2024
ANNUAL REPORT

Cogstate

In February 2004, with 11 team members and big dreams Cogstate was first listed on the ASX.

This year, with nearly 400 team members worldwide, and ongoing commitment to deliver better brain health assessment, we celebrate the 21st edition of our Annual Report.

Contents

Corporate Governance Statement

The Board of Directors of Cogstate Limited is responsible for the corporate governance of the Group. 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 Level 32, 367 Collins Street Melbourne Victoria 3000 Australia.

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

We have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Group. 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 22 August 2024.

Financial Performance

Revenue	Segment EBITDA	EBIT	Profit Before Tax	Profit After Tax
$43.4m	**$9.3m**	**$6.5m**	**$7.1m**	**$5.4m**
(2023: $40.5m)	(2023: $4.8m)	(2023: $2.2m)	(2023: $3.0m)	(2023: $3.6m)

FY23 results above includes non-recurring restructuring costs ($0.5m)

Summary Financial Results

	1H24 US$	2H24 US$	FY24 US$	FY23 US$
Total Revenue	**20,168,909**	**23,258,864**	**43,427,773**	**40,451,123**
Clinical Trials Revenue*	17,920,459	21,522,257	39,442,716	36,050,153
- Direct costs (excluding direct depreciation)	(6,838,109)	(6,668,040)	(13,506,149)	(14,811,165)
- SG&A costs	(2,061,870)	(2,143,848)	(4,205,718)	(3,507,109)
Clinical Trials Contribution*	**9,020,480**	**12,710,369**	**21,730,849**	**17,731,879**
Contribution %	50%	59%	55%	49%
Healthcare Revenue	2,248,450	1,736,607	3,985,057	4,400,970
- Direct costs	(462,808)	(647,645)	(1,110,453)	(1,285,873)
Healthcare Contribution	**1,785,642**	**1,088,961**	**2,874,603**	**3,115,097**
Contribution %	79%	63%	72%	71%
Operating Expenses				
- Total product development & engineering	(2,554,101)	(3,321,423)	(5,875,524)	(5,444,781)
- Less capitalised software development costs	426,999	780,765	1,207,764	926,309
- Less product development costs reimbursed	358,073	356,050	714,123	225,004
Net product development & engineering	(1,769,029)	(2,184,608)	(3,953,637)	(4,293,468)
Computer costs	(1,120,169)	(1,153,187)	(2,273,356)	(1,839,086)
Insurance	(413,288)	(397,458)	(810,746)	(849,805)
Professional fees	(1,019,401)	(775,762)	(1,795,163)	(1,708,742)
Marketing	(9,764)	(1,850)	(11,614)	(73,547)
Office & facilities	(142,628)	(214,682)	(357,310)	(217,658)
Travel	(140,480)	(232,474)	(372,954)	(402,873)
Other administration costs	(2,962,934)	(2,808,524)	(5,771,458)	(6,660,520)
Total Operating Expenses	**(7,577,693)**	**(7,768,545)**	**(15,346,238)**	**(16,045,699)**
EBITDA	**3,228,429**	**6,030,785**	**9,259,214**	**4,801,277**
Depreciation and amortisation	(1,429,428)	(1,309,142)	(2,738,570)	(2,594,942)
EBIT	**1,799,001**	**4,721,643**	**6,520,644**	**2,206,335**
Net interest	292,185	288,662	580,847	666,040
Other Income	-	-	-	152,736
Net profit before tax	**2,091,186**	**5,010,305**	**7,101,491**	**3,025,111**

* Effective 1 July 2023, former segment, Research, is now part of the Clinical Trials segment. Prior year revenue and profit/(loss) information for Research has been included within Clinical Trials for comparison.

Message from the Chairman and CEO

Welcome to the 2024 Annual Report

Dear shareholder,

In February 2024, Cogstate celebrated 20 years on the Australian Stock Exchange.

In February 2004, in what were very different times, Cogstate raised A$7 million via its initial public offering and joined the ASX with a market cap of less than A$20 million. Back then, the small Cogstate team was solely focused on creating and validating digital assessments of brain health. We were keenly aware of an aging population who were becoming more aware of brain health, and we were confident that access to measurement tools was going to be key to better brain health in the future. That is as true today as it was 20 years ago.

In other ways, Cogstate now bears little resemblance to the company that first presented itself to public company investors:

- **Today, Cogstate is a trusted partner to global pharmaceutical companies**, who rely on both our technology and our expertise to manage the primary endpoints for their pivotal trials of potential therapies. We are proud of the strong relationships that we have built with global leaders in neuroscience research, such as Eli Lilly & Co. (Lilly) and Eisai Co., Ltd (Eisai).
- **Cogstate is now a team of more than 160 full time staff in Australia, the USA, UK and Japan**, growing from what was just a handful of people in Melbourne two decades ago, and is now enhanced by a collection of more than 250 consulting neuropsychologists around the world.
- **The digital assessments we offer our customers have developed in line with technological advancement over the last 20 years, but they continue to be based on excellent science and peer reviewed validation.**
- **The services we provide to our pharmaceutical customers have grown.** Cogstate now offers a full suite of cognitive measurement services, reflecting both the changes in the conduct of global clinical trials, as well as the best-of-breed scientific and operational expertise that helps us to improve the signal-to-noise ratio for customers running complex trials in central nervous system diseases.

Cogstate is now a trusted partner to pharmaceutical and biotechnology companies developing prospective treatments for a range of different diseases, predominantly diseases of the central nervous system. This work in clinical trials represents more than 90% of our revenue base.

A key metric in terms of the success of Cogstate's clinical trials business has always been the value of sales contracts executed in any given period. Throughout the 2023 and 2024 financial years, the value of clinical trials sales contracts has fallen from the heights set in the 2022 financial year, predominantly reflecting a decrease in the value of new contracts from phase 3 Alzheimer's disease trials. However, this data only tells part of the story.

Cogstate's strategy is to follow therapies through the various stages of development. The development of an Alzheimer's treatment can be worth up to US$80 million to Cogstate in contracted revenue over the entire life of the development program, from phase 1 to phase 3. Further, we understand the significant cost of running a phase 3 Alzheimer's trial, which is why it is usually only the large pharmaceutical companies who can afford to run such trials. For Cogstate, future growth is dependent upon securing early stage (phase 1 and phase 2) Alzheimer's trials from large pharmaceutical companies and then following that work through the stages of development.

During FY24, Cogstate established the basis for growth in Alzheimer's disease sales contracts for future periods. Over the last year, we have been able to significantly expand the customer base for Cogstate's offering in Alzheimer's disease trials, specifically with large pharmaceutical companies:

- **Phase 2 Alzheimer's trials provide the basis for future growth.** During FY24, Cogstate executed four contracts for phase 2 Alzheimer's trials with four different large pharmaceutical companies (three of those companies are new Alzheimer's customers for Cogstate).
- **Phase 3 Alzheimer's trial provides more immediate upside.** In the June 2024 quarter, Cogstate executed a start-up agreement for a phase 3 Alzheimer's trial, again with a large pharmaceutical company. A start-up agreement is generally of low value but allows Cogstate to begin work on an upcoming trial prior to the execution of the main contract. In the first few weeks of FY25, Cogstate executed the main contract in respect of the phase 3 trial.

Cogstate has also demonstrated growth in our clinical trials offering, beyond Alzheimer's disease:

- **Sleep disorders.** Another area of near-term growth for Cogstate is sleep disorder trials where drug candidates act on the neuropeptide Orexin to modulate arousal and other functions. We are engaged in multiple late-stage program initiations planned in multiple indications, including trials planned whereby a Cogstate digital test will be included as a key endpoint based on strong phase II data using that same test. In this area we have invested in unique, fit-for-purpose solutions to enhance usability and acceptability by individuals with sleep disorders and enhanced real time data quality monitoring leveraging our data lake and data analytics capabilities.
- **Mood disorders.** The area of mood disorders includes indications such as major depressive disorder, bipolar and anxiety. There are a number of exciting new targets and mechanisms including the area of psychedelics where we're seeing an increase in pipeline opportunities as these programs move into later phases. During FY24, Cogstate invested in the development of new materials that have strengthened our competitiveness in these programs. We have also expanded our network of consultants to include individuals with expertise supporting these trials.
- **Rare diseases.** Cogstate is working extensively in phase 2 Rare disease trials – specifically rare genetic neurodevelopmental disorders. We expect phase 3 trial starts for multiple customers through FY25 and FY26.

Of course, Cogstate has always had an eye to opportunities beyond clinical trials. When founding the company in 1999, our initial investment thesis was that digital assessments of cognition would play a critical role in providing simple, accurate, and actionable data on which patients and doctors alike could understand brain health.

In 2020, Cogstate partnered with Eisai to take Cogstate digital assessments into the community. The Eisai agreement provided Cogstate with a valuable inflow of capital with a US$15 million upfront payment received in December 2020. The agreement also provided Cogstate shareholders with certainty of ongoing license fees over the next 10 years, with upside beyond those contracted minimum fees.

Since then, we have seen successful phase 3 trials of monoclonal antibodies, developed by both Eisai and Lilly, that have demonstrated the ability to alter the trajectory of decline of patients with early Alzheimer's disease. Eisai's Leqembi has now launched in a number of countries, including the USA, Japan, and China. Lilly's Kisunla (donanemab) was approved by the FDA in early July and has since launched in the USA.

The launch of disease modifying therapies, and the complexities of the diagnostic and prescription process (particularly in the USA) for the monoclonal antibodies as a class of drugs in early Alzheimer's disease, has highlighted the lack of preparedness of healthcare systems around the world to identify patients who would most benefit from these new treatments.

The Cogstate team, in conjunction with consultancy firms with expertise in the space, have undertaken focus group work in the community and established that there is demand for easy to use, low cost, accurate tests of cognition. Similarly, we have worked to understand the role of primary care physicians in the diagnostic pathway, and the lack of connection between those family doctors and the specialists who are prescribing new Alzheimer's therapies.

The Cogstate team have established clear opportunities where Cogstate technology and expertise can be applied to solve some of these identified problems in healthcare systems.

In April of this year, we announced that we had amended the Global License Agreement with Eisai to allow Cogstate to continue to work in concert with Eisai, but also to explore an extended role that Cogstate can potentially play in building an integrated system to allow Alzheimer's patients access to the right intervention at the right time.

Under the amended agreement, Eisai holds a non-exclusive license for Cognigram in the USA and CogMate in certain Asian countries until August 2031. The non-exclusive license is a substantial reduction in Eisai rights compared to the global exclusive license held by Eisai prior to the amendment. In exchange for Eisai's reduced rights, Cogstate has agreed to forgo US$15 million of future royalties, mainly impacting financial years 2028 through to 2031.

Over the next year, Cogstate will continue to progress exploratory plans regarding alternative distribution approaches for our digital cognitive assessment technologies. These approaches will be complimentary to the direct-to-primary care avenue Eisai will pursue in the USA, and include exploration of the following opportunities:

- Consumer health tracking behaviours, and assessing how purpose-designed consumer cognitive measurement may fit into these existing habits;
- Assessing non-traditional healthcare delivery models, and how related patient behaviours predict interest in cognitive health tracking;
- Community-based partnerships that bring cognitive measurement into the physical and online places where likely users come together; and
- Partnerships that can scale remote delivery of cognitive tests (including leveraging existing, proven capabilities and relationships in clinical trials) to condense the timeline for medical diagnosis and treatment.

Financial results

Revenue for FY24 was up 7% to $43.4 million, while profit before tax increased 135% to $7.1 million—that is, a $2.9 million increase in revenue delivered a $4.1 million increase in profit. The Cogstate team, conscious of the uncertainty of timing of execution of large sales contracts, focused on delivering revenue from ongoing programs along with tight cost management to deliver profit growth.

Cogstate finished the year with $29.4 million of net cash and no debt.

Clinical Trials sales contracts executed throughout FY24 totaled $27m, down from $34m in the prior year. As mentioned above, the raw numbers do not tell the whole story as the sales contracts executed in FY24 provide substantial upside in FY25 and beyond.

At 30 June 2024, Cogstate had $101.6 million of contracted revenue that will be recognised in future periods.

Thanks to our talented team

Throughout the year, we have seen and benefited from the personal growth of various team members. Specifically, Rachel Colite, in the role of Executive Vice President, Clinical Trials, has demonstrated a keen understanding of the business and an ability to lead a large group. Similarly, Dr. Pam Ventola has been promoted into the role of Chief Science Officer at Cogstate in recent months, handling her change in responsibility with ease whilst bringing significant energy and appetite for change to the role.

The whole team continues to focus on the dual goals of delivering for our customers while also seeking to advance our offering with improved technology solutions. They are dedicated to Cogstate's mission and values and, as shareholders, you should be proud of the quality of their work and the high esteem in which they are held within the industry.

Thanks to our unwavering supporters

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

We are acutely aware of the desire of our shareholder base to see Cogstate return to the growth profile that we demonstrated in FY20 and FY21 and, as stated, we believe that we have a book of work that can deliver growth in the coming periods.

The launch of disease modifying therapies for treatment of early Alzheimer's disease represents significant opportunity for Cogstate. We are committed to exploring the extended role Cogstate can potentially play in building an integrated system to allow Alzheimer's patients access to the right intervention at the right time.

