

Appendix 4D

Condensed consolidated financial statements for the half-year ended 31 December 2023 as required by ASX listing rule 4.2A

Results for announcement to the market

(All comparisons to the half-year ended 31 December 2022)

	31 December 2023 US\$	31 December 2022 US\$	MOVEMENT	
			US\$	%
Revenue from ordinary activities	20,168,909	19,544,710	624,199	3.2%
Clinical Trials revenue	17,920,459	17,326,059	594,400	3.4%
Healthcare revenue	2,248,450	2,218,651	29,799	1.3%
Profit/(loss) before interest & taxation (EBIT)	1,799,001	(235,183)	2,034,184	N/A
Profit/(loss) before interest, taxation, depreciation and amortisation (EBITDA)	3,228,429	1,036,000	2,192,429	211.6%
Depreciation and amortisation	(1,429,428)	(1,271,183)	158,245	12.4%
Interest expense	(11,142)	(20,733)	(9,591)	(46.3%)
Interest income	303,327	256,321	47,006	18.3%
Net profit/(loss) before tax (from ordinary activities)	2,091,186	405	2,090,781	N/A
Net profit/(loss) after tax (from ordinary activities) for the period attributable to members	2,005,717	60,861	1,944,856	N/A

Dividend information

No dividend was declared in the prior corresponding period. Cogstate has determined not to pay a dividend in respect of the half year period ended 31 December 2023.

	31 December 2023 US\$	31 December 2022 US\$
Net tangible asset backing (per share)	0.141	0.108
Earnings per share	0.012	0.000

This information should be read in conjunction with the 2023 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the condensed consolidated financial statements for the half-year ended 31 December 2023.

This report is based on the condensed consolidated financial statements for the half-year ended 31 December 2023 which have been reviewed by Pitcher Partners.



Cogstate

HALF-YEAR REPORT

31 December 2023

Cogstate Limited ABN 80 090 975 723

Inside this Report

03

Directors' Report

07

Auditor's Independence Declaration

08

Financial Report for the Half-Year
Ended 31 December 2023

08

Condensed Consolidated Statement
of Profit or Loss and Other
Comprehensive Income

09

Condensed Consolidated Statement
of Financial Position

10

Condensed Consolidated Statement
of Changes in Equity

11

Condensed Consolidated Statement
of Cash Flows

12

Notes to the Condensed
Consolidated Financial Statements

19

Directors' Declaration

20

Independent Auditor's Review Report

22

Corporate Directory

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Cogstate Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These half-year financial statements are the condensed consolidated interim financial statements of the consolidated entity consisting of Cogstate Limited and its subsidiaries. The half-year financial statements are presented in United States dollars.

Cogstate Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is: Cogstate Limited, Level 32, 367 Collins Street, Melbourne, VIC, 3000 Australia

Directors' Report

Your directors present their report together with the condensed financial report of the consolidated entity (referred to hereafter as the Group) consisting of Cogstate Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 and the independent review report thereon. The financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The Directors of the Group in office during the half-year and at the date of this report (unless otherwise stated) were as follows:

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

Results of operations

The Group's net profit before tax for the half-year ended 31 December 2023 (1H24) is \$2,091,186, compared to \$405 for the half-year ended 31 December 2022 (1H23), the Previous Corresponding Period (PCP), an increase of \$2,090,781.

Basic earnings per share (EPS) was 1.16 cents, as compared to 0.04 cents in the PCP.

Principal activities

During the half-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.

Commercial segments

Clinical Trials segment

Since beginning commercial activities, almost all of the Group 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 computerized cognitive tests, as well as service fees associated with the deployment of the technology. Over time, services were added in respect of the management, training, and monitoring to improve the reliability and sensitivity of conventional cognitive assessments. Today, Cogstate's full-service solutions span the entire clinical lifecycle from study design to final statistical analyses. 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 on clinical trials.

Growth strategies in Clinical Trials continue to include:

- Leverage adoption of decentralized 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.

Cogstate's clinical trial services, coupled with innovative operational approaches, advanced analytics, and scientific consulting, help research teams draw conclusions from study data faster and with more accuracy.

