, up 30% on pcp, and up 41% from FY21.

While 4Q22 Clinical Trials revenue was a record quarter, it has continued to be impacted by a slower than expected patient enrolment in a key Alzheimer's study, though that issue has now been resolved. The slower than expected study recruitment has delayed the provision of Cogstate services, thereby impacting 4Q22 revenue.

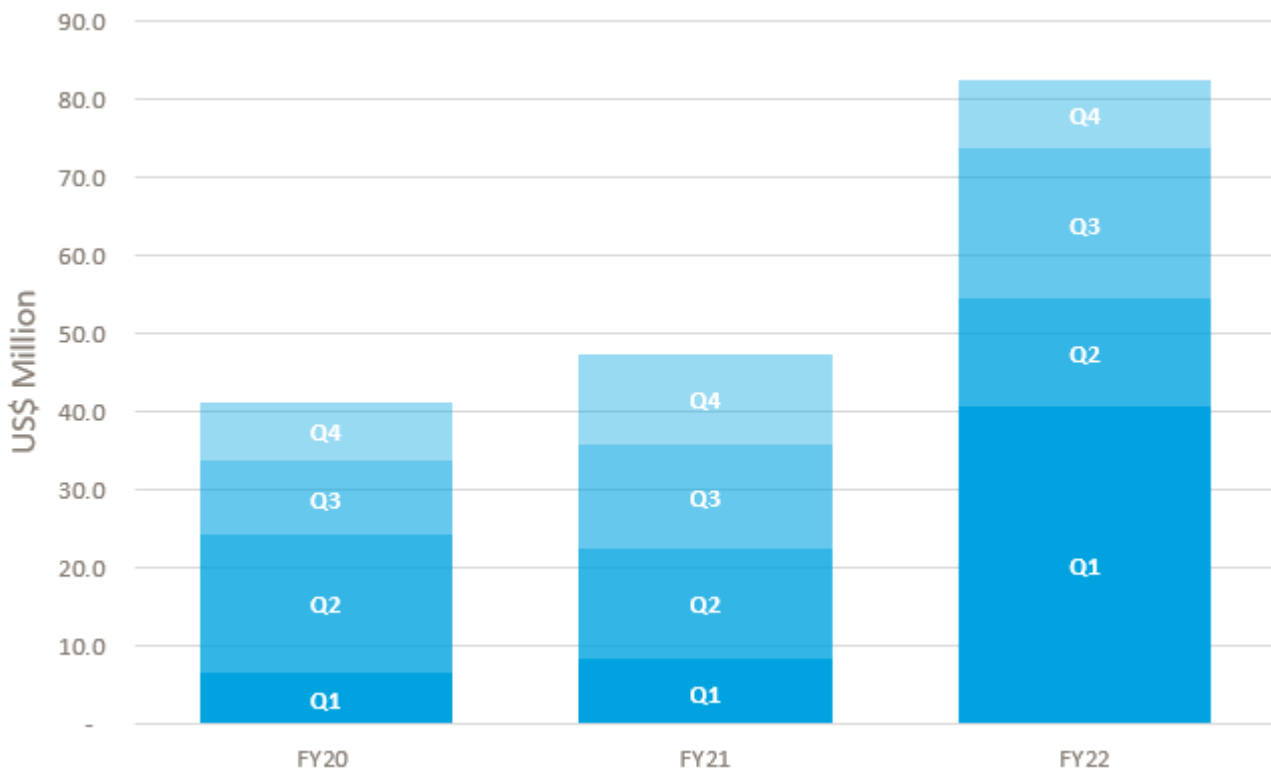
In Healthcare, 4Q22 revenue was primarily the recognition of approximately \$1.1m of deferred revenue associated with the Eisai licencing agreement.

## Sales Contracts Executed

For the quarter ended 30 June 2022, Cogstate executed \$8.8 million of Clinical Trials sales contracts, with 59% relating to Alzheimer's disease trials. This takes the total value of new contracts executed during FY22 to \$82.5 million, up 74% compared to pcp.

Trials in Alzheimer's disease continues to represent a significant driver of clinical trial sales, representing 84.2% of the value of contracts executed in FY22, compared to 65.3% in FY21.

