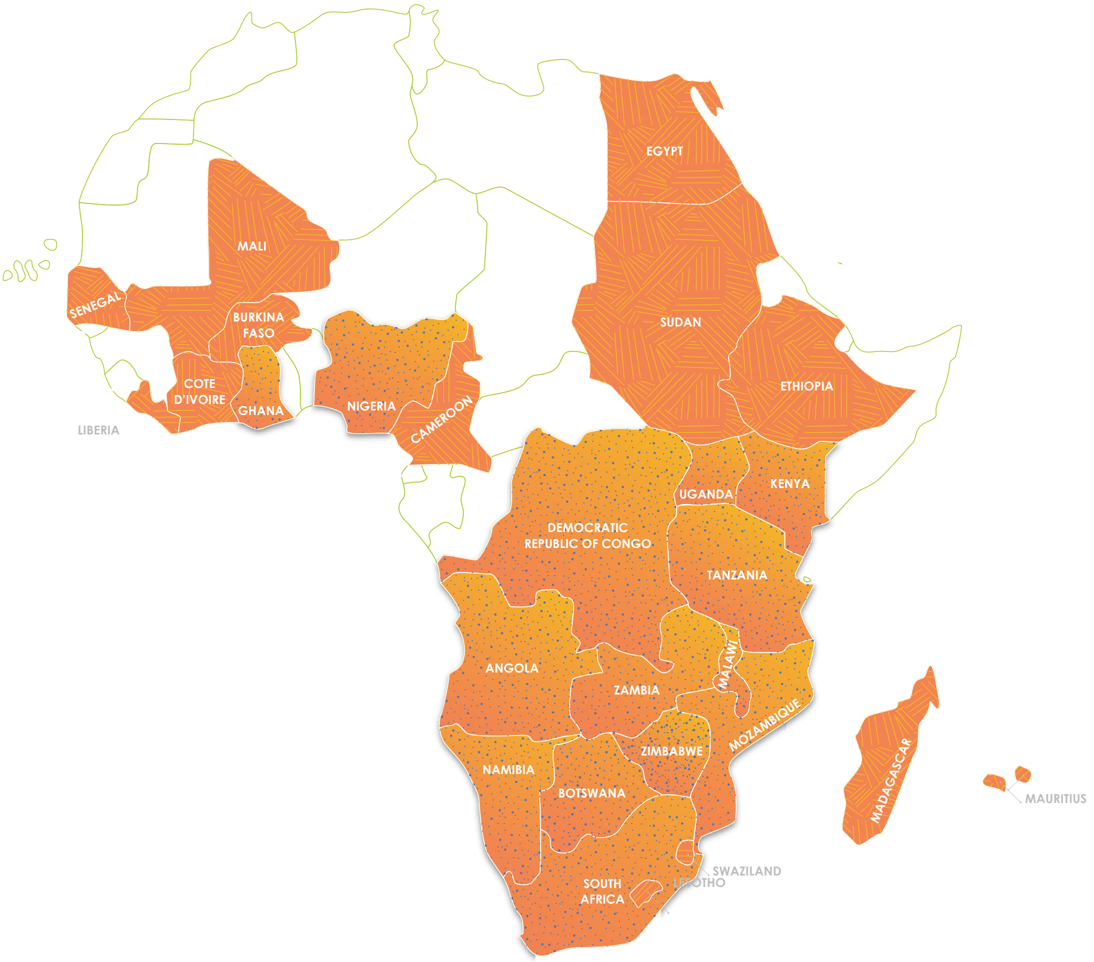
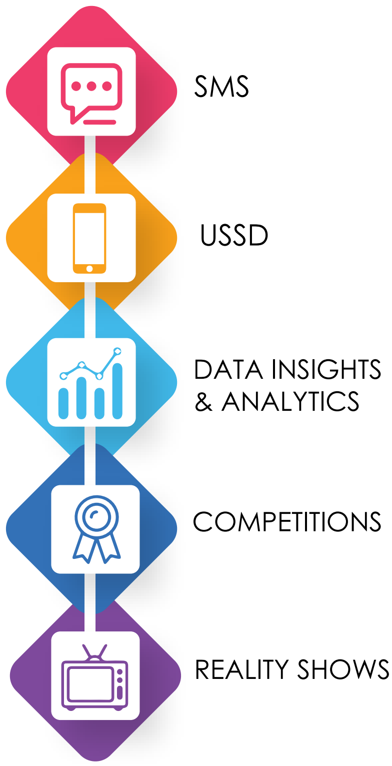
SHARED SERVICES

COGNITION HOLDINGS LTD

ANNUAL REPORT 2021

Cognition and its operating subsidiaries have a presence via third parties in 38 countries in Africa.





Cognition and its operating subsidiaries provide Active Data Exchange and Knowledge Creation services throughout Africa, co-ordinated at its head office in Johannesburg.

CONTENTS

SCOPE OF REPORT

About This Report

The board of directors ("the Board") of Cognition Holdings Limited ("Cognition" or "the Company" or "the Group") present the Group's Integrated Annual Report ("the Annual Report" or "the Integrated Report") for the financial year ended 30 June 2021.

The Annual Report covers information from all operating divisions of the Group. An overview of the Group is available on the Group's website at www.cgn.co.za.

The Annual Report provides an overview of the Group's business, incorporating identified material issues impacting the Group and its subsidiaries, providing an understanding of the Group's strategy and business model. The Annual Report incorporates the Group's approach to sustainability and general corporate governance.

Scope and Boundary

The Annual Report covers the reporting period from 1 July 2020 to 30 June 2021.

In preparing the Annual Report, Management have considered and applied the following frameworks:

The Listings Requirements of the JSE Limited ("the JSE Listing Requirements")	Throughout the Report
The South African Companies Act, 2008 (Act 71 of 2008), as amended ("the Companies Act")	Throughout the Report
The King Report on Corporate Governance for South Africa ("King IV")	Throughout the report as well as the King IV register on the Cognition website: www.cgn.co.za
Global Reporting Initiative ("GRI") Framework	Throughout the Report
Guidelines for Sustainability Reporting	Throughout the Report
International Financial Reporting Standards ("IFRS") and Financial Pronouncements as issued by the Financial Reporting Standards Council	Consolidated Annual Financial Statements on pages 57 to 105

Directors' Responsibility

The Audit and Risk Committee and the Board acknowledge their responsibility to ensure the integrity of this Integrated Report. It has been reviewed by the Audit and Risk Committee, the Board, Company Secretary and Sponsor. The Annual Financial Statements included in this Integrated Report have been audited by the external auditor, BDO South Africa Incorporated.