We remain eager to deliver against our long-term growth strategies that we believe will deliver long-term shareholder value. Our shared commitment will undoubtably shape a brighter future for our organisation and the global communities of researchers and patients we serve.

Martyn Myer AO
Chairman

Brad O'Connor
CEO

Cogstate Directors

Martyn Myer AO
BE, MESc, MSM

CHAIRMAN

Mr Myer is Chair of the Doherty Institute at the University of Melbourne and the board of the Australian Chamber Orchestra. 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:

Doherty Institute, and the Australian Chamber Orchestra

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:

N/A

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:

Board of Governors for the Alzheimer's Drug Discovery Foundation, Consultant for various biotechnology companies, academic institutions and foundations

Ingrid Player
BEc and LLB (Hons), GAICD

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.

Committees:

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

Other directorships and interests:

Non-executive director on the boards of HealthShare Victoria (retired 30 June 2024), Cleanaway Waste Management Limited, Epworth Foundation, and Integral Diagnostics

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

Other directorships and interests:

PhaseBio Pharmaceuticals Inc and Pulse Biosciences Inc

Kim Wenn
BCompSc

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 and Audit, Risk and Compliance Committee

Other directorships and interests:

Bupa Asia Pacific entities (Bupa ANZ Insurance Pty Ltd, Bupa ANZ Healthcare Holdings Pty Ltd, Bupa HI Pty Ltd, Bupa HI Holdings Pty Ltd and Bupa Foundation (Australia) Limited)

Company Secretaries

David Franks
BEc, CA, FFin, FGIA, JP

David is a 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 30 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: Applyflow Limited, COG Financial Services Limited, Cogstate Limited, Exopharm Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Kristi Geddes
LLB, BPsychSc, Grad Dip Legal Practice, Grad Dip Health and Medical Law

Kristi is General Counsel at Cogstate. She has 20 years' legal experience in private practice and in-house roles, and has undergraduate and post graduate qualifications across law, health and psychological science. She is an Affiliate member of the Governance Institute of Australia.

CUSTOMER STORY

FDA Approval for New Alzheimer's Disease Therapeutic Supported by Cogstate

Cogstate managed the endpoint data quality program of all cognitive and clinical outcomes in a global phase 3 trial of an amyloid-lowering drug for patients with early Alzheimer's disease. To ensure high fidelity measures, the large global trial required a rigorous rater qualification and training program enhanced by central review of ratings by Cogstate's global network of expert neuropsychologist consultants and senior scientists. The US Food and Drug Administration (FDA) approved the launch of the treatment for marketing.

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 2024 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 hundreds of academic and industry sponsored research studies. As at 30 June 2024, Cogstate technology had been deployed in more than:

- **1,800** academic research studies
- **578** 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 625 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.

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 gained extensive experience in the conduct of clinical trials across a range of different indications. Cogstate has collaborated with more than 140 different customers, in the support of more than 570 clinical trials, in more than 110 languages, involving 13,700 clinical trial sites where Cogstate has trained more than 24,000 site staff in respect of the neuropsychological assessments deployed in the trial.

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 (Eisai) 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.

During the 2024 financial year, Cogstate and Eisai renegotiated the global license agreement. Under the Amended Global License Agreement, Eisai will hold a non-exclusive license to distribute specified Cogstate products in the following countries:

- Cognigram in the USA, including a shorter, memory only, version that has been developed in conjunction with Eisai; and
- CogMate in Taiwan, South Korea, Thailand, India, Malaysia, Philippines and Vietnam.

Both Cognigram and CogMate utilise the Cogstate Brief Battery, a collection of four cognitive tests that have been scientifically validated as sensitive to changes in cognition associated with early stages of Mild Cognitive Impairment (MCI) and early Alzheimer's disease.

Cognigram is a Class II exempt FDA listed digital medical device that can be marketed in the USA and is designed to be utilised by healthcare professionals.

CogMate is a direct-to-consumer product, with limited feedback provided to the individual patient. CogMate is not considered to be a "medical device" and therefore does not require regulatory approval.

The Amended Global License Agreement will allow Cogstate to continue to work in concert with Eisai, but also to explore an extended role that Cogstate can potentially play in building an integrated system to allow Alzheimer's patients access to the right intervention at the right time.

Cogstate is organised into two main operating divisions:

Clinical Trials Segment

Over the last 19 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 trials. 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 of conventional cognitive assessments to improve the reliability and sensitivity. 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 trial methodologies to grow market share
- Expand capabilities in key therapeutic indications while continuing to grow market penetration in Alzheimer's disease in line with increased investment in drug development
- Establish and deepen channel partnerships with leading platform and service providers as a means of growing customer base
- Continue scientific publication and marketing of the utility and 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 area of dementia screening and care. Cognigram has achieved regulatory clearance to be marketed in multiple jurisdictions including the United States, Europe and Australia.

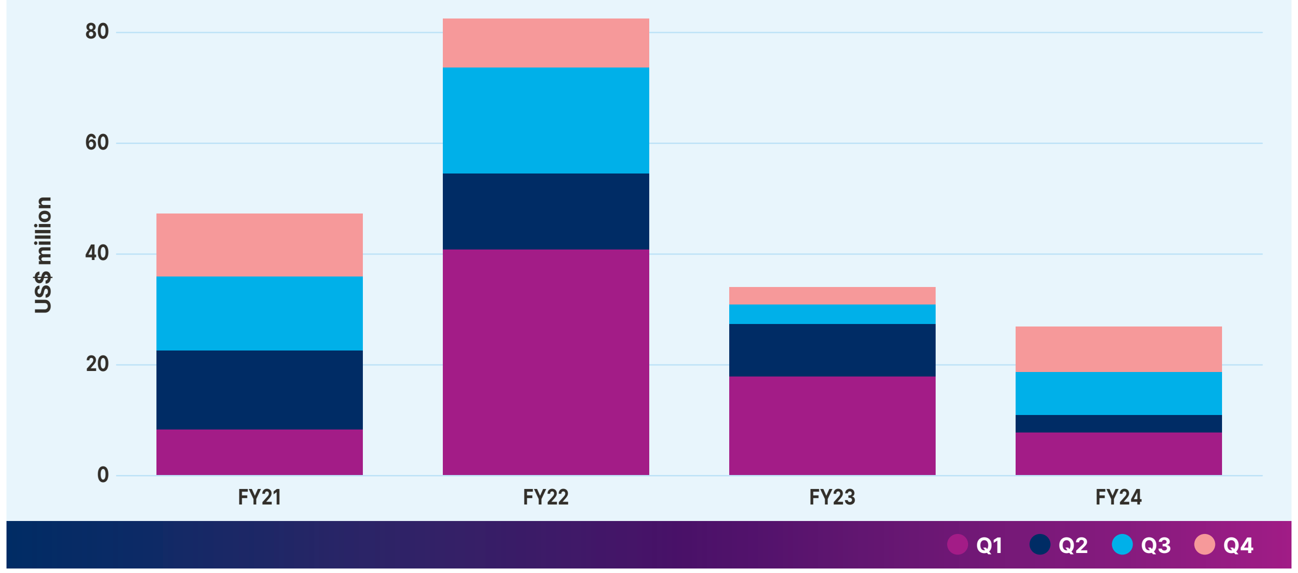
Review of Results and Operations

Clinical Trials Sales Contracts

The value of Clinical Trials sales contracts executed during FY24 was $27.0 million, a decrease of 21% compared to the prior year.

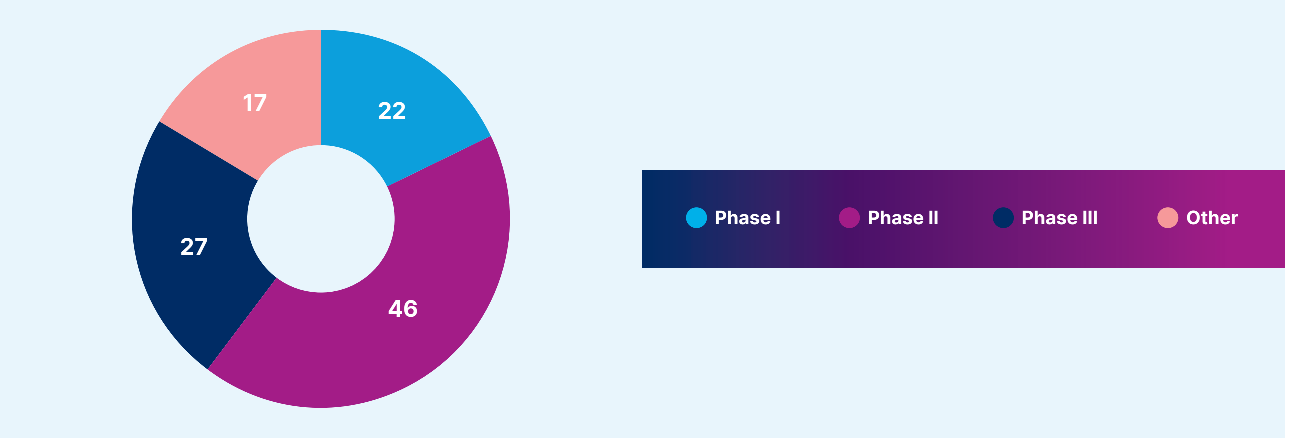
The decrease largely reflects a decrease in the value of sales contracts for trials of potential Alzheimer's therapies in FY24 ($12.9 million in FY24, down from $25.7 million in FY23 and $74.5 million in FY22). The value of sales contracts executed (excluding Alzheimer's trials) increased to $14.0 million in FY24, up from $8.7 million in FY23 and $8.0 million in FY22.

Clinical Trial Sales Contracts Executed



Clinical Trials Portfolio

Cogstate is currently managing 112 clinical trials, across all stages of drug development:



Clinical Trials Segment Result

Clinical Trials revenue increased to $39.4m in FY24, up 9% from the prior year, primarily as a result of the rectification of enrolment and regulatory delays associated with a number of trials in FY23, that impacted revenue in the prior year.

The segment contribution increased to $21.4m, up 22% from the prior year. This outcome was as a result of the increased revenue as well as slightly reduced staffing levels and tight cost management.

Healthcare Segment Result

Revenue for the Healthcare segment is predominantly made up of revenue from the Eisai Global License Agreement. Revenue was lower than the prior year by 9% as a result of the amendment to the Eisai agreement in April of this year. The 8% reduction in segment contribution was as a direct result of this revenue reduction.

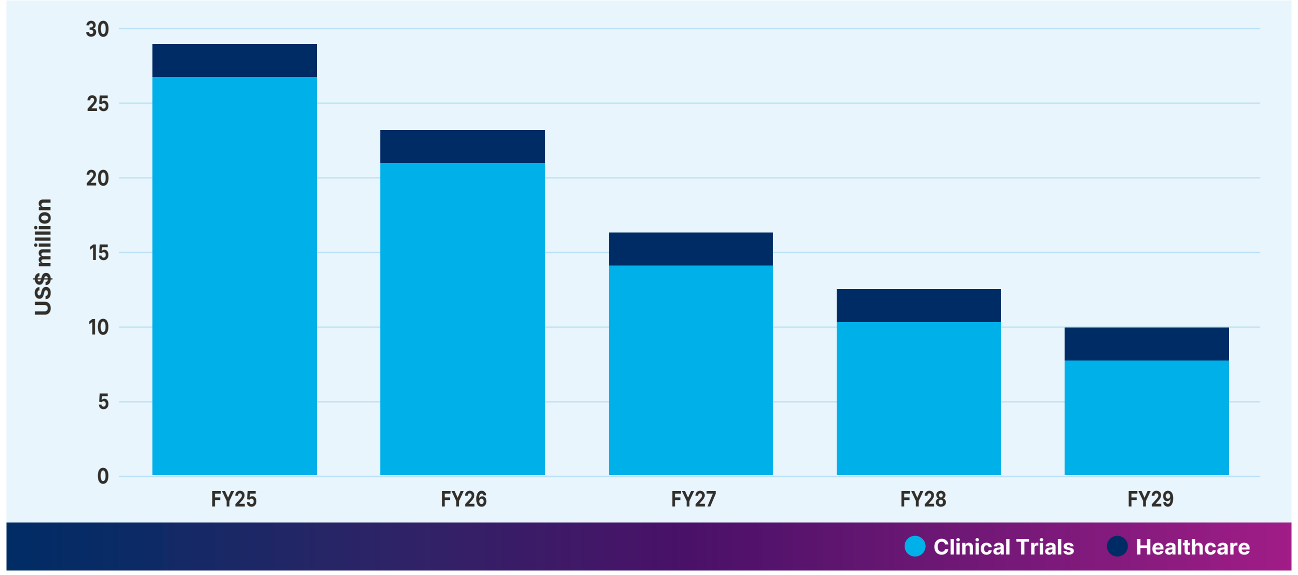
Group Contracted Future Revenue

Total contracted future revenue decreased by 23% to $101.6m as at 30 June 2024, compared to $132.6m at 30 June 2023. 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 2024 US$	30 June 2023 US$
Contracted Clinical Trials Revenue	85,643,497	97,951,714
Eisai License - Global	15,430,385	34,035,590
Eisai License - Japan	515,467	615,658
Contracted future Group revenue at 30 June	**101,589,349**	**132,602,962**

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



Corporate Governance

The Board of Directors of Cogstate Limited is responsible for the corporate governance framework of the Group having regard to the ASX Corporate Governance Council published guidelines (4th Ed.) as well as its corporate governance principles and recommendations.

