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## Building a Global Leader in Cognitive Assessments

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### Company Snapshot

| Company               | Cogstate Ltd                                                                                                 |
|-----------------------|--------------------------------------------------------------------------------------------------------------|
| Core offering         | Digital cognitive assessments in CNS (Central Nervous System) trials                                         |
| Key markets           | CNS disorders, including Alzheimer’s disease, as well as mood and sleep disorders, rare diseases and cancers |
| Shares on issue       | 172.1m                                                                                                       |
| Share Price           | A\$3.64                                                                                                      |
| Market Capitalisation | A\$626.5m                                                                                                    |
| Net Cash              | A\$49.2m                                                                                                     |

Table 1. Net cash is cash and cash equivalents of US\$34,781,144 minus lease liabilities of US\$359,181. USD to AUD of 1.43.

Clinical trials are complex to conduct, involving wide patient populations and a diverse range of clinicians who generate the underlying data. This can introduce subjectivity into the assessment process, where results need to be objective and reliable to support regulatory approval.

Cogstate (ASX: CGS) was founded in 1999 to address these challenges, with a focus on digital brain health assessments in an ageing population and amid growing awareness of brain health. The company aims to enhance digital assessments and extract clear, reliable signals from complex clinical trials, helping accelerate the development and approval of new therapies and, ultimately, improve patient access to new treatments.

Demand for Cogstate’s services is building. Total contracted revenue, reached US\$143.7m at 30 September 2026, up 41% YoY. The pipeline behind it is growing too. New trial starts reached 90 in FY26, up 157% YoY from 35, while the number of ongoing trials rose 55% YoY to 171.

Cogstate’s scientific rigour is a key source of credibility in CNS (Central Nervous System) clinical development, where accurately measuring changes in cognition and behaviour can be particularly challenging. The company combines established psychometric and clinical methodologies with expertise in neuropsychology, cognitive assessment and CNS trial design. This experience spans a range of therapeutic areas, including Alzheimer’s disease, psychiatric and mood disorders, rare neurological conditions and sleep disorders.

The company’s role also extends beyond cognitive assessment tools. Its endpoint quality and data review capabilities are designed to identify inconsistencies, minimise measurement variability and support standardised assessment practices across clinical sites. By helping ensure that assessments are administered and interpreted consistently across different languages, regions and trial settings, Cogstate can improve the quality and comparability of the data generated in CNS studies. This is particularly relevant in clinical

development, where measurement variability can obscure treatment effects and ultimately influence trial outcomes.

## Clinical Expertise Meets Technology

Cogstate has developed a centralised rating model designed to improve consistency in the administration and evaluation of clinical assessments. The model relies on a dedicated pool of trained clinicians who undergo specific training and certification. Assessments can be conducted remotely through telehealth-based formats, while continuous data monitoring helps identify potential inconsistencies and sources of variability. This approach reduces reliance on individual site-based raters and supports a more standardised application of complex psychiatric assessments across different regions.

Over time, Cogstate has also built and validated a portfolio of digital cognitive assessments that are now primarily used to measure cognitive endpoints in research studies. These tools are deployed in clinical trials sponsored by pharmaceutical and biotechnology companies, while also supporting the assessment of changes in brain function within the healthcare segment. This gives the company exposure to both drug development and broader clinical applications.

More recently, Cogstate has been incorporating AI into its assessment and data-quality workflows. Its platform can provide AI-assisted feedback through digital avatars during rater training, while automated review capabilities can help identify issues in assessments and improve the consistency of trial data. As Cogstate deepens integrations with strategic partners, these capabilities could further expand the use of AI-assisted tools and enable more timely data insights across CNS clinical trials.

## Driving Better Trial Outcomes

Cogstate has progressively broadened its offering by adding scientific, operational and data-related capabilities around the delivery of CNS endpoints. The objective is to improve the quality and consistency of endpoint measurements, minimise variability and increase the ability of clinical trials to identify treatment effects. In practice, this positions Cogstate as a broader endpoint partner rather than simply a provider of individual assessment tools.

The company has participated in clinical development programs that have contributed to at least nine regulatory approvals across depression, schizophrenia, bipolar disorder and Alzheimer's disease over the past two decades.

## Q1 FY27 Business Update

On 12 October the company released its Q1 FY27 business update. Net sales contracts executed during Q1 totalled US\$25.1m, up 17% YoY. Contracted revenue (work customers have signed for but hasn't yet been booked as revenue) expected to be recognised in FY27 increased to US\$56.8m, from US\$48.3m at June 2026. Total contracted revenue reached US\$143.7m, representing 41% YoY growth.

Growth was accompanied by further diversification. The quarter's sales performance was particularly strong in psychiatric and mood disorders, with five Phase 3 trial wins across bipolar disorder and depression accounting for more than 80% of quarterly contract value. These wins highlight Cogstate's progress in diversifying beyond its traditional focus on Alzheimer's disease and expanding its addressable market.