**Clinical Trials Sales Contracts Executed**



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

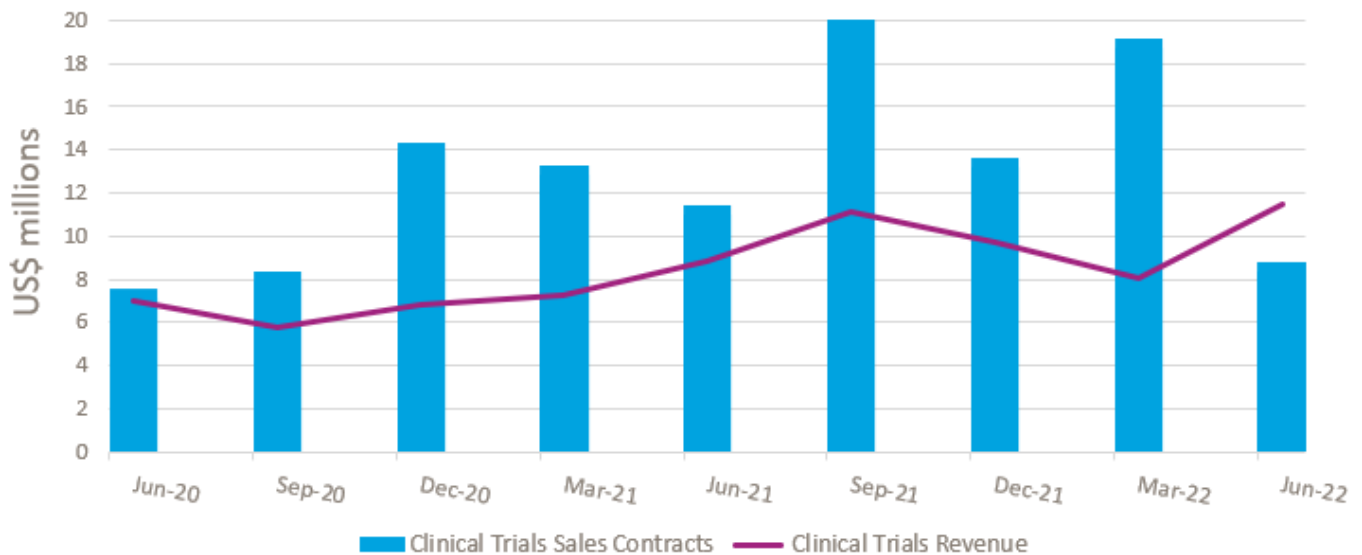
	Sep Quarter US\$m	Dec Quarter US\$m	1 <sup>st</sup> Half US\$m	Mar Quarter US\$m	Jun Quarter US\$m	2 <sup>nd</sup> Half US\$m	Financial Year US\$m
<b>FY22</b>	\$40.8	\$13.7	\$54.5	\$19.2	\$8.8	\$28.0	\$82.5
<b>FY21</b>	\$8.3	\$14.3	\$22.6	\$13.3	\$11.4	\$24.7	\$47.3
<b>FY20</b>	\$6.7	\$17.5	\$24.2	\$9.4	\$6.5	\$15.9	\$40.2

## Contracted Future Revenue

Total Contracted future revenue decreased to \$139.1m as at 30 June 2022 vs \$143.5m as at 31 March 2022 however, increased from \$101.5m at 30 June 2021. The contracted future revenue figure provides insight into future revenue performance of the Group.