Details of the Group's corporate governance framework for the year ended 30 June 2024 are contained in the Corporate Governance Statement and Appendix 4G released to the ASX and located at https://www.cogstate.com/investors/corporate-governance/

Likely Developments

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

Financial Position

At 30 June 2024, the net assets of the Group were $40.9 million.

Summary Balance Sheet as at 30 June 2024:

	30 June 2024 US$	30 June 2023 US$	Variance in net assets increase/(decrease) US$	%
Cash and cash equivalents	30,124,231	28,675,988	1,448,243	5%
Trade and other receivables	9,964,006	7,532,671	2,431,335	32%
Property, plant and equipment	416,365	369,683	46,682	13%
Intangibles	10,478,668	11,112,999	(634,331)	(6%)
Other assets	6,854,685	6,375,234	479,451	8%
Total assets	**57,837,955**	**54,066,575**	**3,771,380**	**7%**
Trade and other payables	6,049,737	4,553,731	(1,496,006)	(33%)
Deferred revenue	7,225,918	8,503,406	1,277,488	15%
Other liabilities	3,640,493	3,320,862	(319,631)	(10%)
Total liabilities	**16,916,148**	**16,377,999**	**(538,149)**	**(3%)**
Capital	36,572,044	36,318,220	253,824	1%
Accumulated profits / (losses)	2,337,917	(162,488)	2,500,405	1539%
Reserves	2,011,846	1,532,844	479,002	31%
Total equity	**40,921,807**	**37,688,576**	**3,233,231**	**9%**

Net Cash

The Company had $29.4m net cash as at 30 June 2024.

	2024 US$	2023 US$
Total cash at 30 June	30,124,231	28,675,988
Cash held on behalf of customers in respect of pass-through expenses at 30 June	(677,430)	(882,847)
Net cash held for operations at 30 June	**29,446,801**	**27,793,141**

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	The risk and its impact	How are we responding
Competitive offering	Cogstate provides proprietary digital brain health assessments along with scientific and operational expertise in respect of the assessment of cognition in the context of clinical trials. A risk to Cogstate is that it must continually evolve its offering, with new technology, new delivery modalities, better data analytics and new systems to ensure that it remains a leader in a competitive market. Additionally, it is expected that the launch of new Alzheimer's disease treatments will bring an increase in demand for brain health assessment, leading to an increase in competition in the space.	• We identify opportunities for investment within the business that will enable Cogstate to improve its offering to customers (for example, investment in data ingestion, analytics and reporting through FY22 and FY23). • We are continually innovating, with a focus on ensuring we have superior digital cognitive testing available across a range of modalities that can be used in a range of settings. • Our science team is actively engaged with the industry, regularly evaluating market developments and trends. • We regularly scan the market for new entrants or developments within existing competitors. • We have close relationships with major customers, ensuring that we understand their current and future needs and adapt our offering to meet those needs (for example, delivery of fully remote clinical trials).
Technology - Information security and cyber security	Cogstate operates critically important testing which is expected to be available at all relevant business times and involves the collection of personal and confidential data. A risk to Cogstate arises where the business is unable to effectively operate in the event of a major business disruption meaning it is unable to provide services to customers causing significant impact to customers. A further risk to Cogstate is a security breach of the Group's technology with private data accessed by an unauthorised third party resulting in Cogstate breaching regulations, customer contracts and/or employee agreements.	• During FY23 we developed a Cybersecurity Risk Appetite Statement to guide a strategic approach to security, including a program of works to continually improve cybersecurity framework. • We regularly monitor the availability of our technology against targets to ensure availability. • We monitor the health of critical systems and have contingency plans in place for disruptions. • We engage external expertise to review our controls framework and conduct penetration testing, and more specifically our cyber security controls, to ensure we continue to improve our tools and processes. • We provide regular staff training on cyber security risks and policies. • We have business continuity plans that are regularly reviewed and tested.

Risk	The risk and its impact	How are we responding
Talent	Cogstate relies on the skills and commitment of key talent to deliver services to customers. A risk to Cogstate is the loss of key talent and the inability to attract and retain key talent in a competitive market. This could result in an inability to deliver service to our customers or a deterioration in the quality of service provided to our customers.	• We regularly review our employee remuneration and reward strategy to ensure we are market competitive. • We conduct regular employee engagement surveys and create action plans to address employee feedback. • We invest in employee development through a Learning@Cogstate program and continually invest in our employees' development. • We have implemented a "virtual-first" model where the majority of employees work remotely, providing Cogstate with access to a wider geographical spread of employees giving a greater access to skills and talent.
Business concentration	The Clinical Trials segment generated 91% of Cogstate's FY24 revenue and is a significant contributor to Cogstate's overall financial performance, whilst one customer represented 38% of Cogstate revenue. Additionally, in the Clinical Trials segment, Cogstate derived approximately 64% of its FY24 revenue from Alzheimer's disease clinical trials. The loss of a key customer represents a significant risk to the ongoing growth of Cogstate's business and a downturn in Alzheimer's disease research could negatively impact Cogstate revenue and earnings.	• While continuing to focus on Alzheimer's disease and win new work in that expanding market, we are expanding our capabilities into other indications. • We are leveraging our relationships with key customers in Alzheimer's disease to grow revenue in other disease areas. • We are continuing to establish a leadership position in remote digital cognitive assessments. • We are expanding the use of cognitive testing as a safety end point. • We have established a global licensing agreement with Eisai to grow the use of digital cognitive assessments in general healthcare to diversify our revenue base beyond clinical trials.

Board of Directors

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

- Martyn Myer (Chairman)
- Brad O'Connor (CEO)
- Richard Mohs
- Ingrid Player
- Richard van den Broek
- Kim Wenn

Company Secretaries

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

- David Franks
- Kristi Geddes

Meetings of directors

The number of meetings of the Group's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	Board meetings		Board meetings (sub-committee)		Audit, Risk and Compliance Committee meetings		Remuneration and Nomination Committee meetings	
	A	B	A	B	A	B	A	B
Martyn Myer	8	8	2	2	6	6	3	3
Brad O'Connor	8	8	2	2	N/A	N/A	N/A	N/A
Richard Mohs	8	8	N/A	N/A	6	6	3	3
Ingrid Player	8	8	2	2	6	6	3	3
Richard van den Broek	8	8	N/A	N/A	N/A	N/A	2	3
Kim Wenn	8	8	N/A	N/A	6	6	3	3

A: Number of meetings attended. **B:** Number of meetings held during the year.

Audit, Risk and Compliance Committee

Ingrid Player (Chair), Martyn Myer AO, Richard Mohs, Kim Wenn

Remuneration and Nomination Committee

Martyn Myer AO (Chair), Richard van den Broek, Richard Mohs, Ingrid Player, Kim Wenn

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	-
Mr Richard Mohs	67,000	-
Ms Ingrid Player	134,098	-
Mr Richard van den Broek	4,458,500	-
Ms Kim Wenn	12,586	-
Mr Brad O'Connor	4,438,102	3,250,000

Proceedings on behalf of the Group

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 (2023: 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 2024 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 1,124,088 performance rights and 10,916,382 unissued ordinary shares under employee options.

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 2024 on the exercise of options granted under the Cogstate Employee Equity 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 (AUD$)	Number of shares issued
15/Sep/23	0.69	64,050
19/Sep/23	0.64	280,000
19/Sep/23	0.69	117,920
21/Sep/23	0.64	50,000
27/Sep/23	0.69	50,000
03/Oct/23	0.64	250,000
04/Oct/23	0.69	33,600
09/Oct/23	0.64	150,000
01/Nov/23	0.32	33,333
22/Nov/23	0.69	105,000
22/Nov/23	0.78	250,000
11/Mar/24	0.69	50,000
		1,433,903

On market share buy back

As at 30 June 2024, the Group has purchased 4,393,730 ordinary shares for the total consideration of AUD$6.4m (USD$4.2m). The buy-back was conducted in the ordinary course of trading at an average price per share of AUD$1.46. The shares bought back were subsequently cancelled. The purchase price of each share acquired, was allocated between share capital and retained earnings. The amount allocated to share capital per share acquired, was equivalent to the average issue price of shares residing in share capital. The excess of purchase price over this amount was allocated to retained earnings.

Financial Year Ending	Number of Ordinary Shares Acquired & Cancelled	Total Cost (AUD$)	Average Cost per Share (AUD$)
30 June 2023	552,496	$862,802	1.56
30 June 2024	3,841,234	$5,541,422	1.44
	4,393,730	**$6,404,224**	**$1.46**

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.

DIRECTORS' REPORT

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	
	2024 US$	2023 US$
Taxation services		
Pitcher Partners firm (Melbourne):	-	-
Network firms of Pitcher Partners	13,030	11,128
Total remuneration for taxation services	**13,030**	**11,128**
Other services		
Pitcher Partners firm (Melbourne):	-	-
Network firms of Pitcher Partners	-	-
Total remuneration for non-audit services	**13,030**	**11,128**

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

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COGSTATE LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Cogstate Limited for the year ended 30 June 2024, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

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

K L BYRNE
Partner

PITCHER PARTNERS
Melbourne

22 August 2024

Cognitive Safety Data Utilised in Making Dosing Decisions for Postpartum Depression Drug

A pharmaceutical team developing a drug for the treatment of postpartum depression needed to determine safe doses of the compound in their early phase studies. As part of their evaluation, the team utilised a battery of Cogstate digital cognitive tests in the trial and noted that lower drug doses did not result in any slowing of cognition, whereas higher doses saw some slowing of thinking. Based on this data and information about the drug characteristics, the team selected the dose ultimately shown to be effective in the clinical population and that was approved by the regulatory authority for use in the treatment of post-partum depression.

Dear shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for Cogstate for the year ended 30 June 2024 (FY24).

FY24 Performance

After a challenging FY23, Cogstate returned to revenue and profit growth in FY24, along with a number of key strategic achievements, namely:

- Expanded the customer base for Cogstate's offering in Alzheimer's disease through the signing of four different phase 2 Alzheimer's trials with four different large pharmaceutical companies, 3 of which were new customers.
- Progressed our offerings in other key indications of Sleep disorders, Mood disorders and Rare diseases, including an increase of 60% compared to FY23 in sales contracts (excluding Alzheimer's disease).
- Amended the Global License Agreement with Eisai to allow Cogstate to continue work in concert with Eisai, but also explore an extended role that Cogstate can play in building an integrated system to allow Alzheimer's patients access to the right intervention at the right time.

Group revenue grew by 7% in FY24 to $43.4 million. Clinical Trials revenue grew by 9% to $39.4 million. Healthcare revenue decreased by 9% to $4.0 million, reflecting the amendment to the Eisai agreement that was announced in April 2024.

In late FY23, Cogstate management made the difficult decision to restructure the business, which resulted in approximately 13% of full-time employees leaving the business. Throughout FY24, tight cost control was maintained.

The revenue growth, combined with tight cost control, resulted in an increase in after-tax profit of 53% to $5.4 million.

FY24 Remuneration Outcomes

The remuneration outcomes for FY24 reflect the intended operation of the remuneration framework. At the heart of Cogstate's remuneration framework is our commitment to deliver competitive remuneration to its people, encourage the achievement of the Group's strategic priorities, and deliver value to shareholders.

The CEO's base salary was not changed during FY24. The CEO remuneration package, with a significant at-risk component, is designed to closely align total remuneration to company performance. Total actual CEO remuneration increased in FY24, compared to FY23, reflecting the improved financial results as well as achievement of non-financial measures.

Across the rest of the KMP, increases in base salary during FY24 were in the range of 4%-7%. The exception being in the case of promotion, with increased base salary reflecting greater responsibility.

Cogstate operates an STI bonus that comprises company financial performance and personal performance elements. For the CEO, 50% of STI is subject to company profitability and a further 15% subject to achievement of other financial measures – including key sales growth and profit margin targets, with the remaining subject to achieving strategic measures.

For KMP, 50% is subject to company profitability and 50% to personal performance elements.

Company financial performance for FY24 fell between threshold and target, with the Board determining that 75% of target be awarded for this component. Outside of financial performance, key achievements of the senior executives, including the renegotiation of the Global Licensing Agreement and growth in Clinical Trials customer base, generally provided for award of STI at target for those elements. In total, Short-Term Incentives (STI) awarded was 72.5% of maximum for the CEO and between 87.5% - 92.5% of maximum for other Senior Executives, with detail provided on page 25.

At the 2022 Annual General Meeting, shareholders approved new Long-Term Incentive (LTI) plans that are designed to reflect the objectives of the remuneration framework:

- Align the dual goals of achievement of Cogstate's strategic priorities and retention of key talent.
- Reflect industry best practice and current market for executive talent.
- Provide clear alignment with shareholders and encourage an owner's mindset; and
- Easily understood by both participants and shareholders.

Grants of LTI will be assessed across a 3-year performance period, based on Group-wide Earnings Per Share (EPS) and Revenue targets. Further detail on the LTI structure is provided in Section 4c of the Report. It is noted that, during FY24, there was no grant of LTI to any KMP.

