

ASX Announcement

28 August 2019



1. LICENSE OF COGSTATE TECHNOLOGY TO EISAI IN JAPAN
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LICENSE OF COGSTATE TECHNOLOGY TO EISAI IN JAPAN

Cogstate (ASX.CGS) is pleased to advise that it has entered into an agreement with pharmaceutical company, Eisai Co., Ltd., to distribute Cogstate technology in Japan. Under the exclusive licensing agreement, Eisai will market Cogstate technology as a digital cognitive assessment tool for cognition in Japanese markets. The agreement will specifically exclude clinical trials, where Cogstate will continue to market its offering independently.

Under the terms of the agreement Eisai will:

- Provide an upfront royalty payment to Cogstate of US\$1 million;
- Fund necessary product development activities to further tailor Cogstate solutions for the Japanese user base; and
- Fund a commercial team in Japan.

Cogstate and Eisai will share profits equally after taking into account the associated cost of sales for the product in Japan.

The agreement has an initial term of ten years, with performance criteria to maintain exclusivity at year 5 and 8.

In a separate press release issued today (copy attached), Eisai has stated that, in its medium-term business plan, EWAY2025, Eisai is aiming to become a “Medico Societal Innovator” (a company that changes society through creating medicines and providing solutions), promoting various kinds of digitalization such as the analysis of big data, including using real world data to develop an environment for early diagnosis and initiation of treatment and provision of solutions. This also includes creating next-generation treatments primarily in “neurology” and “oncology” that are Eisai’s therapeutic areas of focus.

Cogstate CEO Brad O’Connor stated, “We are honoured to align with Eisai as they progress their plans to address the unmet needs of patients through innovation. Everyone at Cogstate welcomes this partnership, which reflects the strong relationships already developed between the two companies as we continue to work together in the quest for a cure for Alzheimer’s disease.”

ISSUE OF PLACEMENT SHARES AND DISCLOSURES UNDER LISTING RULE 7.1A

Additionally, Cogstate is pleased to announce that Cogstate has raised A\$2.86 million (approx. US\$1.9 million) via a placement of fully paid ordinary shares (**Shares**) to Eisai (**Placement**), part of which is subject to shareholder approval.

The Placement will be conducted in two tranches as follows:

- Cogstate will issue a total of 6,700,000 Shares at an issue price of \$0.20308 per Share by way of a placement to Eisai to raise a total of \$1.36 million (approx. US\$0.9 million), utilising Cogstate's existing Listing Rule 7.1A placement capacity (**Tranche 1**).
- Subject to receipt of shareholder approval, which is proposed to be sought at Cogstate's 2019 annual general meeting, the second tranche of Shares will be issued to Eisai under a further placement to raise \$1.5 million (approx. US\$1 million) at a price equal to the volume weighted average price of Cogstate Shares over the 5 days prior to (but not including) the date of issue of the Shares (**Tranche 2**). Subject to shareholder approval, the issue of shares under Tranche 2 is expected to occur within 5 business days of the annual general meeting, scheduled for October 2019.

The funds raised under the Placement will be used to provide scientific, operational and technical support for launch of Cogstate technology in Japan, to advance Cogstate technology, including development and validation of mobile applications, as well as general working capital requirements.

Further details in relation to the Shares will be set out in the Appendix 3B released to the ASX.

Cogstate provides the following information pursuant to Listing Rule 3.10.5A in relation to the Shares issued pursuant to Tranche 1.

The 6,700,000 Shares issued under Tranche 1 were issued using Cogstate's remaining additional 10% placement capacity under Listing Rule 7.1A.

The shares issued under Listing Rule 7.1A resulted in the following dilution to existing holders of ordinary shares:

	Shares	% of total number of ordinary shares on issue following the Placement
Number of ordinary shares on issue prior to the Placement	142,053,336	95.5%
Dilution as a result of issue of shares under Tranche 1 under Listing Rule 7.1A	6,700,000	4.5%
Number of ordinary shares on issue following completion of Tranche 1	148,753,336	100.0%

There were no advisory fees paid in respect of the Placement.

POTENTIAL ENTITLEMENT OFFER

In consideration of the dilutive nature of the placements to Eisai, as well as the ongoing capital needs of the business, the Board is considering undertaking a potential entitlement offer to raise up to approximately A\$3 million. However, the quantum, terms and timing of any such entitlement offer are currently being developed by the Board. Details of any such entitlement offer will be disclosed by Cogstate upon finalisation of the terms.

For further information contact:

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About Eisai

Eisai is a leading global research and development-based pharmaceutical company headquartered in Japan, with approximately 10,000 employees worldwide. We define our corporate mission as “giving first thought to patients and their families and to increasing the benefits health care provides,” which we call our human health care (hhc) philosophy. We strive to realize our hhc philosophy by delivering innovative products in therapeutic areas with high unmet medical needs, including Oncology and Neurology. In the spirit of hhc, we take that commitment even further by applying our scientific expertise, clinical capabilities and patient insights to discover and develop innovative solutions that help address society’s toughest unmet needs, including neglected tropical diseases and the Sustainable Development Goals.

For more information about Eisai, please visit www.eisai.com.

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 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 nearly 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. For more information, please visit www.cogstate.com.

EISAI ENTERS INTO BUSINESS ALLIANCE WITH COGSTATE FOR EXCLUSIVE DEVELOPMENT AND COMMERCIALIZATION OF A DIGITAL TOOL FOR SELF-ASSESSMENT OF COGNITIVE FUNCTION IN JAPAN

Eisai Co., Ltd. (Headquarters: Tokyo, CEO: Haruo Naito, “Eisai”) announced today that it has entered into a business alliance agreement for exclusive development and commercialization of a cognitive function test - Cogstate Brief Battery (CBB) - developed by Cogstate Ltd. (Headquarters: Australia, “Cogstate”), in Japan as a digital tool for self-assessment of cognitive function (classified as miscellaneous goods).

The CBB consists of four tests, each measuring different cognitive domains: psychomotor function, attention, working memory, and learning, and it has been developed and already in use as a digital tool for self-assessment of cognitive function overseas, including the United States.

Eisai will aim to raise awareness of cognitive function by developing and making widely available the CBB in Japan jointly with Cogstate as a simpler digital tool for self-assessment of cognitive function, which can be used at various locations such as at home and community events. With this tool, it is expected to have opportunities to review lifestyle and to consult with specialists and primary care physicians by objectively checking the changes in cognitive function. It is important to note that this tool is not an alternative for medical examination and diagnosis by qualified medical professionals.

In its medium-term business plan, EWAY2025, Eisai is aiming to become a “Medico Societal Innovator” (a company that changes society through creating medicines and providing solutions), promoting various kinds of digitalization such as the analysis of big data, including using real world data to develop an environment for early diagnosis and initiation of treatment and provision of solutions. This also includes creating next-generation treatments primarily in “neurology” and “oncology” that are Eisai’s therapeutic areas of focus. Through these efforts to partner with Cogstate to develop and make widely available the CBB as a digital tool for self-assessment of cognition more easily in Japan where aging is progressing and to raise awareness of cognitive function, Eisai aims to contribute to the realization of well-being.

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[Notes to editors]

1. About Cogstate Ltd.

Cogstate Ltd. (ASX:CGS) is a neuroscience technology company headquartered in Melbourne, Victoria, Australia, optimising brain health assessments to advance the development of new medicines and to enable earlier clinical insights in healthcare since 1999. Cogstate technologies provide rapid, reliable and highly sensitive computerised cognitive tests across a growing list of domains and support 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 nearly 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. For more information, please visit www.cogstate.com.