External Assurance

No independent assurance was sought on this Annual Report. The Annual Financial Statements were independently audited by the Group's Auditor.

Forward-Looking Statements

This Integrated Report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at 30 June 2021. Actual results may differ materially from the Group's expectations if known or unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate.

The Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. The Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information or conditions manifest as a result of future events, or for any other reason, as is required by legislation or regulation.

This Integrated Report is available in hard copy on request from the registered office of the Company and is also posted on the Group's website at www.cgn.co.za. For further information, please contact the Company Secretary.

Any forecast financial information that may be contained in this Integrated Report has not been reviewed or reported on by the Company's auditor.

DIRECTORS AND MANAGEMENT

DIRECTORS' PROFILES

EXECUTIVE DIRECTORS:

Mark A Smith – CEO
BA LLB (Admitted Attorney)
Age: 63

Mark completed his articles and practised as an attorney for a few months before joining Shield Trading Corporation Limited ("Shield") as legal advisor. Mark was also the managing director of Infophone Proprietary Limited which operated telephony services in the premium rate service industry where he gained experience in the audiotex telephony platform. In 1991, Mark was appointed joint managing director of Shield. In 1992, Massmart Holdings Proprietary Limited, a subsidiary of Wooltru Limited, acquired 66% of Shield and Mark was appointed the managing director of Shield. In May 1995, Mark was also appointed a director of Massmart Holdings Proprietary Limited, the holding company of Shield, Makro and Dion. As managing director of Shield, Mark was responsible for 450 franchised outlets and responsible for sales of R1.3 billion. The total market share of Shield's outlets totalled (collectively) approximately R6 billion. In February 1997, Mark phased out of Shield to start Cognition.

Mark has extensively researched Identity Verification applications and has also attended courses on the subject matter. In addition, Mark has consulted widely with a number of legal professionals and industry bodies to acquire extensive knowledge in the area of Identity Verification.

Mark has also developed an extensive business training course orientated around the small-, medium- and micro-enterprises and lectures on a broad range of topics in the Virtual Business Centre management courses in the Cognition Academy.

Mark has consulted widely with environmental experts on climate change and has also presented papers at various climate change conferences. In addition, Mark holds a number of workshops on climate change and restoration of local eco systems in line with climate mitigation and adaptation.

Pieter A Scholtz – Financial Director CA(SA)
B.Com (Acc), B.Com Honours, CTA, CIMA
Age: 45

Pieter qualified as a Chartered Accountant (SA) in 2001 and passed the Chartered Institute of Management Accountants (CIMA) final examination in 2002. He served his articles at the Johannesburg office of the Auditor-General where he stayed on until May 2005. During this period, he was the appointed Training Officer for all the SAICA trainees within the Johannesburg Office, specialising in Performance Auditing and was the Senior Manager in charge of numerous high profile government audits within the Gauteng Province.

In June 2005, Pieter joined the Commission for Gender Equality as the Chief Financial Officer (CFO). In December 2006, Pieter was offered the position of Group Finance Manager for Blue IQ Holdings Proprietary Limited, a government held entity focusing on infrastructure development throughout the Gauteng province. In February 2008 he was appointed as the Financial Director of Cognition.

Graham Groenewaldt – Sales Director
Age: 63

Graham began his career in the technical department at Telkom and became a department supervisor at the age of 21 after which he was promoted to Zone Manager. Following his time at Telkom, Graham co-founded Qualicom, specialising in servicing and maintenance of PABX and telecommunications equipment. When Qualicom was later acquired by Teleboss, Graham remained with the company as Operations Director. In 1992, he left Teleboss to become an independent consultant. In 1995, Graham returned to Teleboss as Managing Director of the Johannesburg region. After managing Teleboss for four years, he took up the position as CEO of TeleMessage in October of 1999 and in December of the same year was appointed to the board of directors as Managing Director. In 2003, Telemessage merged with a subsidiary of Interconnective Solutions Limited, now Cognition Holdings Limited.

DIRECTORS AND MANAGEMENT (CONTINUED)

NON-EXECUTIVE DIRECTORS

Paul M Jenkins (Chairman)

(Independent Non-Executive Director)
B.Com, LLB
Age: 62

Paul qualified at Rand Afrikaans University in 1981 with a BCom and LLB and was admitted as an attorney and notary in February 1986. He became a partner of Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full time. In this capacity he served as a director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self-employed and provides business and legal advisory services to a select group of clients. He is the non-executive Chairman of Caxton and CTP Publishers and Printers Limited and of Private Property South Africa Proprietary Limited.

Ashvin G Mancha (Deputy Chairman and Lead Independent Director)

(Independent Non-Executive Director)
B.Proc
Age: 64

Ashvin obtained a B.Proc from the University of Witwatersrand in 1981, and thereafter a Diploma in Financial Management. He was admitted as an attorney in 1982 on completion of his articles. His primary responsibilities and experience were in the banking sector. In 1985 he entered the family business which ran property and retail businesses giving him direct exposure to the stockbroking community in South Africa. He joined Ed, Hern Rudolph Inc. as a stockbroker on completion of his stockbroking exams and was the first qualified black practicing stockbroker during the apartheid era of South Africa. Ashvin was invited to join the board of directors, retaining his directorship after the firm was sold to BOE Natwest in 1995. During the period up to his departure in December 1999, he built up one of the largest independent private client stockbroking businesses in South Africa. In June 2000, he started the stockbroking firm of Afrifocus Securities and retired in 2018. Ashvin is currently involved in Construction and Warehousing.

Gaurang Mooney

(Independent Non-Executive Director)
BA (Economics & Finance)
Age: 51

Gaurang is the CEO of Botswana based Overseas Development Enterprises Proprietary Limited, which has significant interests in FMCG, Hospitality and Property Investment and Development in Southern Africa, UK, Australia and India. He has been associated with the founder members of the Company since it commenced its current operations.