Since the new LTI plans were approved, there have been no grants under the LTI structure made to either the CEO or CFO.

I invite you to read our Report and trust that you will find that it outlines the link between our strategy, performance and executive remuneration outcomes.

On behalf of the Board, we look forward to welcoming you and receiving your feedback at our 2024 AGM.

Yours sincerely,

Martyn Myer AO
Remuneration and Nomination Committee Chair
22 August 2024

Audited Remuneration Report

Table of Contents

1. Who does this report cover?

The directors present the Cogstate Limited 2024 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	Term
Non-Executive Directors		
Martyn Myer AO	Chairman (Non-Executive)	Full Year
Richard Mohs	Non-Executive Director	Full Year
Ingrid Player	Non-Executive Director	Full Year
Richard van den Broek	Non-Executive Director	Full Year
Kim Wenn	Non-Executive Director	Full Year
Key Management Personnel		
Brad O'Connor	Managing Director and CEO	Full Year
Darren Watson	Chief Financial Officer	Full Year
Rachel Colite	Executive Vice President, Clinical Trials	Full Year
Pam Ventola	Chief Science Officer	Appointed on 1 January 2024

Former Key Management Personnel

Name	Position	Term
Key Management Personnel		
Chris Edgar	Chief Science Officer	Ceased employment effective 29 February 2024

Voting and comments made at the Company's 2023 Annual General Meeting

Cogstate Limited received 99% of "yes" votes on its remuneration report for the 2023 financial year.

2. Overview of executive remuneration strategy and framework

a. Remuneration principles

The Group 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 Group is able to remunerate its key people adequately and appropriately given market conditions and their experience.

The Group 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 Group;
2. fairly and responsibly reward directors and senior management having regard to the Group's performance, the performance of the senior management and the general pay environment; and
3. comply with all relevant legal and regulatory provisions.

b. 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.

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.

The CEO's remuneration is benchmarked in the USA. For all other executives, remuneration is benchmarked and determined in the home jurisdiction of the executive.

This philosophy resulted in a Senior Executive remuneration framework for the 2024 financial year consisting of both fixed and variable remuneration components. The objectives and key elements of each component are presented below:

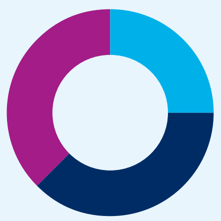
c. Remuneration Framework

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.

	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	Based on a split between company performance and individual performance. Company performance varies between 35% and 70%, individual performance varies between 30% and 65%. Individual performance is based on the achievement of the company's strategic priorities and operational targets.	LTI is equal to 100% of STI. Awards are based on achievement of long-term objectives around revenue and earnings per share growth. No LTI was issued in FY24.
Vehicle	Cash	Cash	Employee Equity Plan

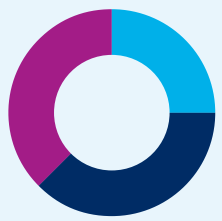
The FY24 target remuneration framework for all Senior Executives is unchanged from FY23. The target remuneration mix is shown in the diagrams below.

CEO



- 25% Fixed Remuneration
- 37.5% STI (Cash)
- 37.5% LTI

OTHER KEY MANAGEMENT PERSONNEL



- 55% Fixed Remuneration
- 22.5% STI (Cash)
- 22.5% LTI

3. Cogstate's performance and link to FY24 remuneration outcomes

a. FY24 company performance

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

Consolidated	2024	2023	2022	2021	Restated 2020
Profit/(loss) after tax for the year attributable to owners of Cogstate Ltd (US$'000)	5,450	3,568	7,520	5,233	(1,957)
Basic earnings/(loss) per share (cents)	3.2	2.1	4.4	3.1	(1.2)
Dividend payments (cents)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-
Increase/(decrease) in share price (cents)	(53)	13	17	100	17
Increase/(decrease) in share price (%)	(32.1%)	8.2%	12.1%	277.8%	84.6%
KMP short-term incentives as a percentage of profit/(loss) for the year (%)	14.0%	7.2%	18.5%	21.7%	(48.0%)

The above table illustrates the link between profit/(loss) after tax for the year attributable to owners of Cogstate Ltd 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.

b. STI awards for FY24

STI awards for key management personnel ranged between below threshold and not paid, to between target and stretch.

The table below summarises the STI outcomes for each scorecard measure for eligible FY24 participants.

				Percentage of Maximum STI	
	Profit Before Tax	Divisional Financial Measures	Non- Financial Measures	% Awarded	% Not awarded
Key Management Personnel					
CEO Weighting	50%	15%	35%	-	-
Brad O'Connor *CEO*	●	●	●	72.5	27.5
Other KMP Weighting	50%	-	50%	-	-
Darren Watson *Chief Financial Officer*	●	N/A	●	87.5	12.5
Rachel Colite *Executive Vice President, Clinical Trials*	●	N/A	●	92.5	7.5
Pam Ventola[1] *Chief Science Officer*	●	N/A	●	87.5	12.5

Key ● At target ● Between threshold & target ● Between target and stretch ● Below Threshold and not paid

1. P Ventola was appointed KMP effective 1 January 2024.

c. LTI vested in FY24

2024 Name	Criteria	Exercise Price	Vesting Date	Number of Options
Executive director				
B O'Connor	Achieved profit target	A$0.78	27/Oct/23	833,333
Other key management personnel (Group)				
D Watson	Achieved profit target and time-based	A$1.00	28/Feb/24	433,334
R Colite	Achieved profit target	A$0.69	31/Aug/23	97,500
	Time-based	A$2.51	31/Aug/23	100,000
P Ventola[1]	Achieved profit target	A$0.69	31/Aug/23	102,800
	Achieved profit target	A$0.78	31/Aug/23	166,667

1. P Ventola was appointed KMP effective 1 January 2024.

4. Detailed overview of Remuneration Framework for FY24

a. Fixed remuneration structure

The following table has been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant Australian Accounting Standards. The amounts included under the Share-based payments column are based on accounting values and do not reflect actual amounts received by Executive KMP in FY24 (or FY23).

		Short-term employee benefits			Post-employment benefits	Long-term benefits		Share- based payments	
Name	**Financial Year**	**Cash salary and fees US$**	**Cash bonus* US$**	**Non-monetary benefits US$**	**Superannuation US$**	**Long service leave US$**	**Termination Benefits US$**	**Options US$**	**Total US$**
Current non-executive directors									
M Myer	2024	86,193	-	-	9,481	-	-	-	95,674
	2023	85,630	-	-	8,991	-	-	-	94,621
R Mohs	2024	64,780	-	-	-	-	-	-	64,780
	2023	62,755	-	-	-	-	-	-	62,755
I Player	2024	64,645	-	-	7,111	-	-	-	71,756
	2023	64,223	-	-	6,743	-	-	-	70,966
R van den Broek	2024	57,961	-	-	-	-	-	-	57,961
	2023	56,149	-	-	-	-	-	-	56,149
K Wenn	2024	58,488	-	-	6,434	-	-	-	64,922
	2023	58,106	-	-	6,101	-	-	-	64,207
Former non-executive directors									
D Dolby[1]	2024	-	-	-	-	-	-	-	-
	2023	32,192	-	-	-	-	-	-	32,192
Sub-total non-executive directors	**2024**	**332,067**	**-**	**-**	**23,026**	**-**	**-**	**-**	**355,093**
	2023	**359,055**	**-**	**-**	**21,835**	**-**	**-**	**-**	**380,890**
Current key management personnel (Group)									
Executive director									
B O'Connor	2024	384,633	452,400	23,194	18,103	7,731	-	346,091	1,232,152
	2023	363,382	156,000	40,419	18,586	7,772	-	512,140	1,098,299
Other key management personnel (Group)									
D Watson	2024	271,021	131,106	8,153	18,073	4,642	-	64,197	497,192
	2023	275,337	57,681	-	18,586	4,572	-	112,884	469,060
R Colite[2]	2024	361,052	129,500	-	31,269	-	-	(26,065)	495,756
	2023	23,692	3,719	-	2,843	-	-	11,411	41,665
P Ventola[3]	2024	90,717	49,667	-	6,350	-	-	-	146,734
	2023	-	-	-	-	-	-	-	-
Former key management personnel (Group)									
C Edgar[4,5]	2024	154,635	-	-	25,451	-	5,061	5,033	190,180
	2023	265,268	38,891	-	32,347	-	-	85,423	421,929
K Billard[6]	2024	-	-	-	-	-	-	-	-
	2023	352,404	-	-	32,705	-	-	18,963	404,072
B Bloomfield[7]	2024	-	-	-	-	-	-	-	-
	2023	164,298	-	-	10,844	-	-	10,694	185,836
Total key management personnel compensation (Group)	**2024**	**1,594,125**	**762,673**	**31,347**	**122,272**	**12,373**	**5,061**	**389,256**	**2,917,107**
	2023	**1,803,436**	**256,291**	**40,419**	**137,746**	**12,344**	**-**	**751,515**	**3,001,751**

* Bonuses are accrued at 30 June and paid in the following financial year. **1.** D Dolby retired on 25 January 2023. **2.** R Colite appointed KMP effective 1 June 2023. Her FY23 remuneration has been pro-rated to reflect that she was KMP for part of the year. **3.** P Ventola appointed KMP effective 1 January 2024. Her FY24 remuneration has been pro-rated to reflect that she was KMP for part of the year. **4.** C Edgar appointed KMP effective 1 July 2022. **5.** C Edgar ceased employment effective 29 February 2024. **6.** K Billard was KMP until 1 June 2023. His FY23 remuneration has been pro-rated to reflect that he was KMP for part of the year. **7.** B Bloomfield ceased employment effective 25 January 2023.

b. STI structure

PURPOSE	The objective of the STI is to link achievement of the Group'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.
OPPORTUNITY	CEO is 150% of fixed remuneration. Other KPM is 35% - 50% of fixed remuneration.
PERFORMANCE PERIOD	Targets were set at the commencement of FY24 and assessed at the end of the financial year, based on the Group's audited annual results and individual performance against non-financial targets.
PERFORMANCE CONDITIONS	For FY24, 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 FY24.

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

Senior Executive	Position	Group Profit Before Tax	Divisional Financial Measure(s)	Non-Financial Measures
Brad O'Connor	CEO	50%	20%	30%
Darren Watson	Chief Financial Officer	50%	N/A	50%
Rachel Colite	Executive Vice President, Clinical Trials	50%	N/A	50%
Pam Ventola	Chief Science 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 non-financial 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 Group'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 Group'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.

c. LTI structure

Long-Term Incentive (LTI)

PURPOSE	The LTI is designed to align the interests of Senior Executives with the interests of shareholders by providing them with the opportunity to acquire Shares in Cogstate for the purpose of motivating, attracting and retaining key employees.
OPPORTUNITY	CEO is 150% of Fixed Remuneration Other KPM is 35% - 50% of Fixed Remuneration
PERFORMANCE PERIOD	Performance will be measured over a 3-year performance period.
PARTICIPATION	Select Senior Executives identified by Cogstate as having the ability to influence Company performance and execution of strategy.
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 subject to satisfaction of applicable performance criteria (see below) and payment of the specified exercise price. The Option may be exercised following the end of the performance period. Options expire after five years. The number of options issued is calculated taking into account the 5-day volume-weighted average price (VWAP) following release of full year results. Options are measured 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 does not carry any voting or dividend entitlements.
PERFORMANCE CRITERIA	Vesting of any Options will be subject to achievement of the following performance conditions:

Earnings per share (EPS Condition) (50%)

The Options subject to the EPS Condition will vest as set out in the table below:

EPS over the Performance Period*	% of Options subject to EPS condition that vest
<15% (threshold)	Nil
15% - 20% (target)	50% - 100% (linear)
>20% (stretch)	100%

*Target for EPS expressed as a 3-year compound annual growth rate (CAGR).

Revenue (Revenue Condition) (50%)

The Options subject to the Revenue Condition will vest as set out in the table below:

Revenue growth over the Performance Period*	% of Options subject to Revenue condition that vest
<10% (threshold)	Nil
10% - 15% (target)	50% - 100% (linear)
>15% (stretch)	100%

*Target for Revenue growth expressed as a 3-year CAGR.

TREATMENT ON CESSATION	Where a participant ceases employment for cause or due to resignation (other than due to death, ill health, or disability) during the performance period all unvested Options will automatically lapse. In all other circumstances, the Options will remain on foot and subject to the original performance conditions, as if the participant had not ceased employment. However, pursuant to the Employee Equity Plan Rules, the Board retains absolute discretion to determine to vest or lapse some or all Options in all circumstances.
CHANGE OF CONTROL	Where a change of control occurs (e.g., a takeover, scheme of arrangement or winding up of the Company), unless the Board determines a different treatment (which may be at a time when the Board considers a change of control is likely to occur), the participant's unvested Awards vest to the extent that the Board determines the vesting / performance conditions have been satisfied (or are estimated to have been satisfied).
MALUS AND CLAWBACK	The Board may, at its discretion reduce or clawback all vested and unvested LTI awards in certain circumstances. The circumstances in which the Board may make a determination include (but are not limited to):

- fraud, or dishonest, gross misconduct or gross incompetence in relation to the affairs of the Group;
- behaviour that brings the Group into disrepute;
- is in breach of their obligations or constitutes a failure to performance or act reasonably and lawfully; or
- has the effect of delivering strong Group performance in a manner which is unsustainable or involves unacceptably high risk, and results or is likely to result in a detrimental impact on Group performance.

