



COGSTATE
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ASX Announcement

23 December 2013

Cogstate completes A\$8 million Capital Raising

Medical technology company Cogstate (ASX:CGS) has today announced the successful completion of its fully underwritten Rights Issue to raise A\$4 million. These funds, together with recent exercising of options and the Company's placement of \$3.5 million to two US professional investors, brings the total proceeds raised by Cogstate in recent months to A\$8 million.

The Rights Issues was well supported by Cogstate's major investors including the Board of Directors, and US investor Dagmar Dolby (as trustee of the Dagmar Dolby Trust) as sub-underwriter to the transaction. Dagmar Dolby Trust has become Cogstate's second largest shareholder with approximately 14% of issued capital following its participation in the Placement and Rights Issue. Cogstate chairman Mr Martyn Myer and his associated family interests took up their full entitlements and now hold 17.5% of issued capital.

The Dolby Trust is an entity associated with the Dolby Family. The late Ray Dolby was an American engineer and inventor of the Dolby noise reduction system and founder of Dolby Laboratories, Inc (NYSE: DLB). David Dolby, a member of the Dolby family, has joined the Cogstate Board as a Non Executive Director.

Mr Brad O'Connor, Chief Executive Offer said: "We are very encouraged by the support from our existing shareholders and pleased to have two new significant investors. We are well funded with total cash reserves of approximately \$9.4 million to invest in the expansion of our business and drive new opportunities."

Proceeds from the Placement and Rights Issues will allow Cogstate to accelerate the expansion of COGNIGRAM in Canada and beyond. COGNIGRAM is currently being offered to Canadian GPs at the point of care via Cogstate's partner Merck Canada. Cogstate will also pursue commercial opportunities to expand the use of Cogstate's concussion management technologies in primary care medicine through association with major sporting organisations.

Taylor Collison was the underwriter to the transaction.

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About Cogstate

Cogstate Ltd (ASX: CGS) is a multi-faceted cognitive assessment and training company, focused on the development and commercialisation of rapid, computerised tests of cognition (brain function). It has three distinct business units:

Clinical Trials: In the clinical drug trial market, Cogstate technology and associated services are used by pharmaceutical and biotechnology companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials. Since sales into the clinical trials market began in 2004, Cogstate has secured agreements with top pharmaceutical companies including Pfizer, AstraZeneca, Bristol-Myers Squibb, GlaxoSmithKline, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Targacept, Otsuka, and Servier.

Axon Sports: The mission of Axon Sports is to “protect and train the athletic brain”. Axon’s focus is to research, develop and deliver cutting edge tools to assess, monitor and improve the athletic brain.

Axon has been developing sport specific training products, initially focussed on American football and baseball, and the resulting technologies have now been launched within a small number of elite US college programs. In addition, the first of Axon’s consumer iPad apps was launched in 2012.

In the area of sports related concussion, Cogstate’s technology has been used by a number of highly regarded institutions and sporting organisations around the world for almost 10 years. That technology is now marketed to consumers as Axon Sports. Current users of Cogstate/Axon Sports in Australia include the AFL and NRL, whilst in the USA elite programs such as the NBA, WNBA, NHL as well as college programs such as University of Notre Dame, University of Michigan and University of Connecticut all use the Axon Sports system.

Healthcare: In the primary care or general practice setting, the Cogstate’s COGNIGRAM™ assesses cognition in patients and the reports generated on the basis of this assessment can allow physicians to identify subtle changes that could be indicative of the early stage of a neurodegenerative disease, such as Alzheimer’s disease. Cogstate intends to develop COGNIGRAM™ to monitor changes in cognitive function following concussion or after treatment with drugs or other types of interventions. In June 2012, Cogstate entered into an agreement with Merck Canada Inc. providing it with the exclusive right to market and promote COGNIGRAM™ in Canada.