The results indicate continued demand for Cogstate's digital cognitive assessment solutions and reinforce the momentum established in FY26. The market reacted positively to the update, with shares rising approximately 10% on the day.

## Expanding Trial Activity and Market Reach

FY26 was a record year across several operating metrics. New trial starts reached 90, up 157% YoY, while the number of ongoing trials increased 55% YoY to 171. Importantly, the growth has been accompanied by greater diversification. Only 14% of new trials were related to Alzheimer's disease, reducing the company's historical dependence on this indication. New sales contracts were US\$89.0m, up 116% YoY, marking a significant increase in commercial momentum.

Partnerships are becoming an increasingly important distribution channel. Channel partners accounted for approximately 40% of the value of new sales contracts in FY26, with relationships including Medidata and Clinical Ink. These partnerships can broaden Cogstate's access to pharmaceutical and biotechnology programs, helping to scale the business.

All the above supports Cogstate's 60% share price gain this year. At 30 September the company has US\$143.7m in contracted revenue to be recognised over time, representing a substantial backlog, alongside US\$34.8m of cash and no debt, which provides financial flexibility and reduces balance sheet pressure. It is encouraging to see the company's growth prospects translating into contracts at a solid pace so far.

This growth is not a recent development. Cogstate's historical performance demonstrates a continuation of its established growth trajectory. Ongoing clinical trials have expanded at a 15% three-year CAGR, while clinical trials revenue has grown at a 17% three-year CAGR and a 15% five-year CAGR. This suggests that growth is part of a longer-term trend rather than being driven solely by recent results.

## Strategic Priorities for FY27 and Beyond

Looking ahead, management's strategy centres on continuing to expand the clinical trials segment, increasing exposure to additional CNS indications and investing in technology that can support both growth and operating leverage.

Psychiatry and mood disorders remain important areas of expansion, alongside further development of AI-enabled analytical capabilities, data engineering and channel partnerships. Near-term growth should also be supported by the conversion of the existing sales pipeline and the recognition of contracted revenue.

AI is becoming an increasingly important part of this strategy. AI-enabled rater training and AI-enabled central monitoring represent the initial applications of a broader technology platform. The next phase is

expected to extend automation into workflow orchestration and system integration, with the goal of reducing manual processes and improving operational scalability.

Management expects this platform to be developed over FY27 and FY28, which should increase CapEx levels. If successfully implemented, greater automation could allow margin expansion over time, putting the company in a more favourable position in the competitive environment.

## Expanding Addressable Market and Service Offering

Demand for Cogstate's services has continued to increase, supported by both underlying growth in CNS clinical research and the company's expansion into new indications. Each quarter from Q2 FY25 through Q1 FY26 established a new record for identified sales opportunities, with opportunities in Q1 FY26 72% above Q1 FY25. Management has not disclosed a figure for identified sales opportunities since Q1 FY26, but stated in February 2026 that the pipeline remained at record levels and described opportunity volumes as very positive in August 2026.

The increase in opportunities reflects both expansion of the customer base and entry into additional therapeutic areas. Management continues to monitor conversion rates as proposal volumes increase and assesses the contribution from newer channel partnerships, which should provide further evidence of the sustainability of the current growth trajectory.

Cogstate estimated that its niche addressable market is worth approximately US\$600–700m, potentially increasing to US\$1.0–1.3bn by 2030, or a 10–15% CAGR.

For comparison, the broader eCOA (electronic Clinical Outcome Assessment) market is expected to grow at around 15% a year, per management, while third-party estimates put growth in the neurology CRO market at roughly 7% a year. This suggests Cogstate's more specialised segment could grow faster than the underlying CRO sector.

Cogstate has also continued to expand the breadth of its offering. Its network now includes more than 400 neuropsychologists across more than 50 languages, while the company has expanded its capabilities including data review, centralised assessments through telehealth and centralised rating supported by specialist consultants. These additional services allow Cogstate to participate in a larger share of the overall trial budget and deepen its role within customers' clinical-development programs.

## M&A Activity in the Sector

Recent M&A activity provides some useful evidence of strategic interest in the broader clinical-trial technology and endpoint market.

Clario expanded its eCOA (electronic Clinical Outcome Assessment) capabilities in May 2025 through the acquisition of WCG's eCOA business. The acquisition strengthened Clario's capabilities in electronic clinical

outcome assessments and expanded its exposure to neuroscience, particularly neurology, psychiatry, neuropathic pain and rare diseases. The financial terms of the transaction were not disclosed.

Six months later, Thermo Fisher announced the acquisition of Clario Holdings for US\$8.9bn upfront, plus up to US\$400m in earnout and US\$125m of deferred payment. The transaction implied approximately 7x FY25E revenue.