Miles Crisp, CA(SA)

(Independent Non-Executive Director)
B.Com CTA
Age: 63

Miles obtained a B.Com and CTA at Rhodes University in 1981 and qualified as a CA(SA) at Coopers & Lybrand in Johannesburg. He co-founded Anderson Rochussen Crisp in 1985 and moved to Deloitte & Touche as a partner in 1994. Miles held several leadership positions at Deloitte, serving on the firm's Exco from 2002 until 2007 and he led his division for the EMEA region from 2000 until 2006 whilst commuting monthly between South Africa and Europe. Miles has been CEO of O'Keeffe & Swartz (Pty) Ltd (short-term insurance sales), Securedata Ltd (IT security distribution) and Tarsus Technologies (Pty) Ltd (IT distribution). In the last two he was tasked to lead the companies reorganisation, restructuring and sale. Miles is now an independent contractor helping enterprises with strategy and business development. Miles performs various pro-bono leadership roles at Vuleka Schools, Children in the Wilderness and ROCKBlue.org.

Roger Pitt, CA(SA)
(Independent Non-Executive Director)
B.Com (Hons)(Acc)
Age: 40

Roger is a chartered accountant, with B.Com (Hons)(Accounting) degree from Rand Afrikaans University. After completing his articles he moved into corporate finance where he gained broad experience in the full scope of corporate actions, also attending board and audit committee meetings of Main Board and AltX listed clients in order to advise them on statutory and regulatory requirements. Roger owns and runs an import and distribution business in the medical industry and also holds board positions at various specialised finance structuring special purpose vehicles in the banking industry and private companies.

Servaas de Kock
(Non-Executive Director)
B.Com (HR and Marketing)
Age: 47

Servaas completed a B.Com at the University of the Free State. He is a media- and digital professional with over 20 years of experience and is currently employed as the Group Executive Digital at Caxton. He is responsible for Caxton's digital portfolio (excluding Citizen) which includes digital investment partnerships. He started his career in radio, after which he started a web development and digital marketing business. Servaas has overseen multiple SAAS, software, and web development projects. He understands the digital landscape and compiled multiple top-line strategies for various platform businesses. Servaas has a strong commercial background and an understanding of how to interlink different strategies

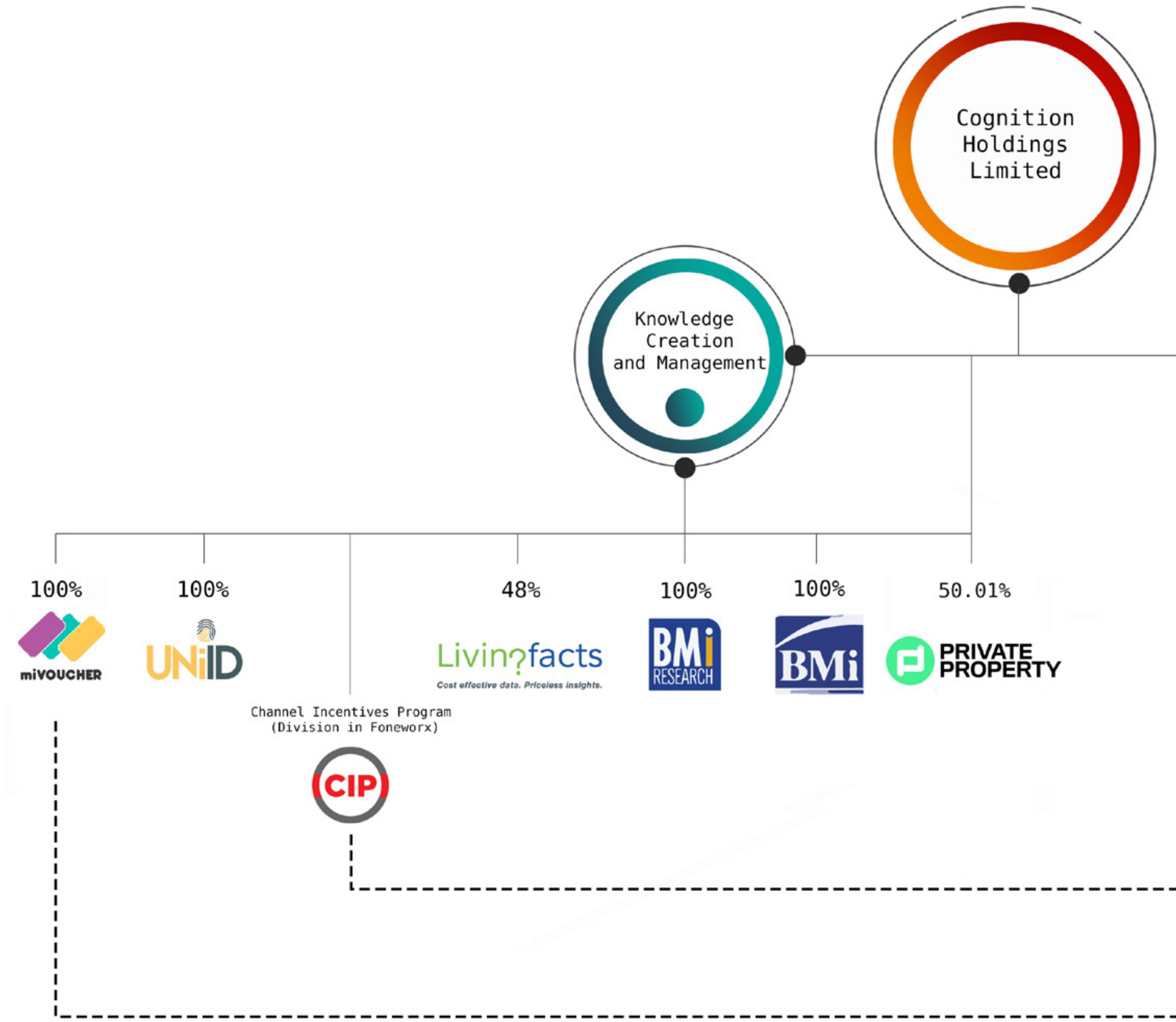
Dennis Lupambo
(Independent Non-Executive Director)
BSc (Electrical Engineering)
Age: 58

Dennis received a Bachelor of Science with Honours in Electrical Engineering in 1987 from the University of Southampton, England. He has since worked in various industries including Mining (Zambia Consolidated Copper Mines), Auditing (KPMG Lusaka, Zambia), Petrochemicals (Sasol), Electricity Utility (Eskom), Management Consultancy (Gemini Consulting), Banking - Cards, Electronic Banking and Home Loans (Standard Bank and Ecobank Transnational Incorporated), Telecommunications (MTN South Africa) and MasterCard Lab for Financial Inclusion (Nairobi, Kenya). He has worked for several leading Pan African companies including Standard Bank, MTN and Ecobank Transnational Incorporated. Dennis is the Managing Executive of Mint Africa responsible for the expansion of Mint Management Technologies Proprietary Limited, a Gold Microsoft Implementation Partner, into the rest of Africa.