Following the restructure undertaken in May 2023, our Research segment was integrated into Clinical Trials. In this work, Cogstate supports important international research studies and academic collaborations across various indications, including, but not limited to, Alzheimer's disease, HIV, multiple sclerosis, oncology (paediatric and adult), Parkinson's disease, depression, epilepsy and schizophrenia. Cogstate has participated in over 1,800 academic research studies in more than 150 different indications, resulting in hundreds of peer reviewed publications. The data and publications from the academic collaborations provide an important basis for scientific and commercial validation of Cogstate technology.

Healthcare segment

Outside of the Clinical Trials segment, the Group 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, 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 market in multiple jurisdictions including the United States, Europe, and Australia.

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

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

Summary income statement for the period ended 31 December 2023

Based on Group segment reporting note.

	1H24 US\$	1H23 US\$	Movement fav/(unfav)	
			US\$	%
Clinical Trials*				
Revenue	17,920,459	17,326,059	594,400	3%
Direct costs	(8,899,979)	(9,569,418)	669,439	7%
Clinical Trials Contribution	9,020,480	7,756,641	1,263,839	16%
Healthcare				
Revenue	2,248,450	2,218,651	29,799	1%
Direct costs	(462,808)	(886,330)	423,522	48%
Healthcare Contribution	1,785,642	1,332,321	453,321	34%
Operating expenses	(7,577,693)	(8,052,962)	475,269	6%
EBITDA	3,228,429	1,036,000	2,192,429	212%
Depreciation and amortisation	(1,429,428)	(1,271,183)	(158,245)	(12%)
EBIT	1,799,001	(235,183)	2,034,184	N/A
Interest income	303,327	256,321	47,006	18%
Interest expense	(11,142)	(20,733)	9,591	46%
Net profit before tax	2,091,186	405	2,090,781	516,242%

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

Operating revenue

Operating revenue as reflected in the Group's segment note increased 3% in 1H24 to \$20.2 million (compared to 1H23).

	1H24 US\$	1H23 US\$	Movement fav/(unfav)	
			US\$	%
Revenue				
Clinical Trials*	17,920,459	17,326,059	594,400	3%
Healthcare	2,248,450	2,218,651	29,799	1%
Total	20,168,909	19,544,710	624,199	3%

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

Clinical Trials revenue (excluding Research revenue) up 3% to \$17.7 million and contracted future Clinical Trials revenue down 17% to \$91.2 million (both compared to 1H23).

	1H24 US\$	1H23 US\$	Movement fav/(unfav)	
			US\$	%
Clinical Trials revenue contracted at 1 July	97,951,714	100,242,981	(2,291,267)	(2%)
Contracts executed during the period	10,919,485	27,310,918	(16,391,433)	(60%)
Revenue recognised during the period	(17,697,978)	(17,134,599)	(563,379)	3%
Adjustment for foreign exchange movements	-	(411,684)	411,684	100%
Contracted future Clinical Trials revenue at 31 December	91,173,221	110,007,616	(18,834,395)	(17%)

Healthcare revenue of \$2.2 million, consistent with PCP (1H23: \$2.2 million).

	1H24 US\$	1H23 US\$	Movement fav/(unfav)	
			US\$	%
Revenue under Japan license	50,370	50,370	-	N/A
Revenue under Global (ex Japan) license	2,060,726	2,060,726	-	N/A
Other Healthcare revenue	137,353	107,555	29,798	28%
Total	2,248,449	2,218,651	29,798	1%

Contracted future revenue down 16% to \$123.7 million compared to 1H23.

	1H24 US\$	1H23 US\$	Movement fav/(unfav)	
			US\$	%
Contracted Clinical Trials revenue	91,173,221	110,007,616	(18,834,395)	(17%)
Eisai License – Global (commercial years 1-10)*	31,974,863	36,062,717	(4,087,854)	(11%)
Eisai License – Japan (10 year license)	565,289	665,207	(99,918)	(15%)
Contracted future revenue at 31 December	123,713,373	146,735,540	(23,022,167)	(16%)

*Minimum royalties for commercial years 6-10 (totalling \$20 million) included.

Total staff expenses

Total staff expenses in 1H24 decreased 9% to \$13.2 million compared to 1H23.

	1H24		1H23		Movement fav/(unfav)	
	FTE at 31-Dec	US\$	FTE at 31-Dec	US\$	US\$	%
Clinical Trials	86.7	7,219,390	116.1	8,235,108	1,015,718	12%
Healthcare	4.0	278,701	6.4	397,547	118,846	30%
Other	67.6	5,702,309	67.6	5,833,069	130,760	2%
Total staff expenses	158.3	13,200,400	190.1	14,465,724	1,265,324	9%

Financial position

At 31 December 2023, the net assets of the Group were \$38.0 million.