5. Overview of NED remuneration

a. Non-Executive Directors (NEDs) remuneration policy

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.

b. Overview of any NED fee increases

A 4% increase was applied to NED fees, effective from 1 July 2023.

c. NED fees

Position	Board Fees* Base fee
Board Chairman	A$124,800
Non-Executive Director	A$88,400
Committee Chairman (Audit, Risk and Compliance Chair and Remuneration and Nomination Chair)	A$10,400
Committee Member	A$10,400

*Board fees are inclusive of superannuation for Australian-based non-executive directors.

The current NED fee pool is A$750,000 per annum (set by shareholders at the 2022 AGM) and the total fees for FY24 including superannuation contributions were A$540,800 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.

6. Remuneration governance and employment contracts

a. Remuneration governance framework

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 and Nomination 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 and Nomination 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.

b. Executive agreements

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. Vested Employee Share Options will be treated in accordance with the relevant Plan Rules, whereby any vested options must be exercised within 30 days following the date of cessation of employment and any vested options not exercised post that date will lapse. Any unvested options at the date of cessation of employment will lapse, in accordance with Plan Rules.

DIRECTORS' REPORT

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. Vested Employee Share Options will be treated in accordance with the relevant Plan Rules, whereby any vested options must be exercised within 30 days following the date of cessation of employment and any vested options not exercised post that date will lapse. Any unvested options at the date of cessation of employment will lapse, in accordance with Plan Rules.

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

7. Equity disclosures relating to Key Management Personnel

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:

FY2024	Granted number	Grant date	Fair value per option (at grant date) A$[a]	Exercise price per option A$	First vesting date	Final vesting date	Expiry date	Value of options exercised during the year US$[b]	Amount paid for options exercised US$[c]	Value of options lapsed/ cancelled during the year US$
Executive Directors of Cogstate Limited										
B O'Connor	-	-	-	-	-	-	-	-	-	-
Key Management Personnel										
R Colite	-	-	-	-	-	-	-	79,582	60,634	-
C Edgar[1]	-	-	-	-	-	-	-	200,232	182,068	(151,542)

a. The fair value of options granted during the financial year is determined at grant date, using the binomial model. This amount is included in remuneration of executive directors and other key management personnel over the vesting period (i.e., a portion is allocated to each financial year within the vesting period). **b.** The value of options exercised during the financial year is determined at the exercise date, measured at the market value of the shares at the date the options were exercised less the price paid to exercise the options. **c.** No amounts remain unpaid on options exercised during the year. **1.** C Edgar ceased employment effective 29 February 2024.

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.

Name	Consolidated Financial Year	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								
B O'Connor[#]	2024	3,250,000	-	-	-	3,250,000	2,250,000	1,000,000
	2023	3,250,000	-	-	-	3,250,000	1,416,667	1,833,333
Total	**2024**	**3,250,000**	**-**	**-**	**-**	**3,250,000**	**2,250,000**	**1,000,000**
	2023	**3,250,000**	**-**	**-**	**-**	**3,250,000**	**1,416,667**	**1,833,333**
Other key management personnel of the Group								
D Watson	2024	1,000,000	-	-	-	1,000,000	533,334	466,666
	2023	1,000,000	-	-	-	1,000,000	100,000	900,000
R Colite[1]	2024	946,250	-	(150,000)	-	796,250	246,250	550,000
	2023	596,250	350,000	-	-	946,250	198,750	747,500
P Ventola[2]	2024	404,200	-	-	-	404,200	404,200	-
	2023	-	-	-	-	-	-	-
Former key management personnel of the Group								
C Edgar[3,4]	2024	588,333	-	(383,333)	(200,000)	-	-	-
	2023	605,000	-	(16,667)	-	588,333	-	588,333
P Maruff[5]	2024	-	-	-	-	-	-	-
	2023	323,125	-	-	-	323,125	74,375	248,750
K Billard[6]	2024	-	-	-	-	-	-	-
	2023	1,500,000	-	-	-	1,500,000	300,000	1,200,000
B Bloomfield[7]	2024	-	-	-	-	-	-	-
	2023	1,000,000	-	(100,000)	(900,000)	-	-	-
Total	**2024**	**2,938,783**	**-**	**(538,333)**	**(200,000)**	**2,200,450**	**1,183,784**	**1,016,666**
	2023	**5,024,375**	**350,000**	**(116,667)**	**(900,000)**	**4,357,708**	**673,125**	**3,684,583**

Tanya O'Connor holds 400,000 options at 30 June 2023 which were issued during the financial year as part of her employment at Cogstate. **1.** R Colite appointed KMP effective 1 June 2023. **2.** P Ventola appointed KMP effective 1 January 2024. **3.** C Edgar appointed KMP effective 1 July 2022. **4.** C Edgar ceased employment effective 29 February 2024. **5.** P Maruff moved to non-KMP role 1 July 2022. **6.** K Billard was KMP until 1 June 2023. **7.** B Bloomfield ceased employment effective 25 January 2023.

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

(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.

Name	Consolidated Financial Year	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	2024	23,614,566	-	-	23,614,566
	2023	23,564,566	-	50,000	23,614,566
R Mohs	2024	67,000	-	-	67,000
	2023	55,000	-	12,000	67,000
I Player	2024	134,098	-	-	134,098
	2023	134,098	-	-	134,098
R van den Broek	2024	4,458,500	-	-	4,458,500
	2023	4,458,500	-	-	4,458,500
K Wenn	2024	12,586	-	-	12,586
	2023	12,586	-	-	12,586
B O'Connor[#]	2024	4,438,102	-	-	4,438,102
	2023	4,373,102	-	65,000	4,438,102
Former Directors of Cogstate Limited					
D Dolby[1]	2024	-	-	-	-
	2023	25,932,802	-	-	25,932,802
Other key management personnel of the Group					
R Colite[2]	2024	100,000	150,000	(63,292)	186,708
	2023	100,000	-	-	100,000
C Edgar[3,4]	2024	50,000	388,333	(235,438)	202,895
	2023	33,333	16,667	-	50,000

Holding excludes related party, Tanya O'Connor, who holds 485,733 shares. **1.** D Dolby retired on 25 January 2023. This balance represents his share holdings on this date. **2.** R Colite appointed KMP effective 1 June 2023. **3.** C Edgar appointed KMP effective 1 July 2022. **4.** C Edgar resigned 29 February 2024. This balance represents his shareholdings on this date.

Director-related entity transactions

Directors of the Group and their director-related entities, conduct transactions with the Group 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 Group would have adopted if dealing with a director or director-related entity at arm's length in similar circumstances.

End of audited remuneration report.

Martyn Myer AO, Chairman
Melbourne, 22 August 2024

CUSTOMER STORY

Rare Disease Clinical Trial Approach Supports Evaluation of What Families Feel Makes a Meaningful Impact

A biotechnology company was developing a compound to address symptoms of a rare seizure disorder and enlisted Cogstate to support their efforts across a natural history study and multiple Phase 2 studies. Based on guidance from Cogstate scientific leadership, the sponsor selected a measure of adaptive functioning as a key endpoint in their trials. They later asked Cogstate to develop a first-of-its-kind measurement method in rare disease to determine if the levels of change seen from the novel drug were resulting in meaningful impact on families. Based on the positive data gathered, the study team are now launching a Phase 3 trial with the key endpoint.

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, Level 32, 367 Collins Street, Melbourne, VIC, 3000 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 22 August 2024.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 US$	2023 US$
Operations			
Revenue	5	39,722,377	36,263,351
Royalty income	5	3,705,396	4,187,772
Total revenue	5	43,427,773	40,451,123
Cost of sales	6	(19,126,452)	(19,804,237)
Gross profit		**24,301,321**	**20,646,886**
Other income	7	-	152,736
Employee benefits expense	8	(10,094,812)	(9,987,528)
Depreciation & amortisation	9	(2,434,438)	(2,394,852)
Occupancy		(357,310)	(217,658)
Marketing		(11,614)	(73,547)
Professional fees		(1,795,163)	(1,807,934)
General administration		(3,062,214)	(3,468,263)
Net foreign exchange gain/(loss)		78,492	(11,881)
Travel expenses		(372,954)	(402,873)
Finance expenses		(51,220)	(69,788)
Other income/(expenses)		901,403	659,813
Profit before income tax		**7,101,491**	**3,025,111**
Income tax benefit/(expense)	10	(1,651,607)	542,622
Profit from continuing operations		**5,449,884**	**3,567,733**
Profit for the year		**5,449,884**	**3,567,733**
Total comprehensive profit		**5,449,884**	**3,567,733**
Profit is attributable to: Owners of Cogstate Limited		5,449,884	3,567,733
Total comprehensive profit for the year is attributable to: Owners of Cogstate Limited		5,449,884	3,567,733
Total comprehensive profit for the year attributable to owners of Cogstate Limited arises from: Continuing operations		5,449,884	3,567,733

		Cents	Cents
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic profit per share	13(a)	3.17	2.06
Diluted profit per share	13(b)	3.15	2.02
Earnings per share from profit attributable to the ordinary equity holders of the Company			
Basic profit per share	13(a)	3.17	2.06
Diluted profit per share	13(b)	3.15	2.02

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 2024

	Notes	2024 US$	2023 US$
ASSETS			
Current assets			
Cash and cash equivalents (excluding bank overdrafts)	14	30,124,231	28,675,988
Trade and other receivables	15	9,964,006	7,532,671
Other current assets	16	3,376,189	2,573,113
Total current assets		**43,464,426**	**38,781,772**
Non-current assets			
Property, plant and equipment	17	416,365	369,683
Intangible assets	18	10,478,668	11,112,999
Lease assets	19	559,933	226,706
Deferred tax assets	11	2,918,563	3,575,415
Total non-current assets		**14,373,529**	**15,284,803**
Total assets		**57,837,955**	**54,066,575**
LIABILITIES			
Current liabilities			
Trade and other payables	20	6,049,737	4,553,731
Deferred revenue	21	3,757,015	5,011,404
Short-term borrowings	22	109,434	115,902
Provisions	23	2,559,094	2,252,481
Lease liabilities	19	108,386	236,080
Total current liabilities		**12,583,666**	**12,169,598**
Non-current liabilities			
Provisions	23	28,725	19,330
Deferred revenue	21	3,468,903	3,492,002
Lease liabilities	19	454,904	26,910
Deferred tax liabilities	12	379,950	670,159
Total non-current liabilities		**4,332,482**	**4,208,401**
Total liabilities		**16,916,148**	**16,377,999**
Net assets		**40,921,807**	**37,688,576**
EQUITY			
Share capital	24	36,572,044	36,318,220
Other reserves	25	2,011,846	1,532,844
Accumulated profits / (losses)		2,337,917	(162,488)
Capital and reserves attributable to owners of Cogstate Limited		**40,921,807**	**37,688,576**
Total equity		**40,921,807**	**37,688,576**

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 2024

	Notes	Contributed equity US$	Share based payments reserve US$	Foreign currency translation reserve US$	Accumulated profits (losses) US$	Total equity US$
		Attributable to owners of Cogstate Limited				
As at 1 July 2022		36,145,605	3,214,324	(3,185,013)	(3,252,806)	32,922,110
Profit for the year		-	-	-	3,567,733	3,567,733
Total comprehensive income for the year		**-**	**-**	**-**	**3,567,733**	**3,567,733**
Transactions with owners in their capacity as owners						
Transfer to share capital on exercise of options	24(b)	81,357	(81,357)	-	-	-
Exercise of options	24(b)	184,367	-	-	-	184,367
Cost of share-based payment	25(a)	-	1,584,890	-	-	1,584,890
Share buy-back	24(b)	(93,109)	-	-	(477,415)	(570,524)
As at 30 June 2023		**36,318,220**	**4,717,857**	**(3,185,013)**	**(162,488)**	**37,688,576**
As at 1 July 2023		36,318,220	4,717,857	(3,185,013)	(162,488)	37,688,576
Profit for the year		-	-	-	5,449,884	5,449,884
Total comprehensive income for the year		**-**	**-**	**-**	**5,449,884**	**5,449,884**
Transactions with owners in their capacity as owners						
Transfer to share capital on exercise of options	24(b)	267,556	(267,556)	-	-	-
Exercise of options	24(b)	620,193	-	-	-	620,193
Cost of share-based payment	25(a)	-	750,172	-	-	750,172
Other comprehensive expense adjustment	25(a)	-	(3,614)	-	-	(3,614)
Share buy-back	24(b)	(633,925)	-	-	(2,949,479)	(3,583,404)
As at 30 June 2024		**36,572,044**	**5,196,859**	**(3,185,013)**	**2,337,917**	**40,921,807**

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 2024

	Notes	2024 US$	2023 US$
Cash flows from operating activities			
Receipts from customers		40,568,904	39,569,069
Payments to suppliers and employees		(34,760,006)	(39,030,549)
Finance costs		(24,095)	(37,127)
Government grants and tax incentives		-	152,736
Net cash flows provided by/(used in) by operating activities	**27**	**5,784,803**	**654,129**
Cash flows from investing activities			
Purchase of property, plant & equipment		(451,232)	(131,423)
Payment for capitalised software development costs	18	(1,437,214)	(2,079,035)
Interest received		770,977	530,025
Net cash flows provided by/(used in) investing activities		**(1,117,469)**	**(1,680,433)**
Cash flows from financing activities			
Proceeds from issue of shares	24(b)	620,193	184,367
Share buy-back payments		(3,587,019)	(570,525)
Principal portion of lease payments		(252,265)	(508,720)
Net cash flows provided by/(used in) financing activities		**(3,219,091)**	**(894,878)**
Net increase/(decrease) in cash and cash equivalents		**1,448,243**	**(1,921,182)**
Cash and cash equivalents at beginning of period		28,675,988	30,597,170
Cash and cash equivalents at end of year	**14**	**30,124,231**	**28,675,988**

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 material accounting policies

(a) 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 2023. The application of these Standards 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 2023.