In 2026, Signant Health acquired Ametris, combining Signant's eCOA capabilities with Ametris' wearable-derived digital outcome measures. Financial terms were not disclosed. Ametris has spent two decades developing measures based on wearable data, with a focus on objectively measuring physical activity and function in patients' everyday environments.

## Upcoming Catalysts

| Catalyst                       | Expected timing    | Significance                                                                                                           |
|--------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------|
| 2Q FY27 sales contracts update | Jan 2027           | Demonstrates whether 1Q FY27's strong sales were the start of a trend                                                  |
| 1H FY27 financial results      | Feb 2027           | Shows whether revenue growth and margins hold while Cogstate invests more in technology and delivery capacity          |
| AI platform releases           | Over FY27 and FY28 | Successful deployment would provide initial indication that Cogstate can limit headcount growth and lift gross margins |
| Further channel partner wins   | Ongoing            | More wins would show the model is repeatable                                                                           |

*Table 2. Indicative timing only. Events may be delayed, modified or may not occur.*

## ASX and Global Peers

The table below sets out listed companies in the clinical trial services and technology space.

All figures converted to AUD. 1 USD = 1.43 AUD

| Company (Ticker)            | Lead Asset / Platform                            | Indication and Delivery                                                                                                                               | Most Recent FY Revenue (AUD, m) | Market Cap (AUD, m) |
|-----------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------|
| IQVIA (NYSE: IQV)           | Clinical research + healthcare data/technology   | CRO (Clinical Research Organisation); Broad therapeutic areas; clinical data, analytics & technology                                                  | 23,323.3                        | 61,358.3            |
| Medpace (NASDAQ: MEDP)      | Full-service CRO + ClinTrak                      | CRO; Broad therapeutic areas; clinical development, data management, imaging & labs                                                                   | 3,618.2                         | 24,342.9            |
| ICON (NASDAQ: ICLR)         | Full-service CRO / clinical development platform | CRO; Broad therapeutic areas; clinical operations, data & technology solutions                                                                        | 11,799.4                        | 18,131.7            |
| Fortrea (NASDAQ: FTRE)      | Clinical development / CRO platform              | CRO; Broad therapeutic areas; clinical development, data & patient/site services                                                                      | 3,894.5                         | 2,845.0             |
| Cogstate (ASX: CGS)         | Computerised cognitive assessments; eCOA         | CNS clinical trials, particularly Alzheimer's disease and other neurodegenerative disorders, with expansion into psychiatry, mood disorders and sleep | 87.0                            | 626.5               |
| Resonance Health (ASX: RHT) | FerriScan / HepaFatScan + Resonance Clinical     | Liver/metabolic disease; central imaging analysis, CRO services & investigator sites                                                                  | 15.8                            | 41.0                |

Table 3. Revenues from company filings. Market cap from Iress on 14 Oct 2026

## Reducing Reliance on a Key Customer

In 2017, Cogstate was named a preferred provider to Eli Lilly for its Alzheimer's disease platform. The aim was to raise the quality of cognitive testing data in Lilly's trials by changing how research sites are trained and how they record patient assessment results. Cogstate's program combined rater training and certification, electronic outcome assessments (eCOA) and risk-based central monitoring.

Eli Lilly remains a key customer for Cogstate, generating approximately US\$26m of revenue in FY26 and accounting for 42% of total revenue. This was down from 47% in FY25, indicating some progress in reducing customer concentration. A significant proportion of Cogstate's revenue is still attributable to Lilly-related contracts, leaving the company exposed to a single customer.

The company's relationship with Eli Lilly provides a strong revenue base, although maintaining a diversified customer portfolio remains important to support sustainable growth and reduce reliance on any single

client. Continued expansion into other therapeutic areas, such as mood disorders, alongside the growth of partnerships and new customer wins, would help reduce this dependence over time.

## Closing Thoughts

Cogstate has been on a positive trajectory, adding new clinical trials while continuing to diversify its business into new therapeutic areas, including mood and sleep disorders, rare diseases, cancer and metabolic conditions. The company has also continued to expand its network of strategic partnerships, which should support greater scalability and access to new programs. This diversification is particularly relevant given that customer and therapeutic-area concentration remain key points of attention in the investment thesis. Going forward, the evolution of the company's investments in AI-driven workflow automation, rater training and central monitoring will be important to watch, particularly given the higher level of CapEx expected in FY27 and FY28. These initiatives have the potential to improve operational efficiency and support margin expansion over time, although the impact on free cash flow and the pace at which the associated benefits are realised will be important considerations for the investment thesis.

The commercial pipeline remains robust, while the existing contracted revenue backlog provides good visibility into FY27, supporting an encouraging outlook for the company.

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