Summary Balance Sheet as at 31 December 2023.

	31 Dec 2023	30 Jun 2023	Movement fav/(unfav)	
	US\$	US\$	US\$	%
Cash and cash equivalents	25,285,744	28,675,988	(3,390,244)	(12%)
Trade and other receivables	8,226,635	7,532,671	693,964	9%
Property, plant and equipment	370,373	369,683	690	0%
Intangibles	10,670,382	11,112,999	(442,617)	(4%)
Other assets	7,552,823	6,375,234	1,177,589	18%
Total assets	52,105,957	54,066,575	(1,960,618)	(4%)
Trade and other payables	3,800,688	4,553,731	753,043	17%
Deferred revenue	7,280,061	8,503,406	1,223,345	14%
Other liabilities	3,073,550	3,320,862	247,312	7%
Total liabilities	14,154,299	16,377,999	2,223,700	14%
Capital	36,647,976	36,318,220	329,756	1%
Accumulated losses	(683,529)	(162,488)	(521,041)	(321%)
Reserves	1,987,211	1,532,844	454,367	30%
Total equity	37,951,658	37,688,576	263,082	1%

Significant changes in the state of affairs

There have been no other significant changes in the state of affairs of the Group during the period ended 31 December 2023.

Matters subsequent to the end of the half-year

The Directors are not aware of any other matter or circumstance that has arisen since 31 December 2023 that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of Cogstate in the future.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding of amounts to nearest thousand dollars

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

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



Martyn Myer AO, Chairman
Melbourne

**COGSTATE LIMITED
AND CONTROLLED ENTITIES
ABN 80 090 975 723**

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COGSTATE LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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



K L BYRNE
Partner



PITCHER PARTNERS
Melbourne

22 February 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2023

	Notes	31 December 2023 US\$	31 December 2022 US\$
Operations			
Revenue		18,057,813	17,433,614
Royalty income		2,111,096	2,111,096
Total revenue*	3	20,168,909	19,544,710
Direct costs	4	(9,560,877)	(10,551,601)
Gross profit		10,608,032	8,993,109
Employee benefits expense	5	(4,917,238)	(5,266,351)
Depreciation & amortisation	6	(1,231,337)	(1,175,330)
Occupancy		(142,628)	(39,349)
Marketing		(9,764)	(53,154)
Professional fees		(1,019,401)	(720,799)
General administration		(1,563,452)	(1,704,902)
Net foreign exchange gain/(loss)		101,991	(6,779)
Travel expenses		(140,480)	(241,440)
Finance expenses		(33,864)	(39,847)
Other income/(expenses)		439,327	255,247
Profit before income tax		2,091,186	405
Income tax benefit / (expense)		(85,469)	60,456
Profit from continuing operations		2,005,717	60,861
Total comprehensive profit for the half-year		2,005,717	60,861

*Finance income, previously included within total revenue, has been reclassified to other income/(expenses).

	Cents US\$	Cents US\$
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:		
Basic earnings per share	1.16	0.04
Diluted earnings per share	1.15	0.03
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	1.16	0.04
Diluted earnings per share	1.15	0.03

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 US\$	30 June 2023 US\$
ASSETS			
Current assets			
Cash and cash equivalents (excluding bank overdrafts)		25,285,744	28,675,988
Trade and other receivables		8,226,635	7,532,671
Other current assets		4,318,410	2,573,113
Total current assets		37,830,789	38,781,772
Non-current assets			
Property, plant and equipment		370,373	369,683
Intangible assets	7	10,670,382	11,112,999
Lease assets	8	61,720	226,706
Deferred tax assets	9	3,172,693	3,575,415
Total non-current assets		14,275,168	15,284,803
Total assets		52,105,957	54,066,575
LIABILITIES			
Current liabilities			
Trade and other payables		3,800,688	4,553,731
Deferred revenue	10	4,997,956	5,011,404
Short-term borrowings	11	451,318	115,902
Provisions		2,341,834	2,252,481
Lease liabilities	8	66,809	236,080
Total current liabilities		11,658,605	12,169,598
Non-current liabilities			
Provisions		17,488	19,330
Lease liabilities	8	1,531	26,910
Deferred revenue	10	2,282,105	3,492,002
Deferred tax liabilities		194,570	670,159
Total non-current liabilities		2,495,694	4,208,401
Total liabilities		14,154,299	16,377,999
Net assets		37,951,658	37,688,576
EQUITY			
Share capital	12	36,647,976	36,318,220
Other reserves		1,987,211	1,532,844
Accumulated losses		(683,529)	(162,488)
Capital and reserves attributable to owners of Cogstate Limited		37,951,658	37,688,576
Total equity		37,951,658	37,688,576