Amasi Mwela
(Non-Executive Director)
B.Com, MBA
Age: 40

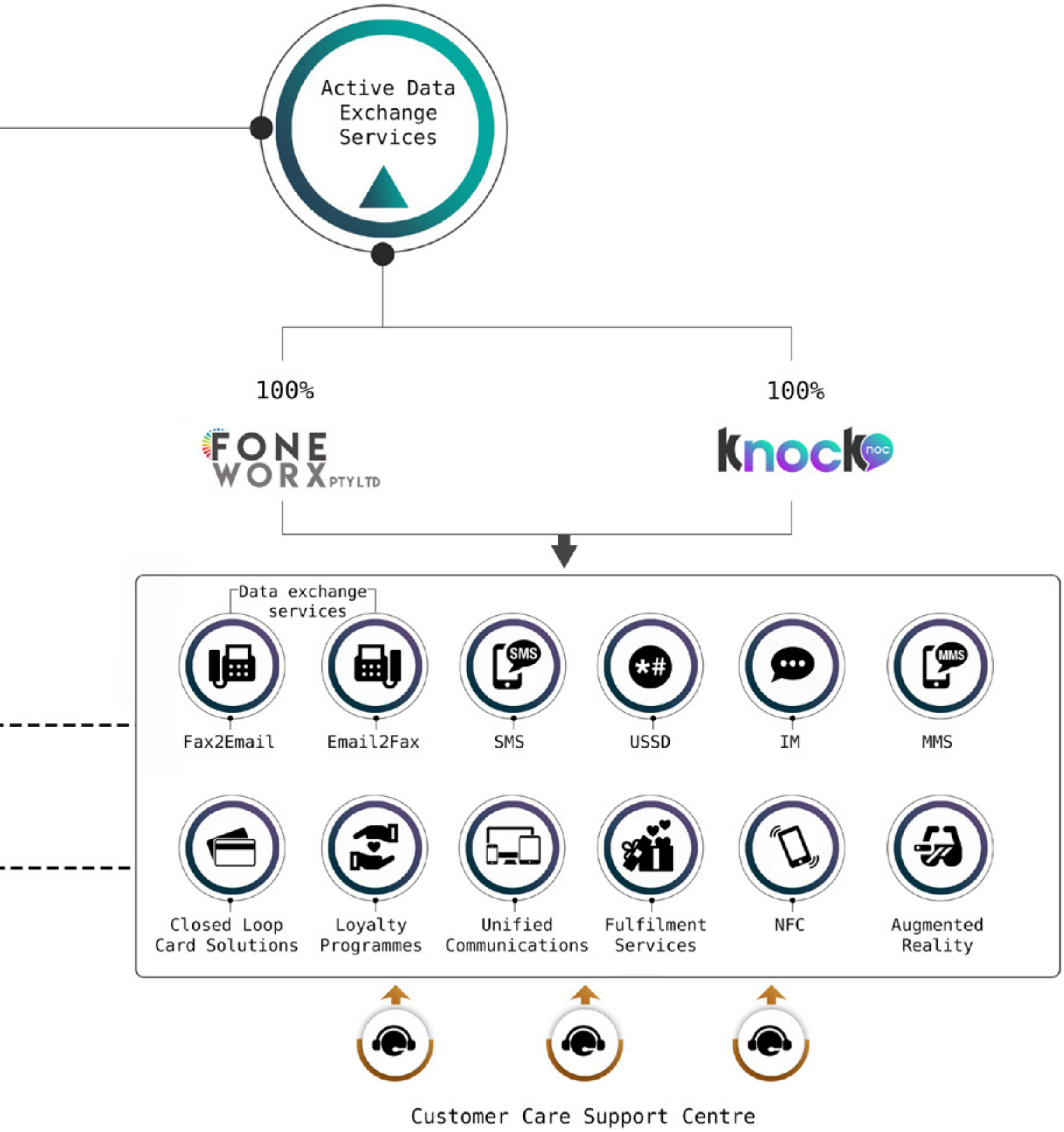
Amasi began his tenure at Private Property Proprietary Limited ("Private Property") at the beginning of 2019, where his vast experience in developing effective strategic focus, brand repositioning and customer centricity have already begun to bear fruit. Amasi has a proven track record of successfully making strategic acquisitions, showing rapid growth and building operational integrity at prominent companies such as Fundi, Old Mutual iWYZE, American Express Corporate Travel, and both Standard Bank and FNB. His focus on leadership in business and people development are essential contributing factors to success in his role as CEO and is the drive upon which Private Property will continue to grow into significance.

GROUP STRUCTURE



Knowledge Creation & Managment (Descriptive only)
Collectively builds profiles and data for B2B & B2C

Active Data Exchange Services (Descriptive only)
Collectively builds Bearer Services for Consumer Engagement


Active Data Exchange Services
100%
100%
Data exchange services
Fax2Email
Email2Fax
SMS
USSD
IM
MMS
Closed Loop Card Solutions
Loyalty Programmes
Unified Communications
Fulfilment Services
NFC
Augmented Reality
Customer Care Support Centre

SUBSIDIARY COMPANIES

BMi Research is a long standing full service research house specialising in qualitative and quantitative research solutions.

With multi-sector experience, the BMi team understands industrial and manufacturing research, wholesale to retail intelligence and shopper insights.

BMi RESEARCH

BMI RESEARCH MANAGEMENT

Jenni-Ruth Coggin
CEO

Jenni has worked in the marketing research industry for 17 years. She is a top producing management professional and expert in client management and business strategy. She conducts research that is aligned with brand needs and feeds directly into business strategies. Jenni has worked in Johannesburg and Cape Town with local and international clients across the FMCG, Financial, ICT, and Retail sectors.

