



ASX Announcement

Melbourne, 22 August 2011

CogState Acquires 100% Holding of Axon Sports

Key points:

- CogState acquires remaining 50% stake in Axon Sports LLC
- Rudy Chapa joins the CogState Board of Directors
- Strong opportunity for rapid growth of revenue and profitability

CogState (ASX:CGS) today announced that it will acquire the remaining 50% stake in Axon Sports LLC resulting in Axon Sports becoming a 100% owned subsidiary.

Axon Sports provides online cognitive assessment to assist in evaluating and managing sports-related concussions. For CogState, the management of concussion in sport is a fast growing market, providing enormous opportunity for growth of revenue and profitability in the short term.

The 100% control of Axon Sports will allow CogState to utilise the Axon Sports online testing and associated materials to pursue the sports concussion markets outside North America.

Importantly, 100% control of Axon Sports means that CogState is in a position to take full advantage of current opportunities being discussed with large pharmaceutical companies with the aim of making CogState technology available to clinicians as a low cost, non-invasive, screening tool that could be provided within a clinician's surgery, in numerous indications, including sports concussions.

CogState will acquire the 50% stake for 7,461,831 CogState Ltd fully paid ordinary shares at a notional price of \$0.17 per share.

CogState's partners in the formation of Axon Sports, Quixote Investment principals Rudy Chapa and Patricia Eiting, will remain heavily involved in the management of Axon Sports, retaining their current positions as Directors of Axon Sports LLC.

Following the completion of the acquisition, Mr Chapa will join the CogState Ltd Board of Directors. Mr Chapa previously served as the global director of sports marketing at Nike Inc. He left Nike in 2001 to pursue his own entrepreneurial interests. Through a controlling interest in BC Sports, Quixote founded SPARQ, Inc in 2004. SPARQ (Speed, Power, Agility, Reaction and Quickness) became the standardised test for athleticism as well as leading manufacturer of athletic training equipment and programs. The test, called the SPARQ Rating, is a sport specific assessment of athleticism with unique testing protocols for six sports including; American football, soccer, baseball, basketball and general athleticism. SPARQ was sold to Nike in 2009 for an undisclosed sum.

Mr Chapa will become CogState's second USA based director, following the appointment of U.S. life science investment manager Richard van den Broek in August 2010. CogState's revenue is derived predominantly in the USA.



About Axon Sports

Axon Sports provides online cognitive assessment tools that aid the evaluation and management of sports-related concussions.

How it Works

As part of a proactive concussion management program, an athlete takes a baseline test before the sports season begins (or when uninjured). After creating an account at Axon Sports, they can take a baseline test in under 10 minutes; share results with parents, coaches, athletic trainers, and doctors; and store for future use. The Axon Sports Computerized Cognitive Assessment Tool (CCAT) features four simple CogState tasks.

A Baseline test is a term for any test taken before a treatment or activity. It is one tool in an effective concussion management program because it measures what we can't see – cognitive (brain) function – at 'normal' state and therefore provides a basis for comparison after injury. Baseline testing is best practice and is recommended by both the National Collegiate Athletic Association (NCAA) and the American Academy of Pediatrics (AAP).

Preseason Baseline Testing

Baseline testing, together with a pre-season evaluation, is an essential part of the concussion management process. The Axon Sports CCAT may be supervised by responsible adults, such as parents, guardians, athletic trainers, nurses, technicians, teachers, and coaches, who can help ensure an environment free from distractions and an athlete's "best effort". Test results are easily understood by looking for a green tick (acceptable) or a red X (try again).

After Injury - Where will your Baseline test result be when you need it?

If an athlete becomes concussed, they should seek appropriate medical attention. When all concussion symptoms have resolved, under the care of their doctor an athlete performs an After Injury test. This test is identical to the Baseline test because repeating the same tasks after the injury identifies any cognitive changes from the pre-injury state. This ability to compare results helps indicate whether the brain has fully recovered.

Concussion causes subtle changes in the speed and accuracy of cognition (thinking). These changes are usually the last symptoms to go away after a concussion and they can be very slight. In fact, it is very difficult to detect them without a computerized test which compares an individual to themselves when they were "normal." This means that a Baseline test in the pre-season, before any injury occurs is essential.

Qualified Medical Providers use the test results (comparing Baseline to After Injury Test results) when making decisions about when it is safe for Athletes to return to play or to the classroom.



About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function). To date, CogState has commercialised its technology in two markets – clinical drug trials and concussion management in sport.

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, Merck, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Otsuka, and Servier.

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. Current users include, University of Notre Dame, University of Michigan, English Rugby League, English Jockey Club, and a number of national and international Rugby League and Rugby Union clubs. In Australia, both the AFL and NRL have mandated computerised cognitive testing, using CogState.

For further information:

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