

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately. Copies of this Circular (in English only) may be obtained from the offices of the sponsor at the address set out on the inside front cover. The definitions and interpretations commencing on page 7 of this Circular apply mutatis mutandis throughout this Circular, including the front cover.

Action required

1. If you have disposed of all of your Shares in Cognition, please forward this document to the purchaser of such shares or to the stockbroker, banker or other agent through whom such disposal was effected.
2. Certificated or Own Name Dematerialised Shareholders who are unable to attend the General Meeting of Shareholders to be held at 11:00 on Friday, 11 November 2022 in the boardroom at Cognition House, corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg and wish to be represented thereat, must complete and return the attached Form of Proxy in accordance with the instructions contained therein to the Transfer Secretaries of the Company, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (Private Bag X9000, Saxonwold 2132), e-mail address proxy@computershare.co.za so as to be received by them for administrative purposes not later than 11:00 on Wednesday, 9 November 2022.
3. Dematerialised shareholders, other than those with Own Name Registration, must inform their CSDP or broker of their intention to attend the General Meeting in order for such CSDP or broker to be able to issue them with the necessary letters of representation to enable them to attend such meeting or, alternatively, should they not wish to attend the General Meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the agreement entered into between the Shareholder and their CSDP or broker.



COGNITION HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/010640/06)
Share Code: CGN ISIN: ZAE000197042

CIRCULAR TO SHAREHOLDERS

regarding

- the Disposal of a majority interest in Private Property;

and incorporating

- a report prepared by the Expert in terms of sections 114(2) and 114(3) of the Act;
- extracts of section 115 of the Act dealing with the approval requirements for the Disposal and section 164 of the Act dealing with Dissenting Shareholders' Appraisal Rights;
- a notice of the General Meeting; and
- the Form of Proxy.

Sponsor	Auditors and reporting accountants (to Cognition and Private Property)	Attorneys to Cognition	Independent Expert
 AcaciaCap Advisors Proprietary Limited	 BDO South Africa Inc.	 Fluxmans Inc.	 Exchange Sponsors (2008) Proprietary Limited

Date of issue: Friday, 14 October 2022

CORPORATE INFORMATION

Company secretary and registered office

Felicia van der Merwe
Cognition House
Corner Bram Fischer Drive and Will Scarlett Avenue
Ferndale 2194
(PO Box 3386, Pinegowrie 2123)

Sponsor

AcaciaCap Advisors Proprietary Limited
(Registration number 2006/033725/07)

20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead 2157
(Suite #439, Private Bag X29, Gallo Manor 2052)

Auditors and reporting accountants (to Cognition and Private Property)

BDO South Africa Inc.
Registration number 1995/002370/21
Practice number 905526

Registered Auditors
Chartered Accountants (SA)
Wanderers Office Park
52 Corlett Drive
Illovo 2196
(Private Bag X10046, Wierda Valley 2146)

Attorneys to Cognition

Fluxmans Inc.
Registration number 2000/024775/21

30 Jellicoe Avenue
Rosebank 2196
(Private Bag X41, Saxonwold 2132)

Independent expert

Exchange Sponsors Projects Proprietary Limited
Registration number 2008/021456/07

44A Boundary Road
Inanda 2196
(PO Box 411216, Craighall 2024)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)

Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
(Private Bag X9000, Saxonwold 2132)

CONTENTS

	Page
Corporate information	Inside front cover
Important dates and times	2
Salient features	3
Definitions and interpretations	4
Circular to shareholders	6
1. Introduction and purpose of Circular	6
2. Nature of business and prospects	6
3. Ordinary share capital	7
4. The Disposal	7
5. Conditions precedent to the Disposal	7
6. Treatment of the Consideration	7
7. <i>Pro forma</i> financial information and effects of the Disposal	7
8. Working capital statement	8
9. Particulars of directors and their interests	8
10. Irrevocable undertaking and interests and dealings in Cognition by the Caxton Group	9
11. Report of the expert on the terms and conditions of the Disposal	9
12. View of the Independent Board on the Disposal	9
13. Opinion and recommendation of the board on the Disposal	9
14. Experts' consents	9
15. Costs	10
16. Responsibility statements	10
17. Material changes	10
18. Litigation statement	10
19. The general meeting	10
20. Takeover Regulation Panel approval	10
21. Incorporation by reference	11
22. Documents available for inspection	11
Annexure 1 Expert's report on the terms and conditions of the Disposal	12
Annexure 2 Historical financial information regarding Private Property	16
Annexure 3 <i>Pro forma</i> financial statements of Cognition for the financial year ended 30 June 2022	21
Annexure 4 Reporting accountants' limited assurance report on the pro forma financial information on Cognition	25
Annexure 5 Sections 115 and 164 of the Act	27
Notice of the General Meeting	00
Form of Proxy (blue) for use by the Shareholders	<i>Attached</i>
<i>(Certificated and own name dematerialised shareholders only)</i>	

IMPORTANT DATES AND TIMES

2022

Record date for Shareholders to be entitled to receive this Circular	Friday, 7 October
Circular including notice of General Meeting to consider the Disposal distributed to Shareholders	Friday, 14 October
Notice convening the General Meeting released on SENS on	Friday, 14 October
Notice convening the General Meeting published in the press on	Friday, 14 October
Last day to trade Shares in order to be eligible to vote at the General Meeting	Monday, 1 November
Record date to vote at the General Meeting	Friday, 4 November
Forms of Proxy requested to be lodged for administrative purposes with Transfer Secretaries by 11:00 on	Wednesday, 9 November
Last date and time for Shareholders to give notice to the Company objecting, in terms of section 164 (3) of the Act, to the special resolution approving the Disposal for purposes of the Appraisal Rights by 11:00 on	Wednesday, 9 November
Forms of Proxy not lodged with Transfer Secretaries to be handed to the chairman of the General Meeting before 11:00, or before proxy exercises any voting rights, on	Friday, 11 November
General Meeting of Shareholders to be held at 11:00 on	Friday, 11 November
Results of General Meeting released on SENS on	Friday, 11 November
Results of General Meeting published in the press on	Monday, 14 November

ACTION

If the Disposal is approved by the Shareholders at the General Meeting, the following dates assume that neither Court approval nor the review of the Disposal is required and will be confirmed in the finalisation announcement to be released simultaneously with the results of the General Meeting.

Should votes against or objections to the Disposal be lodged as contemplated in paragraph 5 of the Circular, the dates set out below will not be applicable, and a further finalisation announcement will be released in due course.

Finalisation date expected to be on	Friday, 11 November
Finalisation date announcement expected to be released on SENS on	Friday, 11 November
Finalisation date announcement expected to be published in the press on	Monday, 14 November
Expected operative date of the Disposal: TRP issues compliance certificate in terms of the Act	Wednesday, 16 November

Notes:

1. The dates and times (South African standard time) set out above are subject to change. Any such change will be released on SENS and published in the press.
2. Shareholders who wish to exercise their Appraisal rights are referred to Annexure 5 to this Circular for purposes of determining the relevant timing for the exercise of these rights.
3. Dematerialised Shareholders, other than those with Own Name registration, must inform their CSDP or broker of their intention to attend the General Meeting in order for such CSDP or broker to be able to issue them with the necessary letters of representation to enable them to attend such meeting or, alternatively, should they not wish to attend the General Meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the agreement entered into between the Shareholder and the CSDP or broker.
4. Shares acquired after the Last Day to Trade will not be entitled to exercise voting rights at the General Meeting.

SALIENT FEATURES

The salient features and actions required should be read in conjunction with this Circular as a whole for a full appreciation thereof. The definitions and interpretations commencing on page 8 of this Circular apply to the salient features.

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 On 26 August 2022 Cognition announced that the Agreements had been concluded and the Board had resolved to implement the Disposal.
- 1.2 The Disposal is classified as an affected transaction in terms of the Code, and requires approval by the Shareholders in general meeting, by way of a special resolution, with a 75% majority. In addition, the Disposal is categorised in terms of the Listings Requirements as a Category 1 transaction, which similarly requires shareholder approval, but by way of an ordinary resolution, with a 50% plus majority.
- 1.3 In the circumstances, the Shareholders will only be asked to approve the special resolution approving the Disposal to be proposed at the General Meeting, as well as ordinary resolutions which may be required for administrative purposes.
- 1.4 This Circular provides the Shareholders with details of the Disposal and incorporates the report of the Independent Expert and a notice convening the General Meeting containing the resolutions required for implementation of the Disposal.

2. THE DISPOSAL

Subject to fulfilment of the Conditions Precedent set out in paragraph 5 of this Circular, in terms of the Disposal, Cognition will dispose of the Sale Shares to the Purchasers for an aggregate consideration of R150 million. The Consideration will be payable in cash on delivery of the Documents of Title in respect of the Sale Shares to the Purchasers.