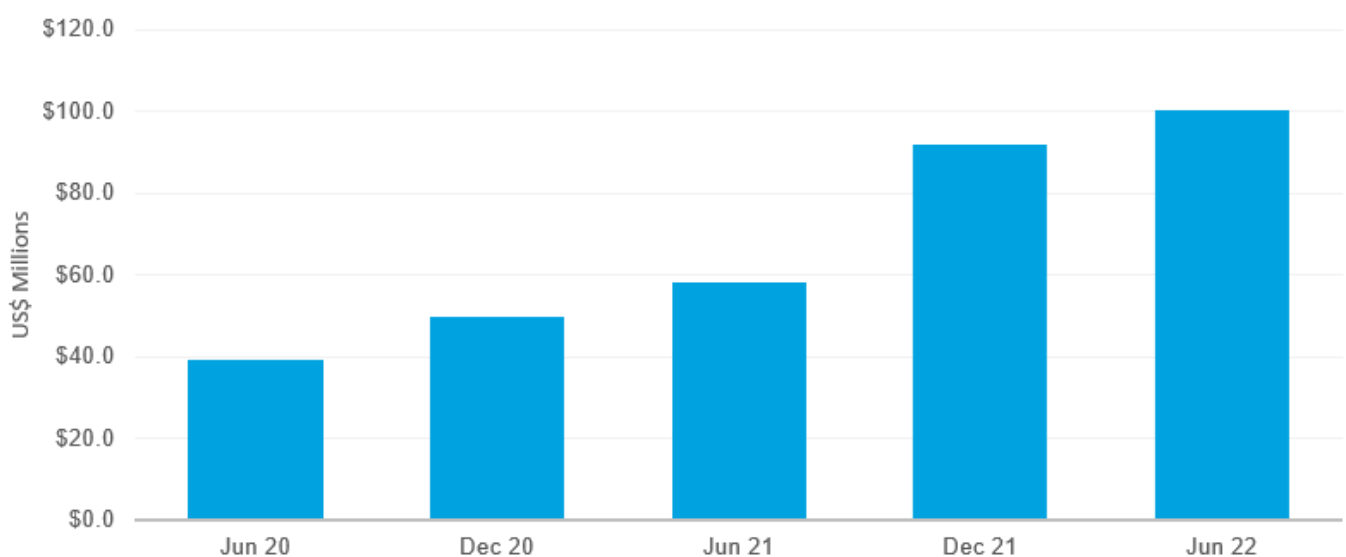
In Clinical Trials, contracted future revenue decreased during 4Q22 with the value of contracts executed (\$8.8m) less than Clinical Trials revenue recognised (\$11.5m).

**Clinical Trials Sales Contracts vs Revenue Recognised**



Aside from the reduction in backlog of Clinical Trials contracted future revenue to \$100.2m as at 30 June 2022 vs \$103.6m as at 31 March 2022, the graph below shows significant growth within contracted future Clinical Trials revenue as at the end of each half year period since June 2020:

**Clinical Trials Contracted Future Revenue**

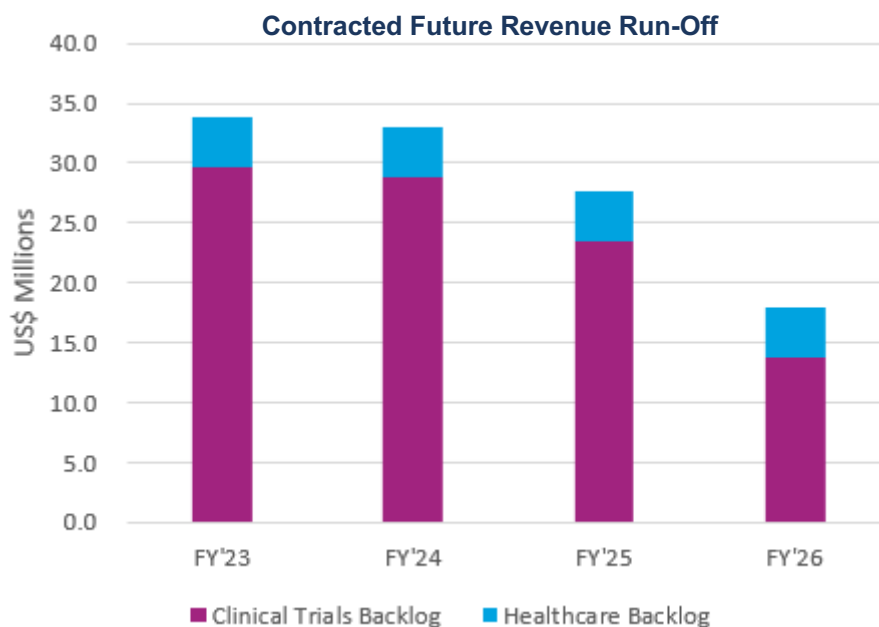


In Healthcare, a further \$38.9m of payments remains to be recognized in relation to the Eisai Global partnerships over the license periods.