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Notes	Attributable to owners of Cogstate Limited				Total equity US\$
		Issued capital US\$	Share option reserve US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	
As at 1 July 2022		36,145,605	3,214,324	(3,185,013)	(3,252,806)	32,922,110
Profit for the period		-	-	-	60,861	60,861
Total comprehensive loss for the half-year		-	-	-	60,861	60,861
Transactions with owners in their capacity as owners						
Transfer to share capital on exercise of options		15,465	(15,465)	-	-	-
Exercise of options		34,611	-	-	-	34,611
Cost of share-based payment		-	776,864	-	-	776,864
As at 31 December 2022		36,195,681	3,975,723	(3,185,013)	(3,191,945)	33,794,446
As at 1 July 2023		36,318,220	4,717,857	(3,185,013)	(162,488)	37,688,576
Profit for the period		-	-	-	2,005,717	2,005,717
Total comprehensive profit for the half-year		-	-	-	2,005,717	2,005,717
Transactions with owners in their capacity as owners						
Transfer to share capital on exercise of options	12	261,838	(261,838)	-	-	-
Exercise of options	12	597,385	-	-	-	597,385
Cost of share-based payment	4 & 5	-	716,205	-	-	716,205
Share Buy-Back		(529,467)	-	-	(2,526,758)	(3,056,225)
As at 31 December 2023		36,647,976	5,172,224	(3,185,013)	(683,529)	37,951,658

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Notes	31 December 2023 US\$	31 December 2022 US\$
Cash flows from/(used in) operating activities			
Receipts from customers		17,730,092	19,571,621
Payments to suppliers and employees		(17,247,603)	(19,147,114)
Finance costs		(11,908)	(22,365)
Government grants and tax incentives		-	-
Net cash flows pre impact of pass-through charges		470,581	402,142
Net pass-through		(877,754)	(645,551)
Net cash flows from/(used in) operating activities*	13	(407,173)	(243,409)
Cash flows used in investing activities			
Purchase of property, plant & equipment		(266,774)	(44,819)
Payment for capitalised software development labour costs	7	(556,448)	(1,301,636)
Interest received		476,777	201,917
Net cash flows used in investing activities		(346,445)	(1,144,538)
Cash flows from/(used in) financing activities			
Proceeds from issue of shares	12	597,385	34,611
Share Buy-Back		(3,056,225)	-
Principal portion of lease payments	8	(177,786)	(313,954)
Transaction costs of issue of shares		-	-
Net cash flows from/(used in) financing activities		(2,636,626)	(279,343)
Net increase/(decrease) in cash and cash equivalents		(3,390,244)	(1,667,290)
Cash and cash equivalents at beginning of period		28,675,988	30,597,170
Net foreign exchange differences		-	-
Cash and cash equivalents at end of period		25,285,744	28,929,880

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

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

Notes to the Condensed Consolidated Financial Statements

1 Basis of preparation (interim report)

These condensed consolidated financial reports for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated financial reports do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for 30 June 2023 and any public announcements made by Cogstate Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Cogstate Limited is a for profit entity for the purposes of preparing the financial statements.

(a) 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.

(b) Comparatives

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

2 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 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

The Group's first operating segment is cognitive testing in clinical trials. In this market, the Group'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 presents revenue and profit/(loss) information regarding the segments of clinical trials and healthcare markets for the half-years ended year ended 31 December 2023 and 31 December 2022.