3. RATIONALE FOR THE DISPOSAL

The business of Cognition has been subjected to a vigorous reassessment process following the restructuring of the management team at the end of December 2021. The existing businesses of FoneWorx and BMI have been refocused and aligned with the identified needs of their respective customer bases.

At the same time, Private Property has also interrogated its priorities and business imperatives and has resolved to commit greater investment to future growth prospects and in its long-term product initiatives serviced by its web-based platform. This will require an allocation of considerable additional resources in technology and marketing.

In the process of the above review, it has become apparent to the Company that its investment in Private Property may benefit from a more industry-aligned shareholder base which supports the imperatives of growth as opposed to short term returns, and which can accelerate the implementation of Private Property's revised strategy. In the circumstances, the offer to acquire Cognition's shareholding in Private Property represents an opportunity for the Company to return significant value to shareholders.

4. GENERAL MEETING AND ACTION REQUIRED

The General Meeting will be held in the boardroom at Cognition House, Corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg at 11:00 on Friday, 11 November 2022, to consider and pass the special and ordinary resolutions necessary to implement the Disposal. A notice convening the General Meeting is contained in this Circular as well as a Form of Proxy for those Certificated and Own Name Dematerialised Shareholders who will be unable to attend the General Meeting but wish to be represented thereat.

Certificated or Own name Dematerialised Shareholders who are unable to attend the General Meeting but wish to be represented thereat are requested to complete the attached Form of Proxy and return it in accordance with the instructions and notes contained therein to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (Private Bag X9000, Saxonwold 2132), e-mail address proxy@computershare.co.za so as to be received for administrative purposes by not later than 11:00 on Wednesday, 9 November 2022.

In terms of the custody agreements entered into by Dematerialised Shareholders and their CSDP's or brokers:

- Dematerialised Shareholders, other than Own Name Dematerialised Shareholders, who wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letters of representation to attend the General Meeting
- Dematerialised Shareholders, other than Own Name Dematerialised Shareholders, who wish to be represented at the General Meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures thereto, unless otherwise stated or the context indicates a contrary intention, the following expressions shall have the meanings set out opposite them. Cognate expressions bear corresponding meanings, words denoting one gender shall import and include the others, natural persons shall import and include juristic persons and *vice versa* and the singular shall import and include the plural and *vice versa*, as follows:

“the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“the Agreements”	collectively, the BetterHome agreement, the Fledge agreement and the ooba agreement;
“the Appraisal Rights	the rights afforded to the Shareholders in terms of section 164 of the Act;
“BetterHome”	BetterHome Group Limited, registration number 1992/000443/06, a public company incorporated in South Africa, the shareholders’ register of which is available for inspection in terms of paragraph 22, none of which are related parties to Cognition;
“the BetterHome agreement”	the agreement dated 12 August 2022 concluded between, <i>inter alia</i> , the Company and BetterHome regarding the Disposal;
“the Board” or “the Directors”	the board of directors of Cognition in office from time to time
“Caxton”	Caxton and CTP Publishers and Printers Limited, registration number 1947/026616/06, a public company incorporated in Pretoria, South Africa on 3 September 1947, and listed on the JSE;
“the Caxton Group”	collectively, Caxton and CTP;
“Certificated Shareholders”	Shareholders holding Shares represented by a Document of Title;
“the or this Circular”	this document dated Friday, 14 October 2022 including the notice of General Meeting and the Form of Proxy;
“the Code”	the Takeover Regulations prescribed by the Minister of Trade, Industry and Competition in terms of section 120 of the Act Law contained in the Act;
“Cognition” or “the Company	Cognition Holdings Limited, registration number 1997/010640/06, a public company incorporated in Pretoria, South Africa on 4 July 1997, and listed on the JSE;
“the Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
“the Conditions Precedent”	the conditions precedent set out in paragraph 5 of this Circular;
“the Consideration”	in aggregate, R150 million, to be paid in cash against delivery of the Documents of Title in respect of the Sale Shares to the Purchasers;
“CSDP”	a Central Securities Depository Participant as defined in the Financial Markets Act, 2012 (Act 19 of 2012);
“CTP”	CTP Limited, registration number 1971/004223/06, a public company incorporated in South Africa and a wholly owned subsidiary of Caxton;
“Dematerialised” or “Dematerialisation”	the process in terms of which securities held by Certificated Shareholders are converted into electronic form and held by a CSDP or broker;
“Dematerialised Shareholders”	Shareholders who hold Shares which have been Dematerialised;
“the Disposal”	the disposal by Cognition of the Sale Shares in terms of the Agreements;
“the Dissenting Shareholders”	Shareholders who validly exercise Appraisal Rights by demanding, in terms of sections 164(5) to 164(8) of the Act, that the Company pay them the fair value of their Shares;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title;
“the Expert”	Exchange Sponsors Projects Proprietary Limited, registration number 2008/021456/07, a private company incorporated in South Africa;
“the Finalisation Date”	the date on which all the Conditions Precedent shall have been fulfilled or waived, as the case may be, as set out in paragraph 5 of this Circular;
“Fledge	Fledge Capital Proprietary Limited, registration number 2006/037152/07, a private company incorporated in South Africa, the shareholders’ register of which is available for inspection in terms of paragraph 22, None of which are related parties to Cognition;
“the Fledge agreement”	the agreement dated 12 August 2022 concluded between, <i>inter alia</i> , the Company and Fledge regarding the Disposal;
“Form of Proxy”	the Form of Proxy (<i>blue</i>) attached to and forming part of this Circular;

“the General Meeting”	the general meeting of the Shareholders to be held at 11:00 on Friday, 11 November 2022;
“the Group”	Cognition and all of its subsidiaries;
“the Independent Board”	Messrs. Miles Crisp, Dennis Lupambo and Steve Naudé, all of whom are independent non-executive directors of Cognition;
“the JSE”	the Johannesburg Stock Exchange, operated under licence as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012) by JSE Limited, registration number 2005/022939/06, a public company incorporated in South Africa;
“the Last Practicable Date”	Friday, 7 October 2022, being the last practicable date before the finalisation of this Circular;
“the Listings Requirements”	the Listings Requirements of the JSE in force from time to time;
“ooba”	ooba Proprietary Limited, registration number 1998/010018/07, a private company incorporated in South Africa, the shareholders’ register of which is available for inspection in terms of paragraph 22, none of which are related parties to Cognition;
“the ooba agreement”	the agreement dated 12 August 2022 concluded between, <i>inter alia</i> , the Company and ooba regarding the Disposal;
“the Operative Date”	the date on which the Panel issues a compliance certificate in terms of the Act;
“Own Name Registration”	Dematerialised Shareholders who have registered their Shares with a CSDP in their own name;
“Private Property”	Private Property South Africa Proprietary Limited, registration number 2012/065291/07, a private company incorporated in South Africa, which has 22 shareholders holding the issued shares other than the Sale Shares, all of which have waived their pre-emptive rights in respect of the Sale Shares;
“the Purchasers”	collectively, BetterHome, Fledge and ooba;
“the Sale Shares”	5 265 issued ordinary shares in Private Property, constituting 50,01 % of its issued share capital, and currently held by Cognition;
“SENS”	the Stock Exchange News Service operated by the JSE;
“the Shareholders”	the holders of the Shares;
“the Shares”	ordinary shares of no par value in the share capital of Cognition;
“South Africa”	the Republic of South Africa;
“Strate”	the electronic clearing and settlement system used by the JSE and operated by Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in South Africa;
“the Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated in South Africa; and
“the TRP”	the Takeover Regulation Panel established in terms of section 196 of the Act.



COGNITION HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/010640/06)
Share Code: CGN ISIN: ZAE000197042

Directors

PM Jenkins (Non-executive Chairman)
RCH Fedder (Chief Executive Officer)
PA Scholtz (Financial Director)
G Groenewaldt (Executive Director)
M Crisp *
SWL de Kock
DC Lupambo *
A Mwela
S Naude *

* Independent non-executive

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF CIRCULAR

- 1.1 On 26 August 2022 Cognition announced that the Agreements had been concluded and the Board had resolved to implement the Disposal.
- 1.2 The Disposal is classified as an affected transaction in terms of the Code, and requires approval by the Shareholders in general meeting, by way of a special resolution, with a 75% majority. In addition, the Disposal is categorised in terms of the Listings Requirements as a Category 1 transaction, which similarly requires shareholder approval, but by way of an ordinary resolution, with a 50% plus majority.
- 1.3 In the circumstances, the Shareholders will only be asked to approve the special resolution approving the Disposal at the General Meeting, as well as ordinary resolutions which may be required for administrative purposes.
- 1.4 This Circular provides the Shareholders with details of the Disposal and incorporates the report of the Independent Expert and a notice convening the General Meeting containing the resolutions required for implementation of the Disposal.