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

	<b>30 Jun 22</b>	<b>31 Mar 22</b>	<b>30 Jun 21</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Contracted Clinical Trials Revenue	100,242,981	103,604,361	58,424,721
Eisai Licence – Global (commercial years 1-10)	38,123,444	39,137,008	42,211,299
Eisai Licence – Japan (10 year licence)	715,576	740,350	815,494
<b>Total Contracted Future Revenue</b>	<b>139,082,001</b>	<b>143,481,719</b>	<b>101,451,514</b>

The expected run-off of future revenue backlog is shown in the chart below. For FY23, future contracted revenue is consistent with what was reported at 31 March despite an additional \$8.8m of new business signed. This is attributable to delays on a small number of trials caused by delays in patients enrolment and challenges with drug supply. The contracted revenue for these trials has been delayed to future periods.



## 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 \$5.0 million during the quarter for Cogstate, with an additional \$0.4 million related to pass-through costs, for a total cash inflow from operations of \$5.4 million. For the year to 30 June 2022, Cogstate recorded operating cash inflow from operations of \$9.0 million, with an additional \$0.7 million related to pass-through costs, for a total cash inflow from operations of \$9.7 million for the financial year.

	<b>Cogstate Operations</b>	<b>Customer Related Pass-Through Expenses</b>	<b>Total</b>
	<b>US\$m</b>	<b>US\$m</b>	<b>US\$m</b>
<b>Cash at 1 April 2022</b>	<b>26.1</b>	<b>1.5</b>	<b>27.6</b>
<b>Cash flow from operations</b>			
Eisai upfront payment (net of costs)	-	-	-
Cash flow from ordinary operations	5.0	0.4	5.4
<b>Total cash flow from operations</b>	<b>5.0</b>	<b>0.4</b>	<b>5.4</b>
<b>Cash flow from investing</b>			
Capitalised software development	(2.3)	-	(2.3)
Property, Plant & Equipment	(0.1)	-	(0.1)
Grant funds received	-	-	-
<b>Total cash flow from investing</b>	<b>(2.3)</b>	<b>-</b>	<b>(2.3)</b>
<b>Cash flow from financing</b>			
Proceeds from the exercise of options	0.0	-	0.0
Principal portion of lease payments	(0.1)	-	(0.1)
<b>Total cash flow from financing</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.1)</b>
Less Borrowings	-	-	-
<b>Cash at 30 June 2022</b>	<b>28.7</b>	<b>1.9</b>	<b>30.6</b>

- Net cash, excluding amounts held on behalf of customers for payment of pass-through expenses, increased by \$2.6 million during the quarter, to \$28.7 million.
- Cash receipts from customers totalled \$11.0 million for the quarter, up from \$9.3 million in the prior period. As previously communicated within the prior March 2022 Quarter Cashflow, cash collections from quarter-to-quarter is subject to timing differences and an increase in cash collections was 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 June quarter (\$3.3m) were \$1.1m lower than the March 2022 quarter (\$4.4m) due to;
  - Staff costs (-\$1.8m) have been capitalised during 4Q22 for software development and accounted for within cash flows used for investment activities;
  - the payment of UK payroll taxes (+\$0.1m) in Q4 FY22; and
  - additional US fortnightly pay cycle (+\$0.6m) in Q4 FY22.

### Related Party Transaction

- As noted in item 6 of the Appendix 4C Cashflow Statement, payments made to related parties and their associates totalled \$269,958 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 \$107,208.
  - 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 \$2.3 million were capitalised during 4Q22. This includes external third-party costs and internal staff labour.

### Financing Cash Flow

- Net financing cash outflow of \$0.15 million relates to principal portion of lease payments, partially offset by proceeds from exercise of options of \$0.006 million.

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#### 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](http://nouknow.jp)). For more information, please visit [www.cogstate.com](http://www.cogstate.com).