Cindi Collett
Operations Director

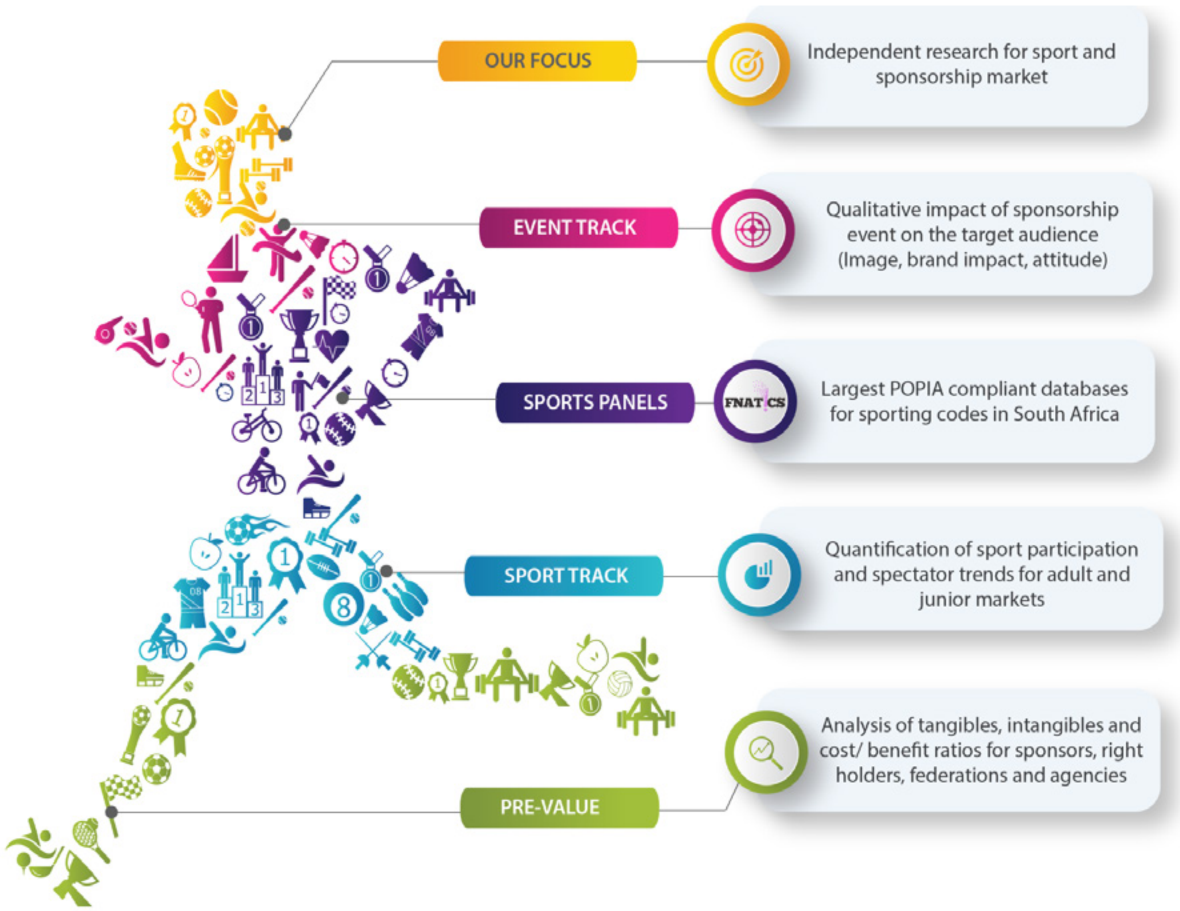
Cindi engages with clients across all sectors and is passionate about building and maintaining client relationships and achieving results. She has a unique ability to customise her approach to meet account objectives and client expectations while leading and motivating the sales team in delivering solutions and building relationships that are underpinned by strong commercial orientation.

Greg Avramit
IT Director

Greg has over 20 years' experience in information technology including infrastructure and database design, network implementation, data integration, application development and specialises in SQL databases and IT networks. His extensive mobile solution experience efficiently moves data to and from our mobile field force.

SUBSIDIARY COMPANIES (CONTINUED)

Twenty-nine years of providing market research and sponsorship quantification for South Africa's major sponsoring companies, television channels, sports goods companies, sport controlling bodies and sponsorship management companies involved in sport, music, culture and sponsored events.



BMI SPORT MANAGEMENT

David Sidenberg

Director and CEO

BA Economics & Finance

David is one of the sports- and sponsorship-industry's most influential thought leaders and together with his company BMi Sport Info, is credited for the pioneering role he has played in helping sponsorship evolve into the leading marketing communications medium it is today.

As part of the ever-expanding BMi Group, David has access to over 25 years of independent research and data across all media channels.

He is regularly called upon to provide a fully integrated research and consulting offering to an impressive list of clients; the likes of which include the who's who of Africa's major sponsoring companies, television networks, sport controlling bodies, federations and teams, as well as the leading agencies involved in the commercialisation and management of sport, music, broadcast and other sponsored causes.

SUBSIDIARY COMPANIES (CONTINUED)

PRIVATE PROPERTY MANAGEMENT

Amasi Mwela
Chief Executive Officer
B.Com, MBA

Amasi began his tenure at Private Property at the beginning of 2019, where his vast experience in developing effective strategic focus, brand repositioning and customer centricity have already begun to bear fruit. Amasi has a proven track record of successfully making strategic acquisitions, showing rapid growth and building operational integrity at prominent companies such as Fundi, Old Mutual iWYZE, American Express Corporate Travel, and both Standard Bank and FNB. His focus on leadership in business and people development are essential contributing factors to success in his role as CEO and is the drive upon which Private Property will continue to grow into significance.

Eugène Duvenage
Technology Executive
BSc. Engineering, MSc. Bioinformatics

Eugène started his career in 1997 building artificial intelligence-based solutions for large industrial clients in South Africa. This was followed by a period of international consulting in the telecommunications industry during the tech boom of the early 2000s. In 2005 he co-founded a software development consulting company focused on the financial industry which, in 2013, led to a permanent position with a home loans provider as Chief Architect. The property industry exposure gained during this period providing a solid background to his current position as Technology Executive at Private Property.

Solomon Kuwaza CA(SA)
(Acting CFO)
B.Com (Accounting) UKZN, Hons B.Compt (UNISA)

Solomon qualified as a Chartered Accountant with Ernst & Young Johannesburg in 1999 and then moved into investment banking with Société Générale Investment Bank and then FirstRand Bank for several years after. He consults on financial, audit and risk management to various public and private entities such as ACSA, Tiger Brands and Sasol. He was engaged by Private Property as an acting CFO in February 2020.