2. NATURE OF BUSINESS AND PROSPECTS

The Group is a multi-disciplinary data collection, communication and research company that provides a broad range of services to Fast Moving Consumer Goods, media and digital companies.

Via its multi-disciplinary capacity of collecting data and rewarding consumers or businesses for interacting with its clients' brands, Cognition offers Business Intelligence tools and measurable insights via dashboards and bespoke reports.

Cognition's services can be segmented into three broadly defined strategic areas:

Consulting: *Understanding the clients' needs, objectives and desired outcomes, in order to provide technical and professional services and advice.*

Data Collection: *Gathering and measuring information in an established, systematic process, whilst understanding that information is a means to an end and not an end in itself.*

Data Analytics: *Examining data sets in order to draw conclusions about the information they contain with the aid of proprietary systems and software processes, thus providing clients with a greater understanding of the data.*

In 2019, Cognition acquired the majority interest in Private Property from CTP in exchange for an issue of shares in Cognition, which resulted in the Caxton Group becoming the controlling shareholder of the Company. Private Property then became the major digital thrust of the Group.

The business of Cognition has been subjected to a vigorous reassessment process following the restructuring of the management team at the end of December 2021. The existing businesses of FoneWorx and BMI have been refocused and aligned with the identified needs of their respective customer bases.

At the same time, Private Property has also interrogated its priorities and business imperatives and has resolved to commit greater investment to future growth prospects and in its long-term product initiatives, serviced by its web-based platform. This will require an allocation of considerable additional resources in technology and marketing.

In the process of the above review, it has become apparent to the Company that its investment in Private Property may benefit from a more industry-aligned shareholder base which supports the imperatives of growth as opposed to short term returns, and which can accelerate the implementation of Private Property's revised strategy. In the circumstances, the offer to acquire Cognition's shareholding in Private Property represents an opportunity for the Company to return significant value to shareholders.

3. ORDINARY SHARE CAPITAL

On the Last Practicable Date, the authorised and issued ordinary share capital of the Company was:

Authorised

1 250 000 000 ordinary shares of no par value

Issued

229 273 021 ordinary shares of no par value

Stated capital

R159 420 500

Implementation of the Disposal will have no effect on the share capital of the Company.

There are no treasury shares held by the Company.

4. THE DISPOSAL

Subject to fulfilment of the Conditions Precedent set out in paragraph 5 of this Circular, the Company will implement the Disposal of the Sale Shares to the Purchasers for the Consideration of R150 million in cash, payable upon delivery of the Documents of Title in respect of the Sale Shares to the Purchasers.

5. CONDITIONS PRECEDENT TO THE DISPOSAL

The Disposal will be subject to the fulfilment of the following conditions precedent by 31 December 2022, or such later date as the Company and the TRP may agree to in writing:

- 5.1 approval of the Disposal by the Shareholders by way of a special resolution, requiring a majority vote of 75%, as contemplated in section 115(2) of the Act, and:
 - to the extent required, the approval and the implementation of such resolution by the court as contemplated in section 115(3)(a) of the Act; and
 - if applicable, the Company not treating the afore-mentioned resolution as a nullity, as contemplated in section 115(5)(b) of the Act;
- 5.2 Shareholders not having exercised Appraisal Rights by giving valid demands to this effect to the Company, in terms of section 164(7) of the Act; and
- 5.3 the TRP having issued a compliance certificate as required in terms of section 121(b) of the Act.

6. TREATMENT OF THE CONSIDERATION

The Consideration will be added to current cash reserves of the Company, increasing such reserves to approximately R190 million, pending decisions as to the most effective deployment of such resources.

7. PRO FORMA FINANCIAL INFORMATION AND EFFECTS OF THE DISPOSAL

Annexure 2 contains historical financial information regarding Private Property and the reporting accountants' report on the historical financial information of Private Property (incorporated by reference in accordance with paragraph 21 of this Circular) and selected statements of financial information extracted from the audited financial statements of Private Property for the year ended 30 June 2022.

Annexure 3 contains the *pro forma* financial information of the Company for the financial year ended 30 June 2022, based on the audited financial statements for the year ended 30 June 2022, which are similarly incorporated by reference in accordance with paragraph 21 of this Circular, and are available on the website of the Company.

Annexure 4 contains the limited assurance report of BDO South Africa Inc., the reporting accountants to Cognition, on the *pro forma* financial information relating to Cognition.

The table below sets out the *pro forma* financial effects of the Disposal on Cognition's earnings per Share, headline earnings per Share, net asset value per Share and net tangible asset value per Share on the most recently published audited financial results of the Company for the financial year ended 30 June 2022. The financial effects are the responsibility of the Directors, are prepared for illustrative purposes only and, because of their nature, may not fairly present the financial position of the Company, changes in its equity or the results of its operations or cash flows after the Disposal.

	Before the Disposal: audited to 30 June 2022	Adjustments	After Disposal: Pro forma 30 June 2022	Increase/ (decrease)
EPS and Diluted EPS / (loss) (cents)	(22.15)	25.98	3.83	-117%
HEPS (cents)	0.46	(1.28)	(0.82)	-277%
NAV per share (cents)	73.06	26.77	99.83	37%
NTAV per share (cents)	41.25	57.00	98.25	138%
Weighted average number of ordinary shares in issue	229 273 021	-	229 273 021	0%
Ordinary shares in issue	229 273 021.00	-	229 273 021	0%

8. WORKING CAPITAL STATEMENT

The Directors have considered the impact of the Disposal and are of the opinion that, for a period of 12 months after the date of approval of the Disposal:

- the Company and the Group will be able to pay their respective debts as they become due in the ordinary course of business;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated financial statements of the Company and the Group;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;
- the working capital of the Company and the Group will be adequate for ordinary business purposes.

9. PARTICULARS OF DIRECTORS AND THEIR INTERESTS

9.1 The names, ages, addresses and occupations of the Directors are as follows:

Name (age)	Business address	Occupation
PM Jenkins (63)	Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg	Non-executive director and chairman of Cognition
RCH Fedder (40)	Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg	Chief Executive Officer of Cognition
PA Scholtz (46)	Cognition House Corner Bram Fischer Drive and Will Scarlett Avenue Ferndale	Financial director of Cognition
G Groenewaldt (64)	Cognition House Corner Bram Fischer Drive and Will Scarlett Avenue Ferndale	Executive director of Cognition
M Crisp (64)	Plot 3, 3 rd Street Farmall AH Randburg	Independent non-executive director of Cognition and director of companies
SWL de Kock (48)	Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg	Non-executive director of Cognition and director of companies
DC Lupambo (59)	3 Puzzle Bush Close Bassonia Estate Cussionia Drive Bassonia	Independent non-executive director of Cognition and director of companies
A Mwela (41)	Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg	Non-executive director of Cognition and director of companies
S Naudé (71)	16 Sinsaunt Crescent Hurlingham Manor Sandton	Independent non-executive director of Cognition and director of companies

The Directors are all South African citizens.

Implementation of the Disposal will not have any effect on the Directors or Directors' remuneration.

9.2 Directors' interests in transactions

None of the directors of Cognition have any beneficial interest (directly or indirectly) in any transactions that were effected by the Company or the Group in the current or preceding financial year; or during an earlier financial year which remain in any respect outstanding or unperformed.

9.3 Directors' interests in securities

On the Last Practicable Date, the direct and indirect beneficial interests of the Directors and their associates in the share capital of Cognition were as follows:

Director	Direct %	Indirect %	Total %
G Groenewaldt	0,65	-	0,65
PA Scholtz	0,21	-	0,21
Total	0,86		0,86

10. IRREVOCABLE UNDERTAKING AND INTERESTS AND DEALINGS IN COGNITION BY THE CAXTON GROUP

The Caxton Group, which owns or controls 154 477 379 ordinary shares in the Company (67.36% of the issued share capital), has provided to the Purchasers an unconditional irrevocable undertaking to vote in favour of the resolutions required to implement the Disposal.

The Caxton Group has not traded for value in the shares of the Company during the period of six months prior to the announcement of the Disposal, and up to and including the Last Practicable Date.

11. REPORT OF THE EXPERT ON THE TERMS AND CONDITIONS OF THE DISPOSAL

The report of the Expert prepared in accordance with section 114(3) and regulation 90 of the Code is set out in Annexure 1 to this Circular.

Having considered the terms and conditions of the Disposal and based on the conditions set out in its report, the Expert has concluded that the terms and conditions of the Disposal are fair and reasonable to the Shareholders, as each of these terms is respectively defined in the Act.

