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ASX Announcement

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Cogstate signs $7.3 million sales contract

MELBOURNE, AUSTRALIA: Cognition technology company Cogstate (CGS.ASX) is pleased to announce that it has secured a $7.3 million sales contract for the provision of Rater Training services in a Phase III Alzheimer's disease study.

This contract takes the total value of clinical trial sales contracts signed since 1 July 2014 to over $8.2 million.

At this time, Cogstate has sales contracts in place that will generate $8.6 million of clinical trials revenue for the 2015 financial year, including $1 million that was invoiced in July. At this time last year, Cogstate had secured $6.5 million of revenue for the 2014 financial year.

Cogstate has total contracted future revenue of $18.6 million, which be recognised over the course of the various studies (compared to $9.8 million at the same time last year). At this time, the estimated timing of that revenue is as follows:

- FY2015 $8.6 million
- FY2016 $5.1 million
- FY2017 $2.7 million
- FY2018 $1.7 million
- Later periods $0.5 million

Study Details

As part of the study, 3,700 people will be screened to enrol 1,551 subjects. Of the enrolled subjects, 50% will be classified as suffering from Mild Cognitive Impairment while the other 50% will be classified as suffering from mild Alzheimer's disease.

The study will be run in 15 countries. During the study, Cogstate will train 525 raters across 175 sites in 17 languages.

Cogstate services will include:

- Scientific consultancy for selection of outcome measures;
- Scales management, which includes obtaining copyright permissions, translations, subject binders production and distribution;
- Rater pre-qualification, training and certification;
- Central monitoring of administration and scoring quality via the collection and review of electronic data, audio recordings of subject visits and review of source documents.

Cogstate initiated work on the study, under a start up agreement, in April 2014. The full contract for services has now been executed covering services to be provided until the end of the study in July 2019.

Potential Precision Recruitment Opportunity

Additionally, Cogstate is pitching for an additional contract to assist with the identification and recruitment of patients for this study, via its new web-based tool for streamlining patient recruitment for clinical drug trials, Precision Recruitment.

Precision Recruitment was launched in June 2014 for pharmaceutical companies to reduce the costs and time associated with recruiting patients for clinical trials. Traditionally, most patient pre-trial screening has taken place on-site, a slow, expensive and inefficient process, but Precision Recruitment allows patients to be tested and screened at home before being asked to join a clinical trial.

Potential trial participants are identified by the pharmaceutical company and asked to perform a series of online tests on Cogstate's web portal. Following the test, patients are asked to either enter the next stage of recruitment or, for those not appropriate for inclusion in the trial, they will be asked to join Cogstate's Cognition Registry, a database which tracks changes in cognitive function over time, for availability in future clinical trials.

What is Rater Training?

Rater Training is a broad term used to cover services provided for all scales and tests, including traditional paper and pencil tests, used in clinical trials to measure cognition. Cogstate's legacy of cognitive science and technology, the size and depth of its science team of neuropsychologists, and its systematic integration of science, operations and technology make it unique as a vendor of these services, delivering exemplary service and innovation.

The Cogstate scientific services ensure high quality, cost effective and seamless implementation: with engaged raters and supportive yet minimally burdensome procedures, high quality cognitive data and accurate questionnaire data will be generated and collected globally in a standard manner.

Scales and questionnaires implemented in clinical trials, while useful clinical assessments tools, have often not been specifically designed for repeated administrations to detect change, and can be subject to high learning effects and variability due to rater administration. Scoring errors often further increase variability in the data.

Robust rater training techniques and central monitoring can make the difference between a failed and a successful trial.

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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.

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.