31 December 2023	Clinical Trials US\$	Healthcare US\$	Administration US\$	Total US\$
Sales to external customers	17,920,459	2,248,450	-	20,168,909
Direct costs	(8,899,979)	(462,808)	-	(9,362,786)
Direct depreciation	(198,091)	-	-	(198,091)
Segment gross profit/(loss)	8,822,390	1,785,642	-	10,608,032
Interest income	-	-	303,327	303,327
Gross comprehensive income	8,822,390	1,785,642	303,327	10,911,359
Operating profit/(loss)	8,822,390	1,785,642	(7,353,636)	3,254,396
Indirect depreciation expenses	-	-	(1,231,337)	(1,231,337)
Foreign exchange	-	-	101,991	101,991
Finance costs	-	-	(33,864)	(33,864)
Segment result	8,822,390	1,785,642	(8,516,846)	2,091,186

31 December 2022	Clinical Trials US\$	Healthcare US\$	Administration US\$	Total US\$
Sales to external customers	17,326,059	2,218,651	-	19,544,710
Direct costs	(9,569,418)	(886,330)	-	(10,455,748)
Direct depreciation	(95,853)	-	-	(95,853)
Segment gross profit/(loss)	7,660,788	1,332,321	-	8,993,109
Interest income	-	-	256,321	256,321
Gross comprehensive income	7,660,788	1,332,321	256,321	9,249,430
Operating profit/(loss)	7,660,788	1,332,321	(7,770,748)	1,222,361
Indirect depreciation expenses	-	-	(1,175,330)	(1,175,330)
Foreign exchange	-	-	(6,779)	(6,779)
Finance costs	-	-	(39,847)	(39,847)
Segment result	7,660,788	1,332,321	(8,992,704)	405

3 Revenue

	31 December 2023 US\$	31 December 2022 US\$
Timing of revenue recognition		
At a point in time		
Clinical Trials*	2,332,542	2,388,046
Healthcare	137,353	107,555
	2,469,895	2,495,601
Over time		
Clinical Trials*	15,587,918	14,938,013
Healthcare	2,111,096	2,111,096
	17,699,014	17,049,109
Total revenue	20,168,909	19,544,710

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

	31 December 2023 US\$	31 December 2022 US\$
<i>The aggregate amount of transaction prices (unrecognised revenue) allocated to the remaining performance obligations, at the reporting date, is as follows:</i>		
Clinical Trials (contracted future revenue)	91,173,221	110,007,616
Healthcare (contracted future revenue)	32,540,152	36,727,924
	123,713,373	146,735,540

4 Direct costs

	31 December 2023 US\$	31 December 2022 US\$
Direct wages and salaries	7,078,030	8,204,010
Share based payment expense	420,060	428,645
Direct contractor costs	1,182,109	771,507
Direct depreciation	198,091	95,853
Other direct costs	682,587	1,051,586
	9,560,877	10,551,601

Direct costs are those costs directly associated with the derivation of revenue within the business segments; Clinical Trials and Healthcare.

5 Indirect employee costs

	31 December 2023 US\$	31 December 2022 US\$
<i>Employee benefits expense</i>		
Wages and Salaries	5,406,165	5,484,850
Less capitalisation of software development costs	(426,999)	(566,718)
Less product development costs reimbursed	(358,073)	-
Share based payment expense	296,145	348,219
Total employee benefits expense	4,917,238	5,266,351

Indirect costs are overhead costs, not directly related to the derivation of revenue within the business segments. Costs associated with the development of software, such as salaries, are classified as indirect costs.

In the half-year ended 31 December 2023, labour resource was directed to the support of product development in the Healthcare segment, the cost of which was recovered from the Group's partner in that period. No such activity occurred in the half-year ended 31 December 2022.

Refer to note 7 for further information regarding development costs capitalised.

6 Depreciation and amortisation expense

	31 December 2023 US\$	31 December 2022 US\$
<i>Depreciation & amortisation</i>		
Depreciation (direct)	198,091	95,853
	198,091	95,853
Depreciation (indirect)	67,286	87,282
Depreciation (lease assets)	164,986	293,109
Amortisation (intangibles)	999,065	794,939
Total depreciation (indirect) and amortisation expenses	1,231,337	1,175,330
Total depreciation & amortisation	1,429,428	1,271,183

7 Intangible assets

	31 December 2023 US\$	30 June 2023 US\$
Software development		
Database platform	5,166,011	5,497,225
ISLT smart-phone application	2,202,635	2,344,168
Cognigram	1,456,574	1,549,924
DCT External Embedded Portal*	394,516	308,762
Data management software	539,751	611,219
Rater performance application	601,997	492,803
Intellectual property - Clinical Trials	308,898	308,898
	10,670,382	11,112,999