12. VIEW OF THE INDEPENDENT BOARD ON THE DISPOSAL

In accordance with the Code, the Board has appointed the Independent Board, comprising Messrs. M Crisp, D Lupambo and S Naudé, which has appointed the Expert to compile a report on the Disposal. The Board has provided all relevant information on the Company requested by the Expert in order to compile its report.

The Independent Board, after due consideration of the report of the Expert, has determined that it will place reliance on the valuation performed by the Expert for the purposes of reaching its own opinion regarding the Disposal and the Consideration as contemplated in regulation 110(3)(b) of the Code. The Independent Board has formed a view of the range of the Consideration for the Sale Shares, which accords with the range contained in the Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Code) and has not taken any such factors into account, in forming its opinion.

The Independent Board, taking into account the report of the Expert, has considered the terms and conditions of the Disposal and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to the Shareholders and, accordingly, recommend that the Shareholders vote in favour of the Disposal at the General Meeting.

13. OPINION AND RECOMMENDATION OF THE BOARD ON THE DISPOSAL

The Directors, all of whom except for Mr G Groenewaldt and two members of the Independent Board, Messrs DC Lupambo and S Naude, are also directors of Private Property. That having been said, these Directors are unanimously of the opinion that the Disposal is in the best interests of the Company and the Shareholders, and accordingly recommend that the Shareholders vote in favour of the resolutions to be proposed at the General Meeting. The Directors intend to vote in favour of the resolutions in respect of the Shares held by them.

14. EXPERTS' CONSENTS

The auditors and reporting accountants to Cognition and Private Property, and the Expert, have consented in writing to the references to their name and the inclusion of their reports in the form and context in which they appear in this Circular, and had not withdrawn such consents prior to the date of issue of the Circular. In addition, the attorneys, sponsor and Transfer Secretaries have consented in writing to the inclusion of their names in this Circular, and had not withdrawn such consents prior to the date of issue of the Circular.

15. COSTS

The costs to be incurred by Cognition pursuant to the Disposal are estimated at approximately R1 761 258 (exclusive of VAT) made up as follows:

AcaciaCap Advisors Proprietary Limited – JSE documentation and sponsor services	R375 000
BDO South Africa – accounting services	R100 000
Computershare Investor Services Proprietary Limited – secretarial services	R15 000
Fluxmans Inc. – legal services	R600 000
Exchange Sponsors Projects – report and opinion	R120 000
Printing, advertising and distribution costs	R160 000
Tax and accounting advisory fees	R234 032
JSE– documentation inspection fees	R58 096
TRP- documentation fees	R99 130
TOTAL (estimate)	R1 761 258

There have been no preliminary expenses incurred by the Company in the three years preceding the date of this Circular.

16. RESPONSIBILITY STATEMENTS

The Board and the Independent Board, whose names are given on pages 9 and 12 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

17. MATERIAL CHANGES

Save for the announcement of the proposed Disposal on 26 August 2022, there have been no material changes in the financial or trading position of the Group since the publication of the financial statements for the financial year ended 30 June 2022.

18. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings which are pending or threatened, of which the Directors are aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

19. THE GENERAL MEETING

The General Meeting will be held in the boardroom at Cognition House, corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg at 11:00 on Friday, 11 November 2022, to consider and pass the resolutions necessary to implement the Disposal. A notice convening the General Meeting is contained in this Circular as well as a Form of Proxy for those Certificated and Own Name Dematerialised Shareholders who will be unable to attend the General Meeting but wish to be represented thereat.

Certificated or Own Name Dematerialised Shareholders who are unable to attend the General Meeting but wish to be represented thereat are requested to complete the attached Form of Proxy and return it in accordance with the instructions and notes contained therein to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (Private Bag X9000, Saxonwold 2132), e-mail address proxy@computershare.co.za to be received for administrative procedures by not later than 11:00 on Wednesday, 9 November 2022, or handed to the chairman of the General Meeting by not later than 11:00 on Friday, 11 November 2022.

In terms of the custody agreements entered into by Dematerialised Shareholders and their CSDP's or brokers:

- Dematerialised Shareholders, other than Own Name Dematerialised Shareholders, that wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letters of representation to attend the General Meeting;
- Dematerialised Shareholders, other than Own Name Dematerialised Shareholders, that wish to be represented at the General Meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

20. TAKEOVER REGULATION PANEL APPROVAL

The Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

21. INCORPORATION BY REFERENCE

The financial information set out in the table below is incorporated in Annexure 2 to this Circular by reference, and can be accessed on the web-site of the Company at www.cgn.co.za. It is also available for inspection by Shareholders and/or prospective investors, free of charge, at the registered office of the Company, during business hours between 14 October and 11 November 2022:

<i>Item</i>
Historical financial information of Private Property for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022
Reporting accountants' limited assurance report on the historical financial information of Private Property for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022
Audited annual financial statements of Private Property for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022
Audited financial statements of Cognition for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available during normal business hours for inspection by the Shareholders from Friday, 14 October 2022 to Friday, 11 November 2022 at the registered office of Cognition at Cognition House, corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg, and online on the website of the Company at www.cgn.co.za:

- 22.1 the Memoranda of Incorporation of the Company and its major subsidiaries;
- 22.2 the Agreements;
- 22.3 the shareholders' registers of BetterHome, Fledge and ooba;
- 22.4 the consolidated audited annual financial statements of the Group for the three years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- 22.5 the historical financial information of Private Property or the three years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- 22.6 the report of the Expert and its written consent to the publication of the report in the form and context in which it appears in this Circular;
- 22.7 the limited assurance report of the reporting accountants to Cognition on the *pro forma* financial information of the Company for the financial year ended 30 June 2022 and their written consent to the publication of the report in the form and context in which it appears in this Circular;
- 22.8 the report of the reporting accountants on the historical financial information relating to Private Property and their written consent to the publication of the report in the form and context in which it appears in this Circular; and
- 22.9 the written consents of the attorneys, sponsor and Transfer Secretaries to the use of their names in the form and context in which they appear in this Circular.

By order of the board

Signed on behalf of the Board (other than the Independent Board) in terms of a Board resolution dated 5 October 2022 and separate powers of attorney by the Directors.

RCH Fedder
Chief Executive Officer

Signed on behalf of the Independent Board in terms of a resolution dated 6 October 2022 and separate powers of attorney by the members of the Independent Board.

S Naudé
Chairman

Johannesburg
14 October 2022

EXPERT'S REPORT ON THE TERMS AND CONDITIONS OF THE DISPOSAL

The Board of Directors

Cognition Holdings Limited
 Cognition House
 Corner Bram Fischer Drive and Will Scarlett Road
 Randburg
 2194

30 September 2022

Dear Sir

FAIR AND REASONABLE OPINION IN TERMS OF SECTION 112 OF THE ACT, AS READ WITH REGULATIONS 90 AND 110 OF THE COMPANIES REGULATIONS

Introduction

Cognition Holdings Limited ("Cognition" or "the Company") entered into separate agreements dated 12 August 2022, constituting one indivisible transaction with BetterHome Group Limited, ooba Proprietary Limited and Fledge Capital Proprietary Limited (collectively "the Purchasers") to dispose of its 50.01% interest in the issued ordinary share capital of Private Property South Africa Proprietary Limited ("Private Property") for an amount of R150 million ("Disposal Consideration") ("the Disposal").

Scope

The Disposal will result in the disposal by the Company of the greater part of its assets and will therefore be a fundamental transaction in terms of Section 112 of the Companies Act, 71 of 2008 ("the Act").

The Disposal is an affected transaction as defined in Section 117(1) (c) of the Act and as read with Regulations 90 and 110 of the Companies Regulations, 2011 ("Companies Regulations"), the Company is required to retain an independent expert to provide an independent expert report in the form of a fair and reasonable opinion ("Fair and Reasonable Opinion" or "Opinion").

Exchange Sponsors Projects (Pty) Ltd ("Exchange Sponsors") has been appointed by the Independent Board of Cognition ("Independent Board") as the Independent Expert to advise on whether the terms and conditions of the Disposal are fair and reasonable to the shareholders of the Company.

Responsibility

Compliance with the Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the Disposal and the Disposal Consideration are fair and reasonable to Private Property Shareholders.

Definition of the terms "fair" and "reasonable"

The "fairness" of a transaction is primarily based on quantitative issues. A transaction will generally be said to be fair to a Company's shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up. The Disposal may be said to be fair to the Shareholders if the Disposal Consideration is equal to or greater than the fair value of the equity interest being sold, or unfair if the Disposal Consideration is less than the fair value of the equity interest being sold. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, a Disposal with a consideration within the fair-value range is generally considered to be fair.