Carl van den Berg
Business Development Executive
MBA UKZN

Carl holds an MBA from UKZN and has a wealth of experience in the financial services sector, specialising in home loans. Over the last six years he led highly successful teams and built a formidable track record in digital sales, service products and strategy. He is passionate about property and believes it has the power to unlock wealth and prosperity for the country.

Sandile Hogana
Customer Insights and Innovation Executive
Executive Leadership Education, MBA, BSc (Computer Science and Applied Mathematics)

Sandile has vast experience in multiple industries such as banking, telecoms, entrepreneurial, education and now property. He has an extensive background in product development, pricing, customer segmentation, and data analytics. Sandile is passionate about creating solutions that will delight customers and exceed their expectations.

Tracey Miller
Brand and Marketing Executive

Tracey is a brand, communications and marketing maven with over 15 years' experience in building brands. Prior to joining Private Property, she was a sought-after marketing and communications specialist with an impressive portfolio of public and private sector clients. Tracey served as head of communications for McDonald's South Africa and is a firm believer in marketing excellence and consistent high-volume content generation.

SUBSIDIARY COMPANIES (CONTINUED)

Livingfacts

Cost effective data. Priceless insights.

LIVINGFACTS PROPRIETARY LIMITED ("LIVINGFACTS")

Marylou Kneale

Livingfacts founder and Southern African Marketing Research Association ("SAMRA") researcher, Marylou Kneale, has three decades of research experience and extensive knowledge of the corporate sector. She is a member of SAMRA, ESOMAR, MRS (UK) and AMA (USA), WeConnect International, Women in Finance Network, Businesswomen's Association of South Africa.

Heidi Clowes

Heidi has extensive holistic knowledge of research including design, project management, analysis, reporting and client management. She is an industry expert in the financial, pharmaceutical and logistics sectors. She is a member of SAMRA

CEO'S REPORT FOR 2021

The financial year under review commenced against a backdrop of a strained economy and poor local macro-economic conditions exacerbated by the unprecedented uncertainty and disruption due to the COVID-19 global pandemic.

Whilst COVID-19 impacted on all businesses to a greater or lesser extent, certain sectors which were more severely impacted reacted with a multitude of cost cutting initiatives which had a domino effect on the supply chain of services rendered to these sectors.

South African consumers are currently under more economic pressure than ever before. This invariably results in many brands providing more discounting, thereby placing pressure on their income statement, which results in budget cuts particularly around marketing and promotions in an effort to manage their financial stress.

This has had a knock-on effect to a number of services provided by the Cognition Group subsidiaries.

Despite these challenging conditions, Private Property managed to perform well, driven by the impetus of historically low interest rates, and many companies moving from 'work office' to 'home office' as a result of the COVID-19 pandemic, creating more opportunities to work remotely.

The low interest rates opened up the market for more first-time buyers thereby stimulating sales, particularly at the lower end of the property value spectrum.

The majority of Private Property staff still continue to work from home with around 20% working from its offices where remote work is difficult or where essential operational work needs to be undertaken at the office.

SUBSIDIARY PERFORMANCE

ACTIVE DATA EXCHANGE SERVICES ("ADES")

ADES' target audience, although broad, has a high concentration of brands within the Fast Moving Consumer Goods ("FMCG") sector, which sector also incorporates the liquor industry and general corporate businesses.

The focus of ADES, via its subsidiary FoneWorx, is to provide our clients with the tools to be able to: conceptualise promotions, consumer engagements and competitions ("services") by using our suite of communication protocols which include: SMS, IVR, USSD, WhatsApp, Telegram, Facebook Messenger, email and faxing services.

To be able to offer these services, the Group has back-to-back long-established service provider agreements with MTN, Telkom, Vodacom and Cell C.

By offering these services, FoneWorx generates traffic on the various networks and receives an agreed revenue from the respective networks.

Due to the nature of these services being primarily consumer engagement, FoneWorx works closely with digital, above-the-line and below-the-line advertising agencies.

Although this is a competitive market, the advantage that FoneWorx has is its "one-stop-shop" capability driven by its own proprietary technology (software) and hardware.

This advantage enables FoneWorx to:

- be agile with cost and service development; and
- in addition to South Africa, operate in over 38 countries throughout Africa, with agreements with either local mobile networks or similar service providers in each country.

COVID-19, the various lockdowns and the various bans on the sale of alcohol have had a dramatic impact on the majority of businesses with whom the Group's subsidiaries interact.

The pandemic has resulted in changes to advertising, marketing, promotional and media spends, forcing businesses and brands to re-evaluate their thinking about current and future advertising, promotions and monthly campaigns to maintain a regular stream of income.

New data from Scopen Africa and the Independent Agency, Search and Selection Company, shows that in just the first six months of the lockdown 58% of marketers cut their advertising spend.

Major blue-chip brands have cut back on advertising to re-evaluate the "new normal" and review what spend is effective and what should be reduced or stopped.

A number of FoneWorx's clients that operate in the liquor industry have reduced promotional spend and/or postponed campaigns. This sector has been subjected to four lockdowns amounting to over 150 trading days lost since March 2020.

Due to the cash preservation strategy adopted by the brands and advertising industry, FoneWorx experienced margin squeeze, delayed promotional campaigns and a reduction in overall activity or projects.

During the period under review, FoneWorx managed 293 campaigns on behalf of clients, which is an increase of 16 percent over the previous reporting period. However, the average value for each campaign reduced by 33 percent due to clients reducing budgets and cutting back on advertising. This was particularly evident in the alcohol sector because of multiple bans on the sale of alcohol.

To accommodate this new reality, our focus shifted to encouraging clients to build consumer databases to enable them to continue to have personalised conversations with their customers notwithstanding the radical changes brought about by the restrictions imposed during the various stages of the pandemic.

Data Exchange Services

These services include Fax2Email and Email2Fax and are part of ADES. This is a fully automated service allowing clients to on-board via the Web. With the number of fax devices declining in South Africa it is only natural that the revenue continues to decline. The number of active subscribers is now 24,300. Certain sectors in the economy, such as healthcare and pharmaceuticals, still make use of fax which is still regarded as secure.

miVOUCHER

Whilst this is a standalone platform, building profiling data for both Business-to-Business ("B2B") and Business-to-Consumer ("B2C"), to offer vouchering to both these markets, it is also integrated into the Active Data Exchange Services platform.