Half Year ended 31 December 2023	Software Development (Database platform)	Software Development (ISLT smart- phone application)	Software Development (Cognigram)	Software Development (DCT EEP)	Software Development (Data management software)	Software Development (Rater performance application)	Intellectual Property - Clinical Trials	Total US\$
Opening Net Book Amount	5,497,224	2,344,168	1,549,924	308,762	611,219	492,803	308,898	11,112,999
Amortisation	(480,369)	(270,983)	(93,350)	(27,131)	(71,468)	(55,764)	-	(999,065)
Capitalisation	149,156	129,450	-	112,884	-	164,958	-	556,448
Closing net book amount	5,166,011	2,202,635	1,456,574	394,516	539,751	601,997	308,898	10,670,382

Year ended 30 June 2023	Software Development (Database platform)	Software Development (ISLT smart- phone application)	Software Development (Cognigram)	Software Development (DCT EEP)	Software Development (Data management software)	Software Development (Rater performance application)	Intellectual Property - Clinical Trials	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	(937,998)	(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	5,497,224	2,344,168	1,549,924	308,762	611,219	492,803	308,898	11,112,999

Cogstate has developed a Database platform for use within the clinical trials segment. From the platform, Cogstate can launch various cognitive tests, process raw data and produce necessary reports. The platform incorporates a commercial electronic data capture (EDC) system to store and manage both cognitive test outcomes as well as other clinical outcomes collected as part of Cogstate's current service offering. The platform provides operational efficiency through better and easier management and reporting of data. The platform provides Cogstate a more scalable and flexible system from which Cogstate is able to incorporate other technologies and/or assessment modalities that, in the future, may be complementary to Cogstate's commercial solutions.

The amount capitalised in the half-year ended 31 December 2023 relates to the ongoing development of the platform.

During the half-year ended to 31 December 2023, the Group has continued development of a number of other assets:

- the List Learning Assessment (LILA) mobile application supporting the International Shopping List Test (ISLT) and replacing the previous manual ISLT process;
- *the Decentralised Clinical Trials External Embedded Portal (DCT EEP), to allow our clients more efficient access to our tests;
- the Rater performance application is a web-based application that serves to automate the Group's Rater Performance Central Monitoring (RPCM) process for the assignment of Rater reviews, review workflow and the compilation of Rater performance results in real time.

Amounts capitalised include the total labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved.

8 Lease assets & lease liabilities

Lease Assets	31 December 2023 US\$	30 June 2023 US\$
Carrying amount of lease assets, by class of underlying asset:		
Buildings	48,494	207,254
Equipment	13,226	19,452
	61,720	226,706

Lease Assets	31 December 2023 US\$	30 June 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
Depreciation	(164,986)	(484,655)
Impact of lease modification*	-	(401,679)
Carrying amount at 31 December 2023	61,720	226,706

Lease Liabilities	31 December 2023 US\$	30 June 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
Principal reduction	(175,210)	(508,720)
Impact of lease modification*	(19,440)	(456,693)
Carrying amount at 31 December 2023	68,340	262,990

Carrying amount of lease liabilities:		
Current lease liabilities	(66,809)	(236,080)
Non-current lease liabilities	(1,531)	(26,910)
Total carrying amount of lease liabilities	(68,340)	(262,990)

Lease expenses and cashflows		
Depreciation expense on lease assets	164,986	484,655
Interest expense on lease liabilities	2,576	15,654
Lease payments	177,786	524,374

*De-recognition of right-of-use assets in the year ended 30 June 2023, relates to the lease amendment reflecting the reduction in floor space under lease at the Connecticut, USA office.

9 Deferred tax assets

	31 December 2023 US\$	30 June 2023 US\$
Tax losses	582,825	649,479
Employee benefits	638,979	612,513
Accrued expenses	85,280	124,240
Deferred revenue	1,812,045	2,145,373
Capital raising costs	3,988	7,975
Provision for doubtful debts	47,921	27,085
Lease assets and lease liabilities	1,655	8,750
	3,172,693	3,575,415

In Cogstate Ltd tax losses of US\$582,825 are available for future use as at 31 December 2023 (30 June 2023: \$649,479).

In Cogstate Inc there are no tax losses available for future use at 31 December 2023 (30 June 2023: nil).