Sources of information

In arriving at our Opinion, we have relied upon the following principal sources of information:

- Private Property's website (www.privateproperty.co.za);
- the separate sale agreements dated 12 August 2022 relating to the Disposal;
- the terms and conditions of the Disposal, as set out in the Circular;
- the annual financial statements of Private Property and its subsidiaries for the financial years ended 30 June 2021 and 30 June 2020;
- the unsigned Annual Financial Statements of Private Property for the financial years ended 30 June 2022;
- five-year forecast for Private Property for the years ending 30 June 2027;
- Competition Commission summary report dated July 2022 regarding "Online intermediation platforms market inquiry" and Private Property's legal advisors' views on the report;
- discussions with Cognition directors and management regarding the Disposal;
- discussions with Private Property directors and management regarding the historical financial information of Private Property and five-year projections;

- discussions with the Private Property directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the industry in which Private Property operates in general; and
- publicly available information relating to Private Property that we deemed to be relevant, including Private Property announcements and media articles.

The information above was secured from:

- Private Property directors and management; and
- third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Private Property.

Procedures

In arriving at our Opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the Disposal:

- reviewed the terms and conditions of the separate sale agreements;
- analysed and reviewed all relevant financial information as set out above;
- performed such other studies and analyses as we deemed appropriate and have considered our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industry in which Private Property operates;
- held discussions with Private Property directors and management regarding the past and current business operations, regulatory requirements, financial conditions and prospects of Private Property, the potential impact of the Covid-19 pandemic on business operations and such other matters as we have deemed relevant to our inquiry;
- determined the fair value of Private Property by applying appropriate generally accepted valuation approaches and methods in use in the market from time to time in order to derive the fair value of a Private Property Share. A DCF valuation on Private Property was performed;
- evaluated the relative risks associated with Private Property and the industry in which it operates;
- considered the long-term prospects of Private Property;
- reviewed certain publicly available information relating to Private Property and the industry in which it operates that we deemed to be relevant, including announcements and media articles;
- where relevant, representations made by Private Property directors and management were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Private Property operates, and to analyse external factors that could influence the business of Private Property.

Valuation Approach

In evaluating the Disposal, we performed a DCF valuation of Private Property based on management's five-year forecast for the years ending 30 June 2027.

The DCF valuation method discounts the stream of future free cash flows attributable to the business, at an appropriate discount rate. Free cash flows represent the cash, which Private Property generates from its operating activities, after deducting taxation payable, working capital movements and capital expenditure. Interest received and paid, depreciation and dividends declared were excluded in determining free cash flows.

From these discounted cashflows the enterprise value for Private Property was calculated and adjusted for cash and borrowings to calculate the equity value. A marketability discount was applied to the equity value as Private Property is a private company with no tradability in its shares.

The key internal value drivers for the business of Private Property are as follows:

- the new web portal is fully implemented and operational within the next 18 months;
- marketing costs remain consistent in rand terms and decline relative to turnover; and
- IT costs stabilise and decline relative to turnover.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR : 12.63%
- Discount rate: 19%.

Sensitivity analyses were performed on the key assumptions in arriving at a value range for 100% of Private Property as set out below.

Value R'm	Discount rate		
	18%	19%	20%
Terminal growth rate			
3%	246,1	251,0	214,6
4%	258,1	239,4	223,2
5%	271,9	229,2	233,0

Assumptions

We arrived at our Opinion based on the following assumptions:

- current economic, regulatory and market conditions will not change materially;
- Private Property is not involved in any other material legal proceedings other than what has been disclosed in the annual financial statements for the year to 30 June 2022 and Circular;
- there are no known undisclosed contingencies that could have a material effect on the value of Private Property;
- that the Disposal will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives of Private Property;
- that reliance can be placed on the financial information of Private Property as set out above; and
- reliance on the assumptions in the information available made by Private Property's representatives during the course of forming this Opinion.

Opinion

We determined a value range for Private Property of between R 215 million to R 272 million with a midpoint value of R 244 million.

Exchange Sponsors has considered the terms and conditions of the Disposal and, based upon and subject to the conditions set out herein, we are of the opinion that the Disposal Consideration of R 150 million for 50.01% of Private Property is fair due to the Disposal Consideration of R 150 million being above the value range of R 107.5 million to R 136.3 million for 50.01%.

We have further considered the following items:

- Private Property is still developing the new web portal with the resulting uncertainty on costs and timing of implementation;
- Competition Commission summary report dated July 2022 regarding "Online intermediation platforms market inquiry" and implications for Private Property; and
- Economic circumstances that could influence the South African property sector including increased interest rates, loadshedding and COVID 19.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Disposal are reasonable in the circumstances.

Our Opinion is necessarily based upon the information available to us up to 26 September 2022, including financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Disposal have been fulfilled or obtained. Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This Fair and Reasonable Opinion is provided in connection with and for the purposes of the Disposal. It does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser. Individual Shareholder's decisions regarding the Disposal may be influenced by such Shareholder's circumstances and accordingly individual Shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Disposal.

We have relied upon and assumed the accuracy of the information provided to us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with Private Property management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Private Property relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Private Property will correspond to those projected. We have, however, compared the forecast financial information of Private Property to past trends as well as discussing the assumptions inherent therein with Private Property and Private Property management.

We have also assumed that the Disposal will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisers of Private Property and we express no opinion on such consequences. Our Opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the Opinion, and we are under no obligation to update, review or re-affirm our Opinion based on such developments.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of a Private Property Share. We do not express any view as to the price at which Shares may trade nor on the future value, financial performance or condition of Private Property.

Independence, competence and fees

We confirm that neither we nor any person related to us (as contemplated in the Act) have a direct or indirect interest in Cognition, Private Property and/ or the Disposal, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Act, and specifically declare, as required by Companies Regulations 90(6)(i) and 90(3)(a), that we are independent in relation to the Disposal and will reasonably be perceived to be independent.

We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R 120 000 is not contingent upon the success of the Disposal. Our fees are not payable in shares.

Consent

We hereby consent to the inclusion of this Fair and Reasonable Opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Disposal, in the form and context in which they appear.

Yours faithfully

Marius Meyer CA (SA)
Director

Exchange Sponsors
44a Boundary Road
Inanda
2196

HISTORICAL FINANCIAL INFORMATION REGARDING PRIVATE PROPERTY AND AUDITED FINANCIAL STATEMENTS OF COGNITION FOR THE 3 YEARS ENDED 30 JUNE 2022

As indicated in paragraph 21 of this Circular, the historical financial information of Private Property and reporting accountants' report on the historical financial information of Private Property are incorporated by reference in this Annexure 2, as well as the audited financial statements of Cognition for the three financial years ended 30 June 2022.

Set out below are extracts from the audited financial statements of Private Property for the year ended 30 June 2022:

1. Statements of financial position
2. Statements of profit or loss and other comprehensive income
3. Statements of changes in equity
4. Statements of cash flows

STATEMENTS OF FINANCIAL POSITION

Figures in Rand	Audited Year ending 30 June 2022	Reviewed Year ending 30 June 2021	Reviewed Year ending 30 June 2020
Assets			
Non-Current Assets			
Plant and equipment	1 258 359	707 096	2 321 787
Right-of-use assets	-	-	10 176 361
Intangible assets	7 443 551	5 939 191	2 864 026
Lease asset	-	119 729	-
Deferred taxation	1 504 837	2 558 359	1 757 074
	10 206 747	9 324 375	17 119 248
Current Assets			
Inventory	1 846	908 561	-
Lease asset	117 588	256 785	-
Trade and other receivables	6 865 504	1 701 875	4 641 081
Current tax receivable	1 108 960	-	-
Cash and cash equivalents	51 540 820	54 541 901	38 356 001
	59 634 718	57 409 122	42 997 082
Total Assets	69 841 465	66 733 497	60 116 330
Equity and Liabilities			
Equity			
Stated capital	31 210 345	31 210 345	31 210 345
Retained income	18 403 453	15 666 913	2 537 851
	49 613 798	46 877 258	33 748 196
Liabilities			
Non-Current Liabilities			
Cash-settled share-based payment liability	-	1 675 612	1 009 406
Lease liability	-	-	8 836 349
	-	1 675 612	9 845 755
Current Liabilities			
Trade and other payables	20 227 667	17 337 253	13 200 934
Lease liability	-	-	2 284 925
Current tax payable	-	843 374	1 036 520
	20 227 667	18 180 627	16 522 379
Total Liabilities	20 227 667	19 856 239	26 368 134
Total Equity and Liabilities	69 841 465	66 733 497	60 116 330

