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ASX Announcement

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Cogstate finalises sale of Axon Sports training business

MELBOURNE, AUSTRALIA: Cognition technology company Cogstate (CGS.ASX) has today announced that it has completed the sale of the Axon Sports training business.

On October 22, 2014, Cogstate entered into a non-binding LOI with an American investment company for the Axon Sports training business and the execution of final documents for the sale of the business has now occurred. Under the terms of the sale, Cogstate will not receive any upfront consideration but will be entitled to an undisclosed percentage of all revenue over the next 5 years, paid on a quarterly basis.

Under the sale agreement, the purchaser will immediately assume all ongoing costs and liabilities of the Axon Sports training business, including all personnel, development, marketing and promotional costs. The assumption of all costs by the purchaser will provide Cogstate with significant cost savings in the second half of the 2015 financial year (January 2015 to June 2015).

The sale does not include Cogstate's sport concussion testing product. The decision to divest of the Axon Sports training business was based on a goal of focussing on Cogstate's core businesses and reducing cash burn.

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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.

Precision Recruitment: Cogstate technology is used by pharmaceutical companies to efficiently identify people in the community who may be appropriate for inclusion in a clinical trial on the basis of a web-based cognitive assessment.

Concussion: 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.

Healthcare: In the primary care or general practice setting, 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.