



Cogstate Limited  
ABN 80 090 975 723

Level 2, 255 Bourke Street  
Melbourne Victoria 3000  
Australia

P +61 3 9664 1300  
F +61 3 9664 1301  
W cogstate.com

21 October 2019

## Cogstate Limited - Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Cogstate Limited (ASX Code: CGS) (**CGS** or **Company**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth), as modified by ASIC Corporations Instrument 2016/84 (**Act**).

The Company has today announced a non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately A\$4 million (approximately US\$2.7 million<sup>1</sup>).

The Entitlement Offer will be open to shareholders of the Company with a registered address in Australia, New Zealand or certain other foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" section of the Investor Presentation released to ASX in connection with the Entitlement Offer) (**Eligible Shareholders**). Under the Entitlement Offer, Eligible Shareholders may subscribe for 1 fully paid ordinary share in the Company (**New Shares**) for every 10 CGS ordinary shares held as at 7.00pm (Melbourne time) on 23 October 2019, at an offer price of \$0.27 per New Share (**Offer Price**). Certain Eligible Shareholders may, in addition to their entitlements, also apply for New Shares over and above their entitlement at the Offer Price (**Additional New Shares**), to the extent that there are New Shares available due to other Eligible Shareholders not taking up their full entitlements or due to ineligible shareholders being unable to subscribe for their Entitlements. Those Eligible Shareholders may apply for such number of Additional New Shares that is up to a maximum of the greater of 100% of their entitlement, or \$2,000 worth of Additional New Shares at the Offer Price.

The Company confirms that:

1. The New Shares will be offered without a prospectus or other disclosure document to investors under Part 6D.2 of the Act.
2. The Company is providing this notice under section 708AA(2)(f) of the Act.
3. As at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M as they apply to the Company; and
  - (b) section 674 of the Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act.

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<sup>1</sup> Based on the AUD:USD exchange rate as at 18 October 2019

5. The potential effect that the Entitlement Offer will have on the control of the Company (and the consequences of that effect) will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlement to New Shares under the Entitlement Offer. However, given the size of the Entitlement Offer, the composition of the Company's share register and the structure of the Entitlement Offer as a pro rata offer, the Company does not expect the Entitlement Offer to have any material effect or consequence on the control of the Company. The potential effect that the Entitlement Offer will have on the control of the Company is as follows:
- (a) If all Eligible Shareholders take up their full entitlement under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of the Company.
  - (b) To the extent that an Eligible Shareholder fails to take up their full entitlement, that Eligible Shareholder's percentage holding in the Company will be diluted by those other Eligible Shareholders who take up some or all of their entitlement and any Additional New Shares, and the persons taking up the shortfall under the underwriting and sub-underwriting arrangements described below.
  - (c) The Entitlement Offer is fully underwritten by Taylor Collison Limited (**Underwriter**), who has secured sub-underwriting participation from David Dolby Investments II LLC (**Sub-underwriter**), being an entity controlled by Mr. David Dolby, a Director of Cogstate. The Sub-underwriter is not currently a shareholder of the Company but is related to Dagmar Dolby as trustee for the Dagmar Dolby Trust (**Dolby**) (together, the **Dolby Entities**) which is a substantial holder in the Company, with voting power of approximately 14.4% in the Company's shares as at the date of this notice. Dolby has committed to take up to its full pro rata entitlement under the Entitlement Offer. The Sub-underwriter has agreed with the Underwriter to sub-underwrite up to 75% of any shortfall arising under the Entitlement Offer (i.e. any Shares not taken by other eligible shareholders under the Entitlement Offer), or such lesser percentage such that the Dolby Entities' voting power in the Company will not increase to a level of more than 20% as a consequence of such sub-underwriting commitments or commitment to take up their entitlements). To the extent that no persons other than Dolby take up their rights under the Entitlement Offer as described above under the sub-underwriting arrangement, Dolby's voting power may increase by a maximum of approximately 5.6%. However, other directors with (in aggregate) voting power of approximately 20.3% as at the date of this notice have indicated that they intend to take up 100% of their entitlements under the Entitlement Offer.
  - (d) The percentage holding of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.

The Board of the Company considers that the increase in the voting power of the Underwriter or the Dolby Entities is unlikely to have a material effect on the control of the Company.

The Board of the Company considers that any possible effect on control is acceptable in the circumstances because all Eligible Shareholders have had an equal opportunity to participate in the Entitlement Offer.



Claire Newstead-Sinclair  
Company Secretary  
Cogstate Limited