(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.

(b) 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 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.

(c) Foreign currency translation

(i) Transactions and balances

The financial statements are presented in US dollars which is the Group's functional and presentation currency.

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.

(d) Revenue

The Group derives revenue from the sale of licensed 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 licensed software

The Group provides licensed software to Clinical Trials and Healthcare customers, comprising access to the software.

Revenue is recognised at a point in time when the licensed 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 the Alzheimer's Drug Discovery Foundation (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 license 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).

(e) 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.

(f) 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

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

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.

(g) 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.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at financial institutions held at call and short-term deposits with a maturity of six months or less 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 convertible to a known amount of cash within a period of six months or less and are subject to an insignificant risk of diminution in value.

(i) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

(j) 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.

(k) 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.

(ii) 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. Capitalised software development costs are amortised over a useful life 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.

(iii) 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. Amortisation commences when the asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(l) 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.

(m) 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).

The Group's Employee Equity Plan (EEP) provides benefits to senior executives and employees. Information relating to this Plan 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 award 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).

(n) 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.

(o) 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.

(p) Comparatives

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

(q) 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).

(r) Going Concern Assumption

The 2024 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and 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:

	2024 US$	2023 US$
Financial assets		
Cash and cash equivalents	30,124,231	28,675,988
Trade and other receivables	10,105,420	7,622,953
	40,229,651	**36,298,941**
Financial liabilities		
Trade and other payables	6,346,758	4,553,731
Short term borrowings	109,434	115,902
Lease liabilities	563,290	262,990
	7,019,482	**4,932,623**

(a) Market risk

(i) Foreign exchange risk

Approximately 99% (2023: 99%) of the Group's sales are denominated in the functional currency, whilst approximately 73% (2023: 79%) 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 2024 US$	30 June 2023 US$
Cash and cash equivalents	1,804,247	2,076,453
Trade receivables	308,468	(58,757)
Trade payables	(83,704)	(178,922)
Provisions	(1,048,661)	(892,170)
Provision for income tax	(524,628)	270,547
Net exposure	**455,722**	**1,217,151**

Sensitivity

At 30 June 2024, 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$1.5083 and US$1.00 = EUR0.9199, post tax profit and equity would have been affected as follows:

	Post tax profit		Equity	
	Better/(Worse) 2024 US$	Better/(Worse) 2023 US$	Better/(Worse) 2024 US$	Better/(Worse) 2023 US$
USD:AUD+10%	343,810	208,510	343,810	208,510
TOTAL	**343,810**	**208,510**	**343,810**	**208,510**
USD:AUD-10%	(343,810)	(208,510)	(208,510)	(208,510)
TOTAL	**(343,810)**	**(208,510)**	**(208,510)**	**(208,510)**

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 2024 US$	30 June 2023 US$
Cash at bank and on hand	985,294	1,037,413
Short term deposits	14,088,917	20,188,780
Net exposure	**15,074,211**	**21,226,193**

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		Equity	
	Better/(Worse) 2024 US$	Better/(Worse) 2023 US$	Better/(Worse) 2024 US$	Better/(Worse) 2023 US$
Increase 1%	150,742	212,262	150,742	212,262
Decrease 0.5%	(75,371)	(106,131)	(75,371)	(106,131)

(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.

The Group's financial instruments are spread amongst a number of major Australian and US financial institutions to minimise the risk of default of counterparties, with the Group's short-term deposit being held as one security at a major Australian bank.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 2024				
Payables	5,271,027	-	5,271,027	5,271,027
Short term borrowings	109,434	-	109,434	109,434
Lease liabilities	67,551	559,524	627,075	563,290
	5,448,012	**559,524**	**6,007,536**	**5,943,751**
30 June 2023				
Payables	3,593,835	-	3,593,835	3,593,835
Short term borrowings	115,902	-	115,902	115,902
Lease liabilities	184,664	68,961	253,625	262,990
	3,894,401	**68,961**	**3,963,362**	**3,972,727**

(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 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 widely used valuation models, 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(m), 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 three 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 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.

* Effective 1 July 2023, former segment, Research, is now part of the Clinical Trials segment. Prior year revenue and profit/(loss) information for Research has been included within Clinical Trials for comparison.

(b) Segment information

The following table present revenue and profit/(loss) information regarding the segments of clinical trials and healthcare markets for the years ended year ended 30 June 2024 and 30 June 2023.

	Financial Year	Clinical Trials US$	Healthcare US$	Administration US$	Total US$
Sales to external customers	2024	39,442,716	3,985,057	-	43,427,773
	2023	36,050,153	4,400,970	-	40,451,123
Cost of sales	2024	(17,711,867)	(1,110,453)	-	(18,822,320)
	2023	(18,318,274)	(1,285,873)	-	(19,604,147)
Direct depreciation	2024	(304,132)	-	-	(304,132)
	2023	(200,090)	-	-	(200,090)
Segment gross profit	**2024**	**21,426,717**	**2,874,603**	**-**	**24,301,321**
	2023	**17,531,789**	**3,115,097**	**-**	**20,646,886**
Interest revenue	2024	-	-	604,942	604,942
	2023	-	-	702,648	702,648
Gross comprehensive income	**2024**	**21,426,717**	**2,874,603**	**604,942**	**24,906,263**
	2023	**17,531,789**	**3,115,097**	**702,648**	**21,349,534**
Operating profit	2024	21,426,717	2,874,603	(14,854,549)	9,446,772
	2023	17,531,789	3,115,097	(14,945,865)	5,701,021
Depreciation	2024	-	-	(2,434,438)	(2,434,438)
	2023	-	-	(2,394,852)	(2,394,852)
FX gain/(loss), realised and unrealised	2024	-	-	78,492	78,492
	2023	-	-	(11,881)	(11,881)
Profit/(loss) on disposal of assets	2024	-	-	61,885	61,885
	2023	-	-	(352,125)	(352,125)
Government income	2024	-	-	-	-
	2023	-	-	152,736	152,736
Finance costs	2024	-	-	(51,220)	(51,220)
	2023	-	-	(69,788)	(69,788)
Segment result	**2024**	**21,426,717**	**2,874,603**	**(17,199,830)**	**7,101,491**
	2023	**17,531,789**	**3,115,097**	**(17,621,775)**	**3,025,111**

(c) Segment Revenue

Cogstate Ltd had one external customer whose individual contribution to total Cogstate Ltd revenue exceeded 10% during the current financial year. This customer's contribution to total revenue included:

- Eli Lilly and Company $16.3m

In 2023, 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 $15.9m
- Eisai Co Ltd $4.2m

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

	2024 US$	2023 US$
Timing of revenue recognition		
At a point in time*		
Clinical Trials**	5,055,690	4,033,695
Healthcare	279,660	213,198
	5,335,350	**4,246,893**
Over time*		
Clinical Trials	34,387,027	32,016,458
Healthcare	3,705,396	4,187,772
	38,092,423	**36,204,230**
	43,427,773	**40,451,123**

* For further detail on the types of transactions that use point in time and over time, refer to Note 1(d). ** Former segment, Research, is now part of the Clinical Trials segment. Prior year revenue for Research has been included within Clinical Trials for comparison.

	2024 US$	2023 US$
The total amount of revenue from contracts with customers recognised for the financial year includes:		
- Amounts that were included in the balance of contract liabilities at the beginning of the year	4,356,626	4,511,520

	2024 US$	2023 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)*	85,643,497	98,001,714
Healthcare (contracted future revenue)	15,945,852	34,651,248
	101,589,349	**132,652,962**

* Former segment, Research, is now part of the Clinical Trials segment. Prior year contracted future revenue for Research has been included within Clinical Trials for comparison.

6 Cost of sales

	2024 US$	2023 US$
Direct wages and salaries	14,321,384	15,366,001
Share based payment expense	99,900	741,017
Direct contractor	2,210,725	1,698,380
Direct depreciation	304,132	200,090
Other cost of sales	2,190,311	1,798,749
Total cost of sales	**19,126,452**	**19,804,237**

7 Other income

	2024 US$	2023 US$
Government income	-	152,736
	-	**152,736**

8 Employee benefit expense

	2024 US$	2023 US$
Wages and salaries	11,366,427	10,294,968
Less capitalisation of software development costs	(1,207,764)	(926,309)
Less product development costs reimbursed	(714,123)	(225,004)
Share based payment expense	650,272	843,873
Total employee benefits expense	**10,094,812**	**9,987,528**

9 Depreciation and amortisation expense

	2024 US$	2023 US$
Depreciation and amortisation included in the statement of profit or loss		
Depreciation (direct)*	304,132	200,090
	304,132	**200,090**
Depreciation (indirect)	124,121	179,044
Depreciation (lease assets)	238,772	484,655
Amortisation (intangibles)	2,071,545	1,731,153
Total depreciation (indirect) and amortisation	**2,434,438**	**2,394,852**
Total depreciation and amortisation	**2,738,570**	**2,594,942**

* 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

	2024 US$	2023 US$
Current tax	1,437,294	531,371
Deferred tax	167,037	163,591
(Over)/under provision in prior years	47,276	(1,237,584)
	1,651,607	(542,622)
Income tax expense/(benefit) is attributable to:		
Profit from continuing activities	1,651,607	(542,622)

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

	2024 US$	2023 US$
Profit from continuing operations before income tax expense	7,101,491	3,025,111
Prima Facie Tax at the Australian tax rate of 30.0% (2023 - 30.0%)	2,130,447	907,533
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-	-
Differences in tax rates	(69,760)	(79,422)
(Over)/under provision in prior years	47,276	(1,237,584)
Income not assessable for income tax purposes	(569,025)	(563,384)
Non deductible share based payments	95,016	423,211
Expenditure not deductible for income tax purposes	17,653	7,024
	1,651,607	**(542,622)**

(c) Tax losses and US credits

	2024 US$	2023 US$
Unrecognised deferred tax asset for US R&D and CT credits	792,929	1,140,609

The benefit will only be obtained if the US R&D and CT credits become certain to be utilised before the expiration of the credits.

11 Non-current assets - Deferred tax assets

Deferred tax asset comprised of the following:

	2024 US$	2023 US$
Tax losses	-	649,479
Employee benefits	700,174	612,513
Accrued expenses	541,370	124,240
Deferred revenue	1,633,756	2,145,373
Capital raising costs	-	7,975
Provision for credit losses	42,424	27,085
Lease assets and lease liabilities	839	8,750
	2,918,563	**3,575,415**

In Cogstate Ltd, there are no tax losses available for future use at 30 June 2024 (30 June 2023: $649,479).

In Cogstate Inc, there are no tax losses available for future use at 30 June 2024 (30 June 2023: nil).

12 Non-current liabilities - Deferred tax liabilities

Deferred tax liability comprised of the following:

	2024 US$	2023 US$
Accrued revenue	379,950	89,153
Foreign exchange	-	581,006
	379,950	**670,159**

13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit 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 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

	2024 US Cents	2023 US Cents
From continuing operations attributable to the ordinary equity holders of the Company	3.17	2.06
Total basic earnings per share attributable to the ordinary equity holders of the Company	3.17	2.06

(b) Diluted earnings per share

	2024 US Cents	2023 US Cents
From continuing operations attributable to the ordinary equity holders of the Company	3.15	2.02
Total diluted earnings per share attributable to the ordinary equity holders of the Company	3.15	2.02

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

	2024 US$	2023 US$
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
Used in calculating basic earnings per share	5,449,884	3,567,733
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company:		
Used in calculating diluted earnings per share	5,449,884	3,567,733

(d) Weighted average number of shares used as denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	171,811,952	173,441,505
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	173,099,796	176,344,598

(e) Information on the classification of securities

(i) Options

Options granted to employees under the Employee Equity 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.

(ii) Performance rights

Performance rights granted to employees under the Cogstate Employee Equity 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 performance rights have not been included in the determination of basic earnings per share. Details relating to the performance rights are set out in Note 30.

14 Current assets - Cash and cash equivalents

	2024 US$	2023 US$
Cash at bank and in hand	15,935,314	8,487,208
Short-term deposits	14,188,917	20,188,780
Total cash and short term deposits	**30,124,231**	**28,675,988**

Net cash

The Group had $29,446,801 million net cash as at 30 June 2024 (30 June 2023: $27,793,141) calculated as gross cash less cash borrowings and less cash received in advance for future pass-through charges.