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand	Audited Year ending 30 June 2022	Reviewed Year ending 30 June 2021	Reviewed Year ending 30 June 2020
Revenue	149 259 844	139 993 018	153 917 286
Cost of sales	(5 604 649)	(4 652 771)	(13 536 866)
Gross profit	143 655 195	135 340 247	140 380 420
Other income	(1 302)	98 138	68 711
Operating expenses	(132 189 551)	(108 392 717)	(124 826 321)
Impairment loss on right-of-use asset	-	(1 712 659)	-
Operating profit	11 464 342	25 333 009	15 622 810
Finance income	2 029 893	1 534 822	2 075 326
Finance costs	(113 457)	(625 726)	(1 246 171)
Profit before taxation	13 380 778	26 242 105	16 451 965
Taxation	(3 214 207)	(7 491 454)	(4 567 620)
Profit for the year	10 166 571	18 750 651	11 884 345
Other comprehensive income	-	-	-
Total comprehensive income for the year	10 166 571	18 750 651	11 884 345

STATEMENTS OF CHANGES IN EQUITY

Figures in Rand	Stated Capital	Treasury shares	Total stated capital	Retained Income	Total equity
Balance at 01 July 2020	42 464 845	(11 254 500)	31 210 345	2 537 851	33 748 196
Profit for the year	-	-	-	18 750 651	18 750 651
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	18 750 651	18 750 651
Dividends	-	-	-	(5 621 589)	(5 621 589)
Balance at 01 July 2021	42 464 845	(11 254 500)	31 210 345	15 666 913	46 877 258
Profit for the year	-	-	-	10 166 571	10 166 571
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10 166 571	10 166 571
Issue of shares	3 224 966	(3 224 966)	-	-	-
Dividends	-	-	-	(7 430 031)	(7 430 031)
Balance at 30 June 2022	45 689 811	(14 479 466)	31 210 345	18 403 453	49 613 798

STATEMENTS OF CASH FLOWS

Figures in Rand	Audited Year ending 30 June 2022	Reviewed Year ending 30 June 2021	Reviewed Year ending 30 June 2020
Cash flows from operating activities			
Cash generated from operations	9 063 426	35 834 853	21 250 983
Finance income	2 029 893	1 534 822	2 075 326
Finance costs	(113 457)	(625 726)	(1 246 171)
Tax paid	(4 113 019)	(8 485 885)	(4 456 091)
Net cash from operating activities	6 866 843	28 258 064	17 624 047
Cash flows from investing activities			
Purchase of plant and equipment	(1 192 459)	(553 786)	(249 903)
Proceeds on disposal of plant and equipment	-	-	69 542
Purchase of intangible assets	(1 504 360)	(3 075 165)	(208 786)
Lease asset - capital portion received	258 926	-	-
Net cash utilised in investing activities	(2 437 893)	(3 628 951)	(389 147)
Cash flows from financing activities			
Share buy-back	-	-	(176)
Lease liability - capital portion paid	-	(2 821 624)	(1 830 458)
Dividends paid	(7 430 031)	(5 621 589)	(7 205 205)
Net cash utilised in financing activities	(7 430 031)	(8 443 213)	(9 035 839)
Total cash movement for the year	(3 001 081)	16 185 900	8 199 061
Cash at the beginning of the year	54 541 901	38 356 001	30 156 940
Total cash at end of the year	51 540 820	54 541 901	38 356 001

PRO FORMA FINANCIAL STATEMENTS OF COGNITION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022: FINANCIAL EFFECTS OF THE DISPOSAL ON THE AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2022

Set out below is the:

- unaudited *pro forma* statement of financial position for the year ended 30 June 2022 illustrating the effects of the Disposal on the assumption that the Disposal had been implemented on 30 June 2022;
- unaudited *pro forma* statement of comprehensive income for the year ended 30 June 2022 illustrating the effects of the Disposal on the assumption that the Disposal had been implemented on 1 July 2021.

The unaudited *pro forma* financial information set out below is the responsibility of the directors of Cognition and has been prepared for illustrative purposes only to illustrate the effects of the Disposal on Cognition's financial position. Due to the nature of the *pro forma* financial information, it may not fairly present the financial position of the company, changes in its equity or the results of its operations or cash flows after the Disposal. An independent reporting accountants' limited assurance report on the unaudited *pro forma* financial information is included in Annexure 4.

STATEMENT OF FINANCIAL PERFORMANCE

Set out below is the *pro forma* statement of comprehensive income for the year ended 30 June 2022 that has been prepared based on the assumption that the transaction was implemented on 1 July 2021

Figures in Rands	Cognition Holdings Group for the 12 months ending 30 June 2022 Before disposal of Private Property Note 1	Adjustment to reclassify Private Property as a discontinued operation. Note 2	Cognition Holdings Group for the 12 months ending 30 June 2022 with Private Property as a discontinued operation	Derecognition of Private Property Group Note 3	Transaction fees Note 4	<i>Pro forma</i> Consolidated after the transaction
Revenue	240 944 048	(149 259 844)	91 684 204	-	-	91 684 204
Cost of services	(33 513 992)	5 604 649	(27 909 343)	-	-	(27 909 343)
Gross profit	207 430 056	(143 655 195)	63 774 861	-	-	63 774 861
Other operating income	208 931	1 302	210 233	-	-	210 233
Other operating gains / (losses)	(3 394 021)	-	(3 394 021)	-	-	(3 394 021)
Modification loss of right-of-use assets	-	-	-	-	-	-
Allowance for expected credit losses	(38 409)	113 551	75 142	-	-	75 142
Other operating expenses	(97 657 540)	77 188 353	(20 469 187)	-	(1 761 258)	(22 230 445)
Depreciation and amortisation expense	(9 328 350)	6 035 164	(3 293 186)	-	-	(3 293 186)
Staff costs	(97 338 393)	54 246 451	(43 091 942)	-	-	(43 091 942)
Impairment of goodwill	(41 600 369)	41 600 369	-	-	-	-
Impairment on intangible assets	(8 222 394)	-	(8 222 394)	-	-	(8 222 394)
Operating (loss) / profit	(49 940 489)	35 529 995	(14 410 494)	-	(1 761 258)	(16 171 752)
Investment income	3 758 624	(2 029 893)	1 729 341	-	-	1 729 341
Finance costs	(113 457)	113 457	-	-	-	-
Income from equity accounted investments	800 920	-	800 920	-	-	800 920
(Loss) / profit before taxation	(45 494 402)	33 613 559	(11 880 843)	-	(1 761 258)	(13 642 101)
Taxation	995	1 703 896	1 704 891	-	-	1 704 891
Total comprehensive (loss) / income from continuing operations	(45 493 407)	35 317 455	(10 175 952)	-	(1 761 258)	(11 937 210)
Total comprehensive income from discontinued operations	-	(35 317 455)	(35 317 455)	56 247 895	-	20 930 440
Total comprehensive (loss) / income for the year	(45 493 407)	-	(45 493 407)	56 247 895	(1 761 258)	8 993 230

Figures in Rands	Cognition Holdings Group for the 12 months ending 30 June 2022 Before disposal of Private Property Note 1	Adjustment to reclassify Private Property as a discontinued operation. Note 2	Cognition Holdings Group for the 12 months ending 30 June 2022 with Private Property as a discontinued operation	Derecognition of Private Property Group Note 3	Transaction fees Note 4	Pro forma Consolidated after the transaction
Owners of Cognition Holdings Limited	(50 788 473)	-	(50 788 473)	61 330 164	(1 761 258)	8 780 433
Continuing operations	(50 788 473)	40 399 724	(10 388 749)	-	(1 761 258)	(12 150 007)
Discontinued operations	-	(40 399 724)	(40 399 724)	61 330 164	-	20 930 440
Non- controlling interest	5 295 066	-	5 295 066	(5 082 269)	-	212 797
Continuing operations	5 295 066	(5 082 269)	212 797	-	-	212 797
Discontinued operations	-	5 082 269	5 082 269	(5 082 269)	-	-
	(45 493 407)	-	(45 493 407)	56 247 895	(1 761 258)	8 993 230
Basic and diluted (loss) / earnings per share (cents) Note 6	(22.15)					3.83
(Loss) from continuing operations (cents)	(22.15)					(5.30)
Profit from discontinued operations	-					9.13

Notes:

1. Extracted, without adjustment from the audited results of Cognition Holdings Limited for the year ended 30 June 2022. These results include the audited results of Private Property.
2. The disposal of Private Property meets the definition of a discontinued operation in IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations (IFRS 5). These adjustments remove the results of Private Property from those of group in order to reclassify it as a discontinued operation as required by IFRS 5, with effect from 1 July 2021. The adjustments are based on the audited historical financial information of Private Property for the year ended 30 June 2022 as well as taking into account the adjustment for the goodwill impairment of R41 600 369 that was passed during 30 June 2022 and the amortisation charge of intangible assets related to Private Property of R5 393 968 for the 30 June 2022 financial year.
3. Disposal of Private Property for cash of R150 000 000. The amount of R56 247 895 consists of the trading the post tax profit of Private Property of R35 317 455 (as per IFRS 5,33(a)(i)) plus the gain on disposal of R20 930 440 (as per IFRS 5.33(a)(ii)).
4. Recognition of expense relating to transaction fees as per paragraph 15 of the circular.
5. The Total and Weighted Average Number of Shares in issue is 229 273 021 shares as at 30 June 2022. Cognition Holdings did not issue or cancel any shares in the past 12 months, nor does it hold any treasury shares. The pro-forma adjustments have no impact on the Total or Weighted Average shares in issue.
6. The calculation of loss per share for the Group was based on losses of R45 493 407 and a weighted average of 229 273 021 ordinary shares in issue resulting in loss per share of 22.15 cents. The pro-forma adjustments result in a profit of R8 780 433 and a weighted average of 229 273 021 ordinary shares in issue resulting in an earnings per share of 3.83 cents.
7. The calculation of headline earnings per share for the Group is based on headline profits of R1 064 590 and a weighted average of 229 273 021 ordinary shares in issue resulting in Headline Earning per share of 0.46 cents. The pro-forma adjustments result in a headline loss of R1 869 129 and a weighted average of 229 273 021 ordinary shares in issue resulting in headline loss per share of 0.82 cents. Headline loss after the pro-forma adjustment is calculated as follows:

Total Profit for the year	8 780 433
Gain on disposal of Private Property	(20 930 440)
Profit on disposal of property plant and equipment	(26 654)
Loss on disposal of business	3 394 021
Impairment of intangible assets	8 222 394
Tax effect of adjustments above	(1 308 883)
Non-Controlling interest effect	-
	(1 869 129)

8. The Group has no potentially dilutive instruments.
9. There are no material subsequent events that require adjustment to the pro forma financial information above.

STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position as at 30 June 2022 that has been prepared based on the assumption that the transaction was implemented on 30 June 2022

Figures in Rands	Cognition Holdings Group Audited as at 30 June 2022 Note 1	Adjustment to reclassify Private Property as assets held for sale Note 2	Cognition Holdings Group for the 12 months ending 30 June 2022 with Private Property as assets held for sale	Disposal of 50.01% of Private Property Note 3	Transaction Fees relating to disposal Note 4	Pro forma Consolidated after the transaction
Assets						
NonCurrent Assets						
Property, plant and equipment	2 099 990	(1 258 359)	841 631	-	-	841 631
Goodwill	55 645 257	(53 756 863)	1 888 394	-	-	1 888 394
Intangible assets	17 287 467	(15 547 355)	1 740 112	-	-	1 740 112
Investment in associates	3 121 648	-	3 121 648	-	-	3 121 648
Deferred tax asset	3 456 899	(1 504 837)	1 952 062	-	-	1 952 062
	81 611 261	(72 067 414)	9 543 847	-	-	9 543 847
Current Assets						
Inventories	60 493	(1 846)	58 647	-	-	58 647
Trade and other receivables	40 921 145	(6 865 504)	34 055 641	-	-	34 055 641
Lease receivable	117 588	(117 588)	-	-	-	-
Current tax receivable	2 258 467	(1 108 960)	1 149 507	-	-	1 149 507
Cash and cash equivalents	113 896 119	(51 540 820)	62 355 299	150 000 000	-	212 355 299
	157 253 812	(59 634 718)	97 619 094	150 000 000	-	247 619 094
Non-current assets held for sale	11 880 638	131 702 132	143 582 770	(131 702 132)	-	11 880 638
Total Assets	250 745 711	-	250 745 711	18 297 868	-	269 043 579
Equity and Liabilities						
Equity						
Share capital	159 420 500	-	159 420 500	-	-	159 420 500
Change in ownership	(6 135 484)	-	(6 135 484)	-	-	(6 135 484)
Retained income / (Loss)	14 221 402	-	14 221 402	61 377 646	(1 761 258)	73 837 790
	167 506 418	-	167 506 418	61 377 646	(1 761 258)	227 122 806
Non-controlling interest	26 546 243	-	26 546 243	(25 340 524)	-	1 205 719
	194 052 661	-	194 052 661	36 037 122	(1 761 258)	228 328 525
Liabilities						
NonCurrent Liabilities						
Deferred tax liability	1 323 431	-	1 323 431	(2 269 065)	-	(945 634)
	1 323 431	-	1 323 431	(2 269 065)	-	(945 634)

Figures in Rands	Cognition Holdings Group Audited as at 30 June 2022 Note 1	Adjustment to reclassify Private Property as assets held for sale Note 2	Cognition Holdings Group for the 12 months ending 30 June 2022 with Private Property as assets held for sale	Disposal of 50.01% of Private Property Note 3	Transaction Fees relating to disposal Note 4	Pro forma Consolidated after the transaction
Current Liabilities						
Trade and other payables	37 923 050	(20 227 667)	17 695 383	-	1 761 258	19 456 641
Current tax payable	157 258	-	157 258	4 757 478	-	4 914 736
Dividend payable	232 706	-	232 706	-	-	232 706
Third party prize money	17 056 605	-	17 056 605	-	-	17 056 605
	55 369 619	(20 227 667)	35 141 952	4 757 478	1 761 258	41 660 688
Total Liabilities	56 693 050	(20 227 667)	36 465 383	2 488 413	1 761 258	40 715 054
Liabilities directly associated with assets held for sale		20 227 667	20 227 667	(20 227 667)	-	-
Total Equity and Liabilities	250 745 711	-	250 745 711	18 297 868	-	269 043 579
Net asset value per share (cents)	73.06					99.06
Net tangible asset value per share (cents)	41.25					97.48

Notes:

1. Extracted, without adjustment from the audited results of Cognition Holdings Limited for the year ended 30 June 2022. These results include the audited results of Private Property.
2. The disposal of Private Property meets the definition of a discontinued operation in IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations (IFRS 5). These adjustments remove the assets and liabilities relating to Private Property and classifies them as an Asset Held for Sale. The adjustments are based on the audited historical financial information of Private Property for the year ended 30 June 2022 as well as adjusting the related consolidated entries being Goodwill of R53 756 863 and Intangible Assets identified when the purchase price allocation was performed being Private Property Brand value, Private Property Platform value and Private Property Client Relationships with a total net book value of R8 103 804.
3. Accounting for the receipt of the purchase consideration of R150 000 000, capital gains tax amounting to R4 757 478 and the elimination of non-controlling interest of R25 340 524 relating to Private Property.
4. Recognition of expense relating to transaction fees as per paragraph 15 of the circular.
5. The Total Number of Shares in issue is 229 273 021 shares as at 30 June 2022. Cognition Holdings did not issue or cancel any shares in the past 12 months, nor does it hold any treasury shares. The pro-forma adjustments have no impact on the total shares in issue.
6. The net asset value per share incorporates the consolidated carrying values of ongoing operations and not their market values. The calculation for the Group is based on net asset value of an asset value of R167 506 418 and total shares in issue of 229 273 021 resulting in a net asset value per share of 73.06 cents per share. The proforma effect on the net asset value increases the net asset value to R227 122 806 and total shares in issue of 229 273 021 resulting in a net asset value per share of 99.06 cents per share.
7. The Group has no potentially dilutive instruments.
8. There are no material subsequent events that require adjustment to the pro forma financial information.

REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION ON COGNITION

The Directors

Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlett Avenue
Ferndale
RANDBURG

4 October 2022

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF COGNITION HOLDINGS LIMITED ("THE COMPANY")

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of the Company by the directors. The *pro forma* financial information, as set out in Annexure 3 of the circular to be issued on or about 14 October 2022 ("the Circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the Johannesburg Stock Exchange Limited ('JSE') Listings Requirements and described in Annexure 3.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraphs 2 and 5 of the Circular, on the company's financial position as at 30 June 2022, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 July 2021 and for the period then ended. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the year ended 30 June 2022, on which an auditor's report was issued on 30 September 2022.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 3 of the Circular.

Our independence and quality control

We are required to comply with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors ('IRBA Code'), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 30 June 2022 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listing Requirements and described in Annexure 3 of the Circular.

Consent

This report on the *pro forma* statement of financial position is included solely for the information of the Shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position, *pro forma* statement of comprehensive income and the references thereto, in the form and context in which they appear.

Yours faithfully

BDO South Africa Incorporated

K Luck

Director

Registered Auditor

SECTIONS 115 AND 164 OF THE ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless—
- (a) the disposal, amalgamation or merger, or scheme of arrangement—
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to—
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
 the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved —
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company’s Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company’s holding company if any, if—
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if—
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights—
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), ‘act in concert’ has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either—
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.

- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant—
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if—
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person—
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect—
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to—
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,
 that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who—
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither—
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if—
 - (a) the shareholder—
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and

- (c) the shareholder—
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within—
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state—
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless—
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of—
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11)—
 - (a) in respect of shares of the amended class or series must be on the amended terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12)—
 - (a) the shareholder must either in the case of—
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and—
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has—
 - (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

- (15) On an application to the court under subsection (14)—
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court—
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may—
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring—
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case—
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months—
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that—
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent—
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”



COGNITION HOLDINGS LIMITED
Incorporated in the Republic of South Africa)
(Registration number 1997/010640/06)
Share Code: CGN ISIN: ZAE000197042
("Cognition" or "the Company")

NOTICE OF GENERAL MEETING

A NOTICE OF MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company ("the General Meeting") will be held in the boardroom at Cognition House, corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg at 11:00 on Friday, 11 November 2022. The definitions and interpretations set out on page 8 of the Circular to which this notice of meeting is attached will be applicable in this notice.

B RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to receive the notice of the General Meeting is Friday, 7 October 2022 and the record date for determining which shareholders are entitled to participate in and vote at the General Meeting is Friday, 4 November 2022. The last day to trade in order to be eligible to participate in and vote at the General Meeting is Tuesday, 1 November 2022.

If you hold Dematerialised Shares which are registered in your name or if you are the registered holder of Certificated Shares:

- you may attend the meeting in person;
- alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions it contains and returning it to the Transfer Secretaries, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold 2132), e-mail proxy@computershare.co.za to be received not later than 48 forty-eight) hours (excluding Saturdays, Sundays and public holidays) prior to the General Meeting.

If you hold Dematerialised shares which are not registered in your name:

- and wish to attend the meeting, you must obtain the necessary letter of representation from your CSDP or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions;
- you must not complete the attached Form of Proxy.

A Shareholder who is entitled to attend and vote at the General Meeting is entitled, by completing the attached Form of Proxy and delivering it to the Company in accordance with the instructions on that Form of Proxy, to appoint a proxy to attend, participate in and vote at the General Meeting in that Shareholder's place. A proxy need not be a shareholder of the company.

All General Meeting participants (including Shareholders and proxies) may be required to provide satisfactory identification to the chairman of the General Meeting. Forms of identification include valid identity documents, passports and driver's licences.

Electronic attendance at the General Meeting

The Company intends to make provision for the Shareholders or their proxies to participate in the General Meeting by way of electronic communication. Should you wish to participate in the General Meeting in this manner, you will need to contact the Company at 011 474 8166 by 11:00 on Wednesday, 9 November 2022; alternatively, contact the Transfer Secretaries at 011 370 5334 by 11:00 on Wednesday, 9 November 2022, so that the Company can make the necessary arrangements for electronic communication. Should you be participating in the General Meeting by electronic communication, kindly ensure that the voting proxies are sent to the Company or the Transfer Secretaries by 11:00 on Wednesday, 9 November 2022 at the addresses set out at the end of this notice of meeting.

C PURPOSE OF THE GENERAL MEETING

The purpose of the General Meeting is to consider and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out below.

SPECIAL RESOLUTION

Voting rights:

In order to be adopted, the special resolution requires the support of 75% of the votes cast by Shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

Special resolution number 1

“Resolved that the Company be and is hereby authorised to implement the Disposal on the terms and conditions set out in the Agreements and this Circular”.

The reason for and effect of special resolution number 1 is to obtain the authority of the Shareholders for the Company to implement the Disposal.

ORDINARY RESOLUTIONS

Voting rights:

In order to be adopted, the ordinary resolution requires the support of a majority of the votes cast by Shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

Ordinary resolution number 1

“Resolved that, subject to approval of special resolution number 1, any one director or the company secretary of the Company be and is hereby authorised to do all such things and to sign all such documents as may be necessary to give effect to special resolution number 1 to be considered at this General Meeting.”

The reason for and effect of ordinary resolution number 1 is to obtain the authority of the Shareholders for any one Director or the company secretary to give effect to special resolution number 1.

By order of the board

Felicia van der Merwe
Company secretary

Randburg

14 October 2022

Registered office

Cognition House,
corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg (PO Box 3386, Pinetown 2123)

Transfer Secretaries

Computershare Investor Services (Pty) Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold 2132)

Sponsor

AcaciaCap Advisors (Pty) Limited
20 Stirrup Lane
Woodmead Office Park
Corner Maxwell Drive and Van Reenens Avenue
Woodmead 2054
(Suite # 439, Private Bag X29, Gallo Manor 2052)

FORM OF PROXY



Cognition Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1997/010640/06)
JSE Share Code: CGN ISIN: ZAE000197042

The Form of Proxy is for use by Certificated and Dematerialised shareholders whose Shares are registered in their Own Names on Friday, 4 November 2022, being the Record Date for the General Meeting (see note 1) to be held at 11:00 on Friday, 11 November 2022 in the boardroom at Cognition House, corner Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg (see note 2).

For instructions on the use of this Form of Proxy and a summary of the rights of the Shareholders and the proxy, please see the instructions and notes at the end of this Form of Proxy.

I/We _____ (full names)

of _____ (address)

Telephone number _____ Cell phone number _____

Email address _____

being a Shareholder/s and being the registered owner/s of Shares (see note 3), hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

the chairman of the General Meeting (see note 4) as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf at the General Meeting to be held at 11:00 on Friday, 11 November 2022 or at any adjournment thereof (see note 5).

I/We desire my/our proxy to vote as follows:

Indicate with a cross how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his discretion (see note 6).

	In favour of	Against	Abstain
Special resolution number 1 To approve the Disposal			
Ordinary resolution number 1 To approve the appointment of a signatory to give effect to special resolution number 1			

Signed this _____ day of _____ 2022

Signature _____

Instructions and notes to proxy form

1. This Form of Proxy is for use by Certificated and Dematerialised shareholders with Own Name registration whose Shares are registered in their Own Names on the Record Date and who wish to appoint another person to represent them at the General Meeting. If duly authorised, companies and other corporate bodies which are Shareholders having Shares registered in their Own Names may appoint a proxy using this Form of Proxy or may appoint a representative in accordance with the last paragraph below.

Other Shareholders should not use this Form of Proxy. All beneficial holders who have Dematerialised their shares through a CSDP or broker, and do not have their Shares registered in their Own Name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.

2. This Form of Proxy must be received at the Transfer Secretaries, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, Republic of South Africa, for administrative purposes not later than 11:00 on Wednesday, 9 November 2020. If a shareholder does not wish to deliver this form to that address, it may also be posted at the risk of the Shareholder to Private Bag X9000, Saxonwold 2132 or sent by e-mail to proxy@computershare.co.za. Alternatively, the Form of Proxy may be handed to the chairman of the General Meeting before the proxy exercises any voting rights.
3. This Form of Proxy shall apply to all the Shares registered in the name of Shareholders at the Record Date unless a lesser number of Shares is inserted.

4. A Shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him in this Form of Proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy of this Form of Proxy.
5. Unless revoked, the appointment of a proxy in terms of this Form of Proxy remains valid until the end of the General Meeting even if the General Meeting or part thereof is postponed or adjourned.
6. If:
 - 6.1 a Shareholder does not indicate on this Form of Proxy that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the Shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s are properly put before the General Meeting; or
 - 6.4 any resolution listed in the Form of Proxy is modified or amended;the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this Form of Proxy is signed by a person (signatory) on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
 - 7.1 it is accompanied by a certified copy of the authority given by the Shareholder to the signatory; or
 - 7.2 the Company has already received a certified copy of that authority.
8. The chairman of the General Meeting may, at his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by the chairman prior to the time when the General Meeting deals with a resolution or matter to which the appointment of the proxy relates, if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the Shareholder appointing the proxy.
9. Any alternations made in this Form of Proxy must be initialed by the authorised signatory/ies.
10. This Form of Proxy is revoked if the Shareholder who granted the proxy:
 - 10.1 gives written notice of such revocation to the Company, so that it is received by the Company by not later than 11:00 on Wednesday, 9 November 2022; or
 - 10.2 appoints another proxy for the General Meeting; or
 - 10.3 attends the General Meeting himself in person.
11. All notices which a Shareholder is entitled to receive in relation to the Company shall continue to be sent to that Shareholder and shall not be sent to the proxy.
12. A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the Company.
13. If duly authorised, companies and other corporate bodies which are Shareholders having Shares registered in their Own Name may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the General Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the General Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Transfer Secretaries at, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, not later than 11:00 on Wednesday, 9 November 2022.

Summary of rights established by section 58 of the Companies Act, as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).