This is a platform that enables businesses to access vouchers across a broad range of activities such as: data, airtime, lifestyle, fashion, entertainment and technology.

We have now on-boarded over 450 well-known brands which businesses can access via the platform to provide incentives, gifts and rewards.

miVoucher is an integral part of FoneWorx and whilst it is a "standalone" platform, it supports a number of clients within the FoneWorx portfolio of promotional offerings.

The miVoucher platform is now well integrated into the FoneWorx suite of offerings which enhances the rewards clients can offer their customers.

Platform Technology (KNOCKNOC)

Brands need to understand the long-term value ("LTV") of customers, being the value that the customer provides to the brand for the duration of their entire relationship with the brand.

The pandemic has radically changed consumers' shopping behaviour and on-line shopping has increased dramatically. Coupled with these changes is the growing "push back" by consumers against unwanted communications and the fact that the Protection of Personal Information Act ("POPIA") became a reality on 1 July 2021.

Brands and advertising agencies need to react to these changes and build up Consumer Data Platforms ("CDPs") to obtain a 360° view of each of their customers. In addition, third party Cookies will no longer be supported by 2023.

To meet these challenges and as a natural evolution of the current suite of FoneWorx offerings, we have built our own CDP platform under the brand Knocknoc. This will provide consumers with the choice of downloading the Knocknoc App or using a desktop version and providing zero-party or declared data in a fully POPIA-compliant manner, underpinned by our own private blockchain technology. Consumers will then be able to securely share their personal information to brands of their choice in exchange for value.

It is anticipated that the CDP will provide our existing clients and agencies with the next generation consumer engagement opportunity and enable brands to better understand their consumers and send them personalised and relevant communications.

KNOWLEDGE CREATION AND MANAGEMENT

Channel Incentive and Loyalty

Building knowledge around customers, staff and sales agents is key to providing bespoke rewards.

The Group has its own proprietary platform to host and manage a broad range of incentive programmes on behalf of companies who wish to incentivise or reward their agents or staff on the successful sale of their products or services.

Access to the platform is via a bespoke mobile app or desktop.

Rewards or commissions are paid in an electronic wallet managed by the Group and participants can then transfer the funds earned into their bespoke branded Mastercard.

This division has been impacted by COVID-19 during periods when mobile retail outlets (MTN, Vodacom, Cell C and Telkom) were closed or access was restricted to these outlets.

In addition, two of our clients that sell consumer electronics (mobile devices) in South Africa through existing retail outlets owned and managed by Vodacom were persuaded through an intervention by Vodacom to divert their channel incentive programme to an alternative incentive provider of Vodacom's choice. This has had an impact in reducing this division's revenue.

Whilst this intervention could have been challenged by the Group, it was decided not to pursue such a challenge as it could potentially impact negatively on the Group's other services provided to Vodacom and place our clients in a difficult position.

We have since been able to sign up a new client in the same industry which will, over time, supplement the lost revenue.

We currently manage 12,715 active members with Mastercards. In the period under review we have processed R133 million in moderated claims.

Research Assets

BMiR has been successfully restructured, downsized and refocussed to provide services in two primary areas:

- Market performance, consumer behaviour and business insights; and
- Pricing intelligence and revenue growth management.

BMiR has experienced longer sales cycles, reduced client budgets and margin squeeze. Despite the tough trading conditions, the restructuring and downsizing undertaken in the latter part of 2020 is benefitting the company now as operational efficiencies are being realised.

BMiR has also focussed on innovation and the development of new products such as:

- CX Online, which is a mystery shopping service that enables owners of on-line stores to assess the shopping experience of their customers, which scores shopper interaction with their platform.
- Ad-Apt, which is an advertising testing tool, using the neuroscience technique of eye tracking to measure advertising in terms of their cut-through ability.
- Likability, branding, key messaging and persuasion. This product is particularly suitable to digital media channels.

BMiR will continue to innovate, manage and enhance operational efficiencies to take advantage of an improved economy.

BMi Sport Info Proprietary Limited ("BMiS") provides brands with bespoke sport and sponsorship-related services.

The suite of services incorporates: sponsorship consulting, millennial tracking, sport tracking and sporting impact evaluation.

CEO'S REPORT FOR 2021 (CONTINUED)

In simple terms, because spectators are not allowed at sport events under current restrictions sponsors derive no benefit from these events. The lack of spectators at sports events deprives sponsors from the ability to launch their marketing, fan engagement and other activities that are usually associated with the sponsorship rights and assets they have acquired.

This was further complicated by the fact that whilst BMiS had existing agreements in place, it couldn't deliver on these agreements because events have been cancelled.

BMiS has reduced overheads and has been restructured to accommodate the drop in demand for its services and is seeking new ways to provide existing and future clients insights within the sporting fraternity.

PROPERTY PLATFORM

Private Property

Private Property is one of South Africa's foremost property portals and plays a significant role in the property market for both estate agents and consumers.

Private Property has, since the advent of COVID-19, been able to extract itself from its physical offices located in Umhlanga, Durban and successfully enabled all staff to operate remotely. This has accelerated its digital transformation strategy of enhancing both agents' and consumers' experiences at all key touchpoints, being desktop, mobile and digital marketing and events.

Despite the restrictions in place prohibiting physical events, Private Property successfully hosted the Property Show on a virtual basis and received tremendous response from service providers, agents and consumers alike.

- The Property Show provides an excellent platform to provide educational, inspirational theatre and practical property advice to consumers, first time home buyers and connects financial service providers, estate agents, developers and conveyancers in an exciting environment.
- The new brand positioning and logo is making positive inroads in the property market and has enhanced the visibility of the platform.

Private Property has continued to forge positive relationships with ABSA Bank and together leveraged new and exciting opportunities.

- Despite the lockdowns and several restrictions, Private Property has reflected improved platform metrics which include: sessions, unique users, page views, sales and rental leads.
- Private Property continues to focus on enhancing its technology platform and touchpoints and to increase the range of services to both estate agents and consumers.

OUTLOOK

The macro-economic outlook is characterised by a bleak economy impacted by the long-lasting effects of COVID-19 and the uncertainty around the emergence of further COVID variants, possible lockdowns, alcohol bans and restrictions on outdoor activities and sports.

The Group will continue to focus on operational efficiencies and working capital management and pursue organic growth within the constraints of the overall ecosystem.