	2024 US$	2023 US$
Total cash at 30 June	30,124,231	28,675,988
Cash received in advance for future pass-through expenses at 30 June	(677,430)	(882,847)
Cash held for operations at 30 June	**29,446,801**	**27,793,141**
Total borrowings	-	-
Net cash	**29,446,801**	**27,793,141**

15 Current assets - Trade and other receivables

	2024 US$	2023 US$
Trade receivables	10,105,420	7,622,953
Allowance for expected credit losses	(141,414)	(90,282)
	9,964,006	**7,532,671**

Trade and other receivables ageing analysis at 30 June is:

	Gross 2024 US$	Gross 2023 US$
Not past due	9,468,602	6,896,871
Past due 30-59 days	338,273	435,641
Past due 60-89 days	114,359	272,343
Past due more than 90 days	184,186	18,098
	10,105,420	**7,622,953**
Allowance for expected credit losses	(141,414)	(90,282)
	9,964,006	**7,532,671**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Current assets - Other current assets

	2024 US$	2023 US$
Accrued income	2,172,792	1,221,501
Prepayments	1,084,224	1,250,630
Other receivables	119,173	100,982
Total other current assets	**3,376,189**	**2,573,113**

17 Non-current assets - Property, plant and equipment

	2024 US$	2023 US$
Property, plant and equipment		
Gross value	4,186,101	5,746,969
Accumulated depreciation	(3,769,736)	(5,377,286)
	416,365	**369,683**

	2024 US$	2023 US$
Property, plant and equipment		
Opening net book amount	369,683	905,192
Additions	451,232	195,886
Disposals	(154,194)	(174,364)
Depreciation charge	(428,253)	(379,134)
Impairment of assets*	177,897	(177,897)
Closing net book amount	**416,365**	**369,683**

* An impairment charge relating to the assets residing in New Haven, was taken in the prior financial year. In the current financial year, as the new lease was signed and the assets have been disposed of, the impairment provision has been reversed into the profit and loss.

18 Non-current assets - Intangible assets

	2024 US$	2023 US$
Software development		
Database platform	4,710,356	5,497,225
ISLT smart-phone application	1,909,713	2,344,168
Cognigram USA	1,363,592	1,549,924
DCT EEP	395,424	308,762
Data management software	823,933	611,219
Rater performance application	866,752	492,803
Intellectual Property - Clinical Trials	308,898	308,898
Intellectual Property - Cognigram	100,000	-
	10,478,668	**11,112,999**

Year ended 30 June 2024	Software Development (Database Platform)[a] US$	Software Development (ISLT smart-phone application)[b] US$	Software Development (Cognigram USA)[c] US$	Software Development (DCT EEP)[d] US$	Software Development (Data Management Platform)[e] US$	Software Development (Rater performance application)[f] US$	Intellectual Property - Clinical Trials US$	Intellectual Property - Cognigram US$	Total US$
Opening net book amount	5,497,225	2,344,168	1,549,924	308,762	611,219	492,803	308,898	-	11,112,999
Amortisation	(970,782)	(563,905)	(186,333)	(74,804)	(142,605)	(133,116)	-	-	(2,071,545)
Capitalisation	183,914	129,450	-	161,466	355,318	507,066	-	100,000	1,437,214
Closing net book amount	4,710,357	1,909,713	1,363,591	395,424	823,932	866,753	308,898	100,000	10,478,668

Year ended 30 June 2023	Software Development (Database Platform)[a] US$	Software Development (ISLT smart-phone application)[b] US$	Software Development (Cognigram USA)[c] US$	Software Development (DCT EEP)[d] US$	Software Development (Data Management Platform)[e] US$	Software Development (Rater performance application)[f] US$	Intellectual Property - Clinical Trials US$	Intellectual Property - Cognigram US$	Total US$
Opening net book amount	6,152,988	1,734,118	1,736,257	-	527,256	305,600	308,898	-	10,765,117
Amortisation	(937,997)	(413,408)	(186,333)	(26,875)	(101,804)	(64,736)	-	-	(1,731,153)
Capitalisation	282,234	1,023,458	-	335,637	185,767	251,939	-	-	2,079,035
Closing net book amount	5,497,225	2,344,168	1,549,924	308,762	611,219	492,803	308,898	-	11,112,999

a. Software includes capitalised development costs being an internally generated intangible asset (Database Platform infrastructure)

A number of projects of work were undertaken this year as part of the ongoing refinement of this platform.

b. 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.

Further development work was undertaken this year. The amount capitalised reflects both the labour effort expended and actual third party costs incurred in developing the smartphone application.

c. Software includes capitalised development costs being an internally generated intangible asset (Cognigram)

No further development work was undertaken this financial year.

d. Software includes capitalised development costs being an internally generated intangible asset (DCT EEP)

In the prior financial year, the Group commenced work on a Decentralised Trials External Embedded Portal to allow our clients more efficient access to our tests. This financial year, further development work was undertaken and has been capitalised. The amount capitalised reflects the labour effort expended. The development of this asset is ongoing.

e. Software includes capitalised development costs being an internally generated intangible asset (Data Management Platform)

Further development work was undertaken on the Data Management Platform. A third party developer has been engaged to perform this development work. The development work undertaken this year has been capitalised. The amount capitalised reflects both the labour effort expended and actual third party costs incurred. The development of this asset is ongoing.

f. Software includes capitalised development costs being an internally generated intangible asset (Rater Performance Application)

Further development work was undertaken this year as part of the ongoing refinement of this application.

Impairment losses recognised

Continuing Operations

These assets were tested for impairment during the year ended 30 June 2024.

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 5% (2023: 5%).

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 2024 and 30 June 2023.

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 10% (2023: 10%).

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	2024 US$	2023 US$
Carrying amount of lease assets, by class of underlying asset:		
Buildings	552,931	207,254
Equipment	7,002	19,452
	559,933	**226,706**

Lease Assets	2024 US$	2023 US$
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:		
Carrying amount at 1 July 2023	226,706	1,113,040
Additions	571,999	-
Depreciation	(238,772)	(484,655)
Impact of lease modification	-	(401,679)
Carrying amount at 30 June 2024	**559,933**	**226,706**

Lease Liabilities	2024 US$	2023 US$
Reconciliation of the carrying amount of lease liabilities at the beginning and end of the financial year:		
Carrying amount at 1 July 2023	262,990	1,228,403
Additions	571,999	-
Principal reduction	(252,265)	(508,720)
Impact of lease modification	(19,434)	(456,693)
Carrying amount at 30 June 2024	**563,290**	**262,990**
Carrying amount of lease liabilities:		
Current lease liabilities	(108,386)	(236,080)
Non-current lease liabilities	(454,904)	(26,910)
Total carrying amount of lease liabilities	**(563,290)**	**(262,990)**

Lease Expenses and Cash Flows	2024 US$	2023 US$
Depreciation expense on lease assets	238,772	484,655
Interest expense on lease liabilities	7,320	15,654
Lease payments	259,585	524,374

20 Current liabilities - Trade payables and other liabilities

	2024 US$	2023 US$
Trade payables	201,552	186,282
Accrued payables	3,834,906	2,319,853
Provision for tax	140,203	(90,814)
Provision for refund	225,239	-
Prepaid pass-through	869,127	1,087,700
Grant funding*	778,710	1,050,710
	6,049,737	**4,553,731**

***** 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 a third party developer, and those costs have been capitalised (refer note 18).

21 Deferred revenue

Current deferred revenue	2024 US$	2023 US$
Clinical Trials	1,441,706	494,359
Healthcare		
- Eisai Japan	99,918	100,192
- Eisai Global	2,107,030	4,099,054
- Eisai Other	98,361	307,799
Research	10,000	10,000
	3,757,015	**5,011,404**

Non-current deferred revenue	2024 US$	2023 US$
Clinical Trials	200,000	500,000
Healthcare		
- Eisai Japan	415,549	515,467
- Eisai Global	2,823,354	2,436,535
Research	30,000	40,000
	3,468,903	**3,492,002**

Deferred Revenue	2024 US$	2023 US$
Carrying amount of deferred revenue:		
Current deferred revenue	3,757,015	5,011,404
Non-current deferred revenue	3,468,903	3,492,002
	7,225,918	**8,503,406**

22 Current liabilities - Short-term borrowings

	2024 US$	2023 US$
Insurance premium funding	109,434	115,902
	109,434	**115,902**

23 Provisions

	2024 US$	2023 US$
Current		
Long service leave	423,010	356,417
Annual leave	2,136,084	1,896,064
	2,559,094	**2,252,481**
Non-current		
Long service leave	28,725	19,330
	28,725	**19,330**

24 Contributed equity

(a) Share capital

	2024 Shares	2023 Shares	2024 US$	2023 US$
Ordinary shares				
Ordinary shares - fully paid	**170,778,816**	**173,186,147**	**36,572,044**	**36,318,220**

(b) Movements in ordinary share capital

	Number of shares	US$
1 July 2022	**173,368,331**	**36,145,605**
Exercise of options	370,312	184,367
Transfer from options reserve	-	81,357
Share Buy-Back	(552,496)	(93,109)
30 June 2023	**173,186,147**	**36,318,220**
Exercise of options	1,433,903	620,193
Transfer from options reserve	-	267,556
Share Buy-Back	(3,841,234)	(633,925)
30 June 2024	**170,778,816**	**36,572,044**

(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.

Management also aims to maintain an optimal 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 2024 (30 June 2023: nil).

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

(e) On-market share buy-back

As at 30 June 2024, the Group has purchased 4,393,730 ordinary shares for the total consideration of AUD$6.4m (USD$4.2m). The buy-back was conducted in the ordinary course of trading at an average price per share of AUD$1.46. The shares bought back were subsequently cancelled.

The purchase price of each share acquired, was allocated between share capital and retained earnings. The amount allocated to share capital per share acquired, was equivalent to the average issue price of shares residing in share capital. The excess of purchase price over this amount was allocated to retained earnings.

Financial Year Ending	Number of Ordinary Shares Acquired & Cancelled	Total Cost (AUD$)	Average Cost per Share (AUD$)
30 June 2023	552,496	862,802	1.56
30 June 2024	3,841,234	5,541,422	1.44
Total	**4,393,730**	**6,404,224**	**1.46**

25 Other reserves

(a) Other reserves

	2024 US$	2023 US$
Share-based payments reserve	5,196,859	4,717,857
Foreign currency translation reserve	(3,185,013)	(3,185,013)
	2,011,846	**1,532,844**

	2024 US$	2023 US$
Movements:		
Share based payments		
Balance 1 July	4,717,857	3,214,324
Share based payments expense	750,172	1,584,890
Other comprehensive expense adjustment	(3,614)	-
Transfer to share capital on exercise of options	(267,556)	(81,357)
Balance 30 June	5,196,859	4,717,857

	2024 US$	2023 US$
Share based payments		
Employees	5,053,795	4,616,229
Non-employees	143,064	101,628
	5,196,859	4,717,857

(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(c) 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

Information relating to Cogstate Ltd:	2024 US$	2023 US$
Current assets	32,510,881	38,188,239
Total assets	46,705,142	48,821,159
Current liabilities	(13,907,429)	(22,483,324)
Total liabilities	(17,405,058)	(22,502,655)
Net assets	**29,300,084**	**26,318,504**
Issued capital	(36,572,044)	(36,318,220)
Accumulated losses	7,503,396	12,008,476
Share based payment reserve	(2,940,533)	(4,717,857)
Foreign currency translation reserve	2,709,097	2,709,097
Total shareholders' equity	**(29,300,084)**	**(26,318,504)**

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

27 Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 US$	2023 US$
Profit for the year	5,449,884	3,567,733
Depreciation and amortisation	2,499,798	2,110,287
(Gain)/Loss on disposal of assets	(61,885)	352,125
Non-cash employee benefits expense - share-based payments	750,172	1,584,890
Recognition of revenue from grant funding previously deferred	(272,000)	(309,290)
Net exchange differences	(480,527)	(85,632)
Change in operating assets & liabilities:		
(Increase) decrease in trade debtors and other receivables	(2,431,335)	544,610
(Increase) decrease in deferred tax assets	656,852	88,374
(Increase) decrease in other operating assets	(969,482)	993,317
(Increase) decrease in prepayments	166,406	(241,425)
(Increase) decrease in lease assets	(333,227)	886,334
(Decrease) increase in trade creditors	1,530,519	(4,362,647)
(Decrease) increase in deferred revenue	(1,277,488)	(2,187,514)
(Decrease) increase in provision for income taxes payable	231,017	(1,052,451)
(Decrease) increase in lease liabilities	300,300	(965,412)
(Decrease) increase in deferred tax liabilities	(290,209)	75,219
(Decrease) increase in employee provisions	316,008	(344,389)
Net cash inflow from operating activities	5,784,803	654,129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b):

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held (if applicable)	Australian tax resident or foreign tax resident	Foreign tax jurisdiction (if applicable)
Cogstate Ltd	Body corporate	Australia	N/A	Australian	N/A
Cogstate Sport Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Cogstate Inc	Body corporate	USA	100%	Foreign	USA
Cogstate Health Inc	Body corporate	USA	100%	Foreign	USA
Cogstate Healthcare LLC	Body corporate	USA	100%	Foreign	USA

(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.

