

ASX Announcement

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Cogstate Business Update

All figures in US\$, unless stated

Cogstate Ltd (ASX:CGS) today announces an update to its financial guidance for the half-year ending 31 December 2025 (1H26), reflecting expected strong performance in sales contracts alongside timing-related revenue deferrals that are expected to have a short-term impact on reported revenue and profitability in 1H26. The update does not change the Company's positive view of the medium and long-term outlook for the business, which continues to benefit from strong underlying demand for Cogstate's solutions.

Clinical Trial sales contracts are progressing well and Cogstate expects to execute sales contracts of approximately \$37-\$40 million during the 1H26 period, representing 82%-97% growth on the previous corresponding period and the Company's second-best half-year result for contracts executed. This performance is supported by a record level of pipeline opportunities and ongoing conversion of those opportunities into contracted work.

These awards, combined with the strength of the existing pipeline, give management confidence in continued growth in contracted revenue across Alzheimer's disease, other dementias (such as frontal temporal dementia and dementia with Lewy bodies), Parkinson's disease, psychiatry, schizophrenia, sleep disorders and rare diseases.

Timing delays are expected to impact revenue recognition in the 1H26 period. This is primarily due to contracts signed late in the December quarter, which provide limited time for revenue to be recognised within the period. Additionally, the mix of revenue is a contributing factor - upfront license fees will represent a smaller share of revenue, with license revenue expected to be approximately 19%-20% of total revenue in 1H26, which is consistent with 19% recorded in 1H25, but down compared to 31% recorded in 2H25 (24% for the full FY25 year).

Revenue mix between service and license fee revenue from contracts executed during 1H26 is due to trials being awarded to Cogstate in disease areas where the trial endpoints require additional services versus digital endpoints. Management believes that this is situational rather than any evolving trend. The service fee revenue is typically recognised, straight line, over the life of the trial, thereby providing revenue growth and margin contribution in 2H26 and subsequent periods. The business remains well positioned for growth in a wider range of indications than in previous periods, providing upside to both license fee and services revenue. *See Explanatory Notes section below for explanation of the link between sales contracts executed and revenue recognised.*

Total revenue for 1H26 is now forecast to be in the range of \$25-\$26 million, an increase of approximately 5%-9% compared to the previous corresponding half-year period (\$23.9m). The Company had previously provided financial guidance of between 18%-20% revenue growth compared to the previous corresponding half.

The revenue timing delays, combined with the level of sales contracts executed in 1H25, will contribute to a higher level of contracted revenue for 2H26 as at 31-Dec-25. Contracted revenue for 2H26 as at 31-Dec-25 is expected to be approximately \$21.0 million, up from \$16.5 million for 1H26 (30-Jun-25) and \$17.4 million for 2H25 (31-Dec-24). Cogstate recorded total revenue of \$29.1 million for 2H25.

Consistent with previously communicated investment in future growth drivers, Cogstate expects higher direct and operating costs related to:

- Additional science resources to support expansion into psychiatry and mood disorders;
- Additional resources based in the Asia-Pacific region to support a growing customer base there;
- Continued increase in expenditure related to data engineering to bring new offerings for automated data insights to Cogstate customers; and
- Engineering expenses associated with development of new AI-enabled offerings.

Given the reduced revenue expectations for the 1H26 period and the committed cost increases, margins for 1H26 are expected to be lower than previously anticipated:

- Gross margin of 50%-52%, compared to 61% in each of 1H25 and 2H25;
- EBITDA margin of 20%-23%, compared to 26% in 1H25 and 33% in 2H25; and
- EBIT margin of 14%-17.5%, compared to 20% in 1H25 and 28% in 2H25

Management expects margins to improve in 2H26 as revenue from the increased level of sales contracts is recognised and the benefits of recent investments begin to scale. The Board and management remain confident in Cogstate's growth strategy and in the Company's competitive position within central nervous system clinical trials, as well as its expanding presence in adjacent therapeutic areas. Its focus on innovation and execution continues to reinforce Cogstate's competitive advantage and medium- and long-term growth potential.

Cogstate CEO, Brad O'Connor, commented, "Cogstate's future has never looked brighter. We are seeing a record level of opportunities from an expanded customer base and across more indications, and those opportunities are now translating into higher levels of sales contracts."

"The expected value of sales contracts to be executed in this December half is the second-highest half-year result in the company's history and is a higher quality outcome because of the diversity of contracts. Our best half-year for contract sales was the December 2021 half, when we executed \$54.5 million of sales contracts, with more than \$30 million attributable to a single large trial. In contrast, the largest contract executed in the current half is just over \$6 million."

"In a growing market, where we are winning increased market share, we are confident in our ability to continue to grow sales. As we keep expanding our contracted book of work, revenue is expected to grow in the medium term."

This announcement was authorised for release by the Board of Cogstate Ltd. For further information contact: investor@cogstate.com

Explanatory Notes

1. **Sales contracts:** In the Clinical Trials division, Cogstate enters into contracts ("sales contracts") with both pharmaceutical and biotechnology companies for the provision of Cogstate technology and services, for use in clinical research trials, to determine the extent to which their investigational compound is impacting the cognition of the patient population. The contract value will differ for each clinical trial, depending upon the scope of the technology and services provided by Cogstate, as well as the complexity and length of the trial. An increase in the total value of sales contracts executed will increase the revenue backlog and will, over time, result in an increase to revenue recognised by Cogstate.
2. **Calculation of revenue from the Clinical Trials division: Revenue** from sales contracts is recognised over the life of the contract. The length of a clinical trial can vary from several months for a phase 1 study and up to 4-5 years for a phase 3 study. Revenue is recognised based upon the achievement of pre-determined milestones. During each period, revenue may be recognised from (i) contracts in the backlog at the beginning of the period, as well as (ii) sales contracts executed during the period. Usually there is a time lag between an increase or decrease in the level of sales contracts executed and a corresponding change to recognised revenue.

About Cogstate

Cogstate Ltd (ASX: CGS) is a neuroscience technology company optimising brain health assessments to advance the development of new medicines and to enable earlier clinical insights in healthcare. Cogstate technologies provide rapid, reliable and highly sensitive computerised cognitive tests across a growing list of domains and support partners in the delivery of electronic clinical outcome assessment (eCOA) solutions to replace costly and error-prone paper assessments with real-time data capture. The company's clinical trials solutions include quality assurance services for study endpoints that combine innovative operational approaches, advanced analytics, and scientific consulting. For over 20 years, Cogstate has proudly supported the leading-edge research needs of biopharmaceutical companies and academic institutions, and the clinical care needs of physicians and patients around the world. In the Healthcare market, Cogstate seeks to provide primary care physicians and consumers with brief, accurate and scientifically validated digital measures of cognition, with a focus on easy to use, self-administered tests that inform patients and save physician time. For more information, please visit www.cogstate.com.

Important Notices

Past performance

Past performance is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Cogstate's views on its future financial performance or condition. Past performance of Cogstate cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Cogstate. Nothing contained in this announcement, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty, or guarantee, whether as to the past, present or future.

Future performance and forward-looking statements

This announcement contains certain "forward-looking statements." The words "expect," "anticipate," "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Cogstate, its directors and management. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Cogstate's business strategies, including the fact that the results of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. For example, Cogstate's performance in any one financial period is sensitive to whether or not contracts are signed in that period, or a subsequent period, and the rate of enrolment in trials of its customers, which are influenced by factors that are outside of Cogstate's control.

Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulations, none of Cogstate, its representatives or advisers, assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Cogstate as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Cogstate, its representatives or advisers undertakes any obligation to provide any additional or updated information, whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.