#### For further information contact:

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## Quarterly Report – 30 June 2022

### Summary Financial Table

	<b>Quarter Just Completed</b>	<b>Previous Quarter Completed</b>	<b>Previous Corresponding Quarter</b>
	<b>30-Jun-22</b>	<b>31-Mar-22</b>	<b>30-Jun-21</b>
	<b>US\$ million</b>	<b>US\$ million</b>	<b>US\$ million</b>
<b><u>Receivables</u></b>			
Opening balance	8.91	8.80	7.45
Closing balance	8.01	8.91	7.85
<b>Net Increase/(Decrease) in Receivables</b>	<b>(0.90)</b>	<b>0.11</b>	<b>0.40</b>
<b><u>Payables</u></b>			
Opening balance	(4.61)	(4.43)	(4.29)
Closing balance	(6.00)	(4.61)	(5.66)
<b>Net Increase/(Decrease) in Payables</b>	<b>1.39</b>	<b>0.18</b>	<b>1.37</b>
<b><u>Cash Flow</u></b>			
Cash receipts from customers	10.99	9.25	9.50
Cash payments to employees	(3.32)	(4.40)	(3.55)
Cash payments to suppliers	(2.68)	(2.57)	(2.34)
o Net pass-through	0.41	0.76	0.60
Cash receipts, non-trading	0.00	0.00	0.00
<b>Net Operating Cash In/(Out) Flows</b>	<b>5.40</b>	<b>3.04</b>	<b>4.21</b>
<b>Net Investing Cash In/(Out) Flows</b>	<b>(2.30)</b>	<b>(0.59)</b>	<b>(0.57)</b>
<b>Net Financing Cash In/(Out) Flows</b>	<b>(0.15)</b>	<b>(0.14)</b>	<b>(0.16)</b>
Foreign exchange movement	-	-	-
<b>Net Increase/(Decrease) in cash held</b>	<b>2.95</b>	<b>2.31</b>	<b>3.48</b>

## 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")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US</b>	<b>Year to date (12 months) \$US</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	10,992,699	40,622,762
Pass through receipts	1,781,801	6,048,155
1.2 Payments for		
(a) research and development	(4,390)	(5,869)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(231,567)	(344,355)
(d) leased assets (refer to 3.9)	-	-
(e) staff costs	(3,320,848)	(20,158,647)
(f) administration and corporate costs	(1,565,235)	(7,011,670)
(g) pass through payments	(1,375,539)	(5,371,935)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received (refer to 2.5)	-	-
1.5 Interest and other costs of finance paid	(12,069)	(46,963)
1.6 Income taxes paid	(114)	(496,146)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
Other professional fees (incl. accounting & audit)	(273,721)	(1,304,551)
Information Technology costs	(481,272)	(1,836,116)
Advisory fees	-	-
Legal costs, including patent costs	(40,083)	(188,106)
Listing fees & Associated costs	(30,995)	(130,463)
Travel Costs	(34,382)	(49,963)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>5,404,285</b>	<b>9,726,133</b>

+ See chapter 19 for defined terms.

	Current quarter \$US	Year to date (9 months) \$US
<b>2. Cash flows from investing activities</b>	-	-
2.1 Payments to acquire:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(52,146)	(422,187)
(d) investments	-	-
(e) intellectual property	-	-
(f) capitalised software development	(2,271,108)	(3,139,235)
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	19,537	31,310
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,303,717)</b>	<b>(3,530,112)</b>

<b>3. Cash flows from financing activities</b>		
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	5,922	1,408,267
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	(153,327)	(647,907)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(147,405)</b>	<b>760,360</b>

+ See chapter 19 for defined terms.

		Current quarter \$US	Year to date (12 months) \$US
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	27,644,007	23,640,789
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,404,285	9,726,133
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,303,717)	(3,530,112)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(147,405)	760,360
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>30,597,170</b>	<b>30,597,170</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	30,597,170	27,644,007
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>30,597,170</b>	<b>27,644,007</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$US
6.1	Aggregate amount of payments to related parties and their associates included in item 1	269,958
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

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$US</b>	<b>Amount drawn at quarter end \$US</b>
7.1 Loan facilities		
7.2 Credit standby arrangements	31,001	1,731
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>31,001</b>	<b>1,731</b>

7.5 **Unused financing facilities available at quarter end** **29,270**

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.

Credit card facility of US\$31k (A\$45k).

<b>8. Estimated cash available for future operating activities</b>	<b>\$US</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	5,404,285
8.2 Cash and cash equivalents at quarter end (Item 4.6)	30,597,170
8.3 Unused finance facilities available at quarter end (Item 7.5)	29,270
8.4 Total available funding (Item 8.2 + Item 8.3)	30,626,440
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	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:

- 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

- 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

- 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: 28 July 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.

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+ See chapter 19 for defined terms.