(e) Eisai

Eisai Co Ltd holds 6.9% of the outstanding shares of Cogstate Ltd as at 30 June 2024.

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 $3.7 million in FY24 (FY23: $4.2 million). These contracts have future revenue (represented as Deferred Revenue) of $5.4 million as at 30 June 2024 (30 June 2023: $7.2 million).

In addition, during FY24 Cogstate has signed Clinical Trails contracts with Eisai, Inc., a wholly owned subsidiary of Eisai Co Ltd. These contracts have generated revenue for the Group of $0.6 million in FY24 (FY23: nil)

29 Key management personnel disclosures

(a) Key management personnel compensation

	2024 US$	2023 US$
Short-term employee benefits*	2,388,145	2,100,146
Post-employment benefits	122,272	137,746
Long-term benefits	12,373	12,344
Termination benefits	5,061	-
Share-based payments	389,256	751,515
	2,917,107	**3,001,751**

* No company performance bonus was payable for FY23.

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:

	2024 US$	2023 US$
Expense arising from equity settled share-based payment expense	750,172	1,584,890

Reconciliation of share-based payment expense is as follows:

	2024 US$	2023 US$
Expense for options issued in previous financial years	393,776	1,870,158
Expense for options issued during current financial year	17,137	3,935
Expense reversed as options not fully vested/lapsed	(271,236)	(297,352)
Expense for performance rights issued in previous financial years	266,428	-
Expense for performance rights issued during current financial year	351,932	8,149
Expense reversed as performance rights not fully vested/lapsed	(7,865)	-
	750,172	1,584,890

(b) (i) Employee equity plan – options

An Employee Equity Plan 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 staff of the Group. The options, issued for nil consideration, 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.

The options are issued for a period of 5 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 35 executives/staff (2023: 43) who hold options under this scheme.

(b) (ii) Employee equity plan – performance rights

An Employee Equity Plan has been established where Cogstate Limited may, at the discretion of the Board, grant Performance Rights of Cogstate Limited to certain members of staff of the Group. The Performance Rights, issued for nil consideration, 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 Performance Rights.

The Performance Rights are issued for a period of 3 years. In most cases, one third of the Performance Rights vest at the end of each 12-month period over the 3-year period. On the vesting date, each Performance Right will convert to an ordinary share of Cogstate Ltd.

The Performance Rights cannot be transferred and will not be quoted on the ASX. There is a cash settlement alternative, at the sole discretion of the Board. There are currently 50 staff (2023: 47) eligible for this scheme.

(c) Summaries of options and performance rights granted

(c) (i) Summaries of options granted under the employee equity plan

	2024 No.	2024 WAEP	2023 No.	2023 WAEP
Outstanding at the beginning of the year	12,612,886	$1.23	13,709,343	$1.21
Granted during the year	137,399	$1.45	467,188	$1.71
Forfeited during the year	(400,000)	$2.51	(1,193,333)	$1.32
Exercised during the year	(1,433,903)	$0.67	(370,312)	$0.75
Expired during the year	-	-	-	-
Outstanding at the end of the year	10,916,382	$1.06	12,612,886	$1.23

The outstanding balance as at 30 June 2024 is represented by:

Number of options	Grant date	Vesting Date	Expiry Date	Exercise Price
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
1,271,795	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
450,000	15-Nov-20	31-Aug-23	31-Oct-25	0.7800
300,000	17-Mar-21	28-Feb-24	28-Feb-26	1.0000
700,000	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
2,190,000	27-Sep-21	31-Aug-24	31-Aug-26	2.5100
400,000	3-Dec-21	31-Aug-24	31-Aug-26	1.0000
1,000,000	3-Dec-21	27-Oct-24	31-Aug-26	2.3790
467,188	20-Jun-23	31-Aug-25	20-Jun-28	1.7100
137,399	16-Nov-23	31-Aug-26	16-Nov-28	1.4500
10,916,382				

(c) (ii) Summaries of performance rights granted under the employee equity plan

	2024 No.	2024 WAEP	2023 No.	2023 WAEP
Outstanding at the beginning of the year	371,042	$1.71	-	-
Granted during the year	805,839	$1.45	371,042	$1.71
Forfeited during the year	(52,793)	$1.61	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,124,088	$1.53	371,042	$1.71

(d) Weighted average remaining contractual life

(i) Options

The weighted average remaining contractual life for the share options outstanding at 30 June 2024 is 1.64 years (2023: 2.47 years).

(ii) Performance rights

The weighted average remaining contractual life for the performance rights outstanding at 30 June 2024 is 0.97 years (2023: 1.51 years).

(e) Range of exercise price

(i) Options

The range of exercise prices for options outstanding at the end of the year was A$0.34 - A$2.51 (2023: A$0.32 - A$2.51).

(ii) Performance rights

A grant of Performance Rights occurred on 16 November 2023 at a grant price of A$1.45 (exercise price: A$0.00)

(f) Weighted average fair value

(i) Options

The weighted average fair value of options granted during the year was A$1.45 (2023: A$1.71).

(ii) Performance rights

The weighted average fair value of Performance Rights granted during the year was A$1.45.

(g) Option pricing model

Equity settled transactions

The fair value of the equity-settled share options granted under the 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 2024 and 30 June 2023:

2024	16-Nov-23
Dividend yield (%)	0
Expected volatility (%)	65
Risk-free interest rate (%)	4.24
Expected life of option (years)	3
Option exercise price ($)	1.45
Market share price at grant date ($)	1.45

2023	20-Jun-23
Dividend yield (%)	0
Expected volatility (%)	68
Risk-free interest rate (%)	3.92
Expected life of option (years)	2
Option exercise price ($)	1.71
Market share price at grant date ($)	1.71

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

The Group had no contingent liabilities at 30 June 2024 (2023: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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)

	2024 US$	2023 US$
Audit and other assurance services		
Audit and review of financial statements	124,026	128,428
Other professional services	-	-
Total remuneration for audit and other assurance services	124,026	128,428
Taxation services		
Tax compliance services	-	-
Total remuneration for taxation services	-	-
Total remuneration of Pitcher Partners	**124,026**	**128,428**

(b) Network Firms of Pitcher Partners

	2024 US$	2023 US$
Other services		
Taxation services	13,030	11,128
Other professional services	-	-
Total auditors' remuneration	**13,030**	**11,128**

Consolidated Entity Disclosure Statement

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held (if applicable)	Australian tax resident or foreign tax resident	Foreign tax jurisdiction (if applicable)
Cogstate Ltd	Body corporate	Australia	N/A	Australian	N/A
Cogstate Sport Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Cogstate Inc	Body corporate	USA	100%	Foreign	USA
Cogstate Health Inc	Body corporate	USA	100%	Foreign	USA
Cogstate Healthcare LLC	Body corporate	USA	100%	Foreign	USA

Directors' Declaration

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 38 to 72, 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(a) the consolidated financial statements also comply with International Financial Reporting Standards;

   (c) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date; and

   (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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.

3. 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 2024.

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

Martyn Myer AO, Chairman
Melbourne, 22 August 2024

Independent Auditor's Report

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 2024, the consolidated statement of 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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(d), Note 5	
The Group recognised $43.43m relating to Clinical Trials and Healthcare. The Group enters into contracts with customers that often span multiple financial years. We focused on the existence and accuracy of revenue recognition 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 transactions 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. • Testing of controls around execution of contracts and approvals for milestones billed for the existence and accuracy of revenue. • 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. - Recalculation of the revenue recognised in line with the contract performance obligations. - Testing the existence of monies receipted relating to license and service revenue. • Considering changes to contractual arrangements and the associated impact on revenue recognition. • Assessing the adequacy of the disclosure in the financial report.

**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(k), Note 18	

Software development assets with an aggregate carrying amount totalling $10.07m is owned by the Group and represents a significant balance in the consolidated statement of financial position.
 	
The intangible assets are a key audit matter as one of the Group's largest assets, and as there is management judgement in determining the reallocation of operating costs as development costs and the potential to impact the determination of profit for the year.
 	
We focused on the appropriate recognition, measurement and value of intangible assets as a key audit matter as these transactions may be a key determinant of profit.
	Our testing of the intangible asset, software development, focused on assessing the existence and accuracy of attributed expenditure and assessing the intangible asset for indicators of impairment.
	
	Our procedures included amongst others:
	• Understanding and evaluating the design and implementation of the controls and processes addressing the recognition, valuation, recoverability and recording of intangible assets and the outcomes of these processes.
	• Testing on a sample basis the capitalised development costs by:
	   ○ Vouching the capitalised time to approved employee timesheets.
	   ○ Recalculating the value of time capitalised for a sample of employees by vouching hourly rates and other applicable on-costs to signed employment contracts.
	   ○ Vouching third party supplier costs associated with development to invoices and payment.
	• Assessing management's evaluation of indicators of impairment for intangible assets.
	• Assessing the adequacy of the disclosure in the financial report.

**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 2024, 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:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of 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.

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 24 to 35 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Cogstate Limited, for the year ended 30 June 2024, 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.

K L BYRNE
Partner

PITCHER PARTNERS
Melbourne

22 August 2024

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008
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CUSTOMER STORY

Development of New Digital Cognitive Test Supports Cognitive Measurement in Sleep-Related Program of Trials

A clinical study team at a large pharmaceutical company were developing a new wake-promoting compound and was interested in its potential impacts on cognition. They enlisted Cogstate to develop and implement a version of a gold-standard sleep measurement tool known as the Psychomotor Vigilance Test (PVT) within the Cogstate assessment system for use in their program. The high technical and timing precision of the Cogstate assessment system allowed the company to apply the PVT in their early development and late phase clinical trial programs. This also allowed them to leverage Cogstate distribution, training, quality assurance, and analyses systems. The Phase 2 study results were sufficient for the study team to continue to utilise the Cogstate PVT as key secondary outcome in their ongoing Phase 3 program of studies.

Shareholder Information

The shareholder information set out below was applicable as at 30 June 2024.

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**	**Performance Rights**
1 to 1,000	628	-	-
1,001 to 5,000	765	-	2
5,001 to 10,000	241	-	9
10,001 to 100,000	321	17	39
100,001 and Over	67	18	-
	2,022	**35**	**50**

There were 249 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**
DAGMAR DOLBY FUND	25,732,802	15.1%
CITICORP NOMINEES PTY LIMITED	25,414,142	14.9%
NATIONAL NOMINEES LIMITED	20,556,374	12.0%
MYER & MYER PTY LTD	14,424,569	8.4%
HSBC CUSTODY NOMINEES	12,717,797	7.4%
ANACACIA PTY LIMITED	10,976,129	6.4%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,550,619	5.6%
MPYER INVESTMENTS PTY LTD	6,061,872	3.5%
MR BRADLEY JOHN O'CONNOR	3,488,429	2.0%
BNP PARIBAS NOMINEES PTY LTD	2,633,372	1.5%
MYER & MYER PTY LTD	2,313,000	1.4%
BNP PARIBAS NOMINEES PTY LTD	2,020,262	1.2%
MR ALISTAIR DAVID STRONG	1,320,000	0.8%
BETA GAMMA PTY LTD	1,220,000	0.7%
ANACACIA PTY LTD	1,216,210	0.7%
MUTUAL TRUST PTY LTD	1,129,806	0.7%
MR DAVID ALEXANDER SIMPSON & MRS DAWN GENTRY SIMPSON	1,000,689	0.6%
BNP PARIBAS NOMS PTY LTD	985,588	0.6%
RONNOCOB PTY LTD	917,173	0.5%
HSBC CUSTODY NOMINEES	892,182	0.5%
	144,571,015	**84.7%**

Unquoted equity securities

	Number on issue	Number of holders
Options to acquire ordinary shares, issued under the Employee Equity Plan	10,916,382	35
Performance rights to acquire ordinary shares, issued under the Employee Equity Plan	1,124,088	50

C. Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
Name	**Number held**	**Percentage of issued shares**
David Dolby	25,732,802	15.1%
Martyn Myer	23,614,566	13.8%
Australian Ethical Investment	16,528,582	9.7%
Anacacia Capital	12,192,339	7.1%
Eisai Co., Ltd	11,738,243	6.9%
	89,806,532	**52.6%**

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

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

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

Kristi Geddes
LLB, BPsySc

Principal registered office in Australia

Level 32, 367 Collins Street
Melbourne Vic 3000 Australia

Share and debenture register

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000

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

Website

www.cogstate.com

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CUSTOMER STORY

Bringing the Trial to the Participant in a Global Alzheimer's Disease Trial Using Innovative at-home Cognitive and Clinical Assessment Capabilities

A clinical trial team at a large pharmaceutical company was running a phase 3 Preclinical Alzheimer's disease trial. They needed to recruit and retain 1,800 individuals with AD pathology who were not yet experiencing symptoms of cognitive decline and thus likely not seeking care or trial options. The sponsor team designed an innovative trial with at-home data collection that would reach beyond specialist research centers and fit into the busy lives of participants. Cogstate was able to support the broad range of remote digital cognitive self-assessments and telehealth central rating of clinical assessments. Because of this approach, the trial is successfully enrolling, and data collection is progressing with a high degree of quality adherence and user acceptability.

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