10 Deferred revenue

	31 December 2023 US\$	30 June 2023 US\$
Current deferred revenue		
Clinical Trials*	809,909	504,359
Healthcare		
- Eisai Japan	100,192	100,192
- Eisai Global	4,087,855	4,099,054
- Eisai Other	-	307,799
	4,997,956	5,011,404
Non-current deferred revenue		
Clinical Trials*	430,000	540,000
Healthcare		
- Eisai Japan	465,097	515,467
- Eisai Global	1,387,008	2,436,535
	2,282,105	3,492,002

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

	31 December 2023 US\$	30 June 2023 US\$
Deferred revenue		
<i>Carrying amount of deferred revenue:</i>		
Current deferred revenue	4,997,956	5,011,404
Non-current deferred revenue	2,282,105	3,492,002
Total carrying amount of deferred revenue	7,280,061	8,503,406

11 Borrowings

	31 December 2023 US\$	30 June 2023 US\$
Insurance premium funding	451,318	115,902
	451,318	115,902

The funding of business insurance premiums is part of the Group's cash management policy. For the current year, the funding period runs from November 2023 to August 2024.

12 Contributed equity

(a) Share capital

	31 December 2023 Shares	31 December 2023 US\$	30 June 2023 Shares	30 June 2023 US\$
Ordinary shares				
Ordinary shares - fully paid	171,369,328	36,647,976	173,186,147	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
1 July 2023	173,186,147	36,318,220
Exercise of options	1,383,903	597,385
Transfer from options reserve	-	261,838
Share Buy-Back	(3,200,722)	(529,467)
31 December 2023	171,369,328	36,647,976

13 Reconciliation of profit after income tax to net cash outflow from operating activities

	31 December 2023 US\$	31 December 2022 US\$
Profit for the half-year	2,005,717	60,861
Non-cash income and expense items:		
Depreciation and amortisation	1,429,428	1,271,183
Profit on disposal of assets	-	174,364
Non-cash employee benefits expense - share-based payments	716,205	776,864
Grant funding - cash received in a prior period	(136,000)	(173,290)
Net exchange differences	(289,708)	(181,069)
Change in Operating Assets & Liabilities:		
(Increase) decrease in trade debtors and other receivables	(693,964)	1,574,585
(Increase) decrease in deferred tax assets	402,722	(491,131)
(Increase) decrease in other operating assets	(1,600,823)	691,667
(Increase) decrease in prepayments	(304,189)	(442,714)
(Increase) decrease in lease assets	164,986	694,788
(Decrease) increase in trade creditors	498,594	(630,648)
(Decrease) increase in other payables	(40,768)	(1,985,946)
(Decrease) increase in deferred revenue	(1,223,345)	(1,048,225)
(Decrease) increase in provision for income taxes payable	(719,659)	195,784
(Decrease) increase in lease liabilities	(194,650)	(770,646)
(Decrease) increase in deferred tax liabilities	(475,589)	164,402
(Decrease) increase in employee provisions	53,870	(124,238)
Net cash flows used in operating activities	(407,173)	(243,409)

14 Commitments and contingencies

At period end, no new commitments or contingent liabilities have arisen.

15 Events occurring after the reporting period

From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

Directors' Declaration

The Directors' declare that:

- (1) In the Directors' opinion the financial statements and notes thereto, as set out on pages 8-18, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance for the half-year ended on that date.
- (2) In the Directors' opinion there are reasonable grounds at the date of this declaration, to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Martyn Myer AO, Chairman
Melbourne, 22 February 2024

Independent Auditor's Review Report

COGSTATE LIMITED
AND CONTROLLED ENTITIES
ABN 80 090 975 723



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COGSTATE LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cogstate Limited "the Company" and its controlled entities "the Group", which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual 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 review report.

Responsibility of the Directors for the Financial Report

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

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF COGSTATE LIMITED

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



K L BYRNE
Partner

22 February 2024



PITCHER PARTNERS
Melbourne

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*
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

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Share and debenture register

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Level 5, 126 Phillip Street
Sydney NSW 2000

Auditor

Pitcher Partners
Level 13, 664 Collins Street
Docklands Vic 3008

Solicitors

Clayton Utz
Level 18, 333 Collins Street
Melbourne Vic 3000

Bankers

National Australia Bank
Level 3, 330 Collins Street
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Website

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