APPRECIATION

I would like to thank my executive team for their resilience, hard work and dedication throughout these challenging times. To all our staff our sincere appreciation for your hard work and resilience during these testing times.

Mark Smith
Chief Executive Officer

FINANCIAL REPORT

Introduction

During the period under review, the market within which the Group operates continued to be challenged by a poor economy which was exacerbated by the COVID-19 pandemic.

Financial Performance

Group revenue decreased by 12.35% from R263 million to R230.5 million. The decline in revenue is the result of continued poor economic conditions due to the measures implemented as a result of the COVID-19 pandemic, such as the restriction on the sale of alcohol. The Group provided assistance to its customer base during the year in various forms such as COVID-19 pandemic related rebates for industries severely impacted by the strict lockdown restrictions and not implementing cost increases where it was possible.

The Group benefited from cost cutting measures that it implemented in the previous financial year at the start of the pandemic. The Gross Profit margin of the Group increased from 81.3% to 86.5% with the result that the reduction in revenue was mitigated and the decline in Gross Profit was only 7.15%, down from R214 million to R198.6 million.

As per the segmental report in note 38, revenue from Active Data Exchange Services declined by 27.6% from R51.2 million to R37.1 million and Gross Profit declined by 15.6% from R32.3 million to R27.2 million. This segment has significant exposure to the liquor industry which was severely impacted by the COVID-19 lockdown measures.

The Knowledge Creation and Management revenue segment decreased by 8.7% from R211.9 million to R193.4 million with a Gross Profit decline of 5.6% from R181,6 million to R171.4 million.

Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA) and Impairment charges for the Group improved by 21.8% to R33.4 million up from R27.4 million.

The Group's operating expenses reduced by 6.2% from R79 million to R72.4 million and staff costs reduced from R106.3 million to R92.2 million. Goodwill relating to the Research Assets to the value of R4.3 million was impaired.

The net result of the above is that the Group will report a profit before taxation of R19 million and a comprehensive income of R11.5 million. Of this, income in the amount of R9.4 million relates to non-controlling interests with the resulting profit attributed to the shareholders of the Group being R2.1 million resulting earnings per share ("EPS") increasing by 111% from a loss of 7.9 cents in the 2020 financial year to a profit of 0.9 cents for the period under review. Headline earnings per share ("HEPS"), which does not account for the impairment of goodwill and investments increased to 3.03 cents per share from 2.33 cents per share.

FINANCIAL REPORT (CONTINUED)

Statement of Financial Position

The Group continues to maintain a prudent approach regarding the use and allocation of its resources and continues to maintain a healthy financial position with very limited long-term debt and a healthy cash balance.

The Group's cash resources increased from R85.7 million in the previous financial year to R109.8 million, an increase of 28.1%. The Group generated R37.7 million net cash from operating activities in the past year, up from the previous year of R19.3 million.

The Group impaired goodwill relating to the BMi Sport Group and BMiR totalling R4.3 million (2020: R22.1 million) and the Group cancelled the long-term lease and related right-of-use asset that it had with a resulting impairment of the right-of-use asset to the value of R1.7 million.

The Group's Trade and Other Receivables reduced to R36.6 million from R41.3 million with a slight increase in Trade and Other Payables from R28.6 million to R31.9 million.

Equity Movements

During the year, the Group did not declare a dividend (2020: RNIL).

As at 30 June 2021, the Company did not hold any treasury shares (2020: NIL).

Going Concern

In determining the going concern of the Group, the Board carefully considered the ongoing impact that the COVID-19 pandemic will have on each company in the Group within the short-to-medium-term as well as long-term sustainability. All the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with very limited debt. The Board has formally considered the going concern assertion for the year going forward and is of the opinion that it is appropriate.

Conclusion

The Group has long maintained a very conservative approach to business and has always focused on retaining the best possible cash position with limited debt. Given the current economic conditions, the Group is still in a healthy financial position as was able to deliver strong cash flow despite very difficult financial times.

5-year analysis

	Movement 2020/2021	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Financial position		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Total equity	3.8%	243 029	234 122	296 238	150 052	146 849
Total assets	1.4%	298 173	294 147	360 334	221 800	202 542
Total cash	28.1%	109 812	85 705	123 439	104 391	81 279
Total current assets	15.5%	148 224	128 359	175 012	156 479	130 548
Total liabilities	-8.1%	55 144	60 024	64 096	71 747	55 675
Total current liabilities	10.3%	49 454	44 837	54 407	68 669	47 836
Operating results		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Gross Revenue	-10.1%	386 412	429 763	451 599	351 077	279 699
Revenue generated through Agency services	-6.5%	155 849	166 598	239 192	193 193	129 193
Revenue	-12.4%	230 563	263 166	212 407	157 884	150 506
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	6.0%	29 034	27 386	27 698	30 114	29 064
Operating profit / (loss)	246.2%	16 489	(11 275)	16 070	22 463	22 082
Profit / (Loss)for the year	193.1%	11 454	(12 298)	15 366	20 596	19 524
Profit / (Loss) for the year attributed to owners of the parent	111.2%	2 064	(18 371)	12 920 277	20 509	18 612
Impairment of goodwill and investments	-81.8%	4 334	23 761	2 009	-	-
Net cash generated from operations	99.4%	46 647	23 390	11 562	52 771	26 865
Depreciation & Amortisation	-15.8%	12 545	14 901	9 620	7 675	6 982
Staff Cost	-13.3%	92 221	106 348	78 290	52 587	52 167
Operating Expenditure (including ECL)	-9.6%	72 666	80 420	52 091	18 357	19 041
Financial ratios						
EBITDA margin	21.0%	12.59%	10.41%	13.04%	19.07%	19.31%
Operating profit margin	266.9%	7.15%	-4.28%	7.57%	14.23%	14.67%
Return on equity	203.5%	4.80%	-4.64%	6.89%	13.87%	13.29%
Return on assets	202.9%	3.87%	-3.76%	5.28%	9.71%	9.99%
Debt Equity Ratio	11.5%	22.69%	25.64%	21.64%	47.81%	37.91%
Solvency Ratio	17.0%	51.38%	43.92%	42.12%	39.40%	47.61%
Average debtors' days - Gross Revenue	23.7%	47 days	38 days	44 days	71 days	62 days
Liquidity ratio	10.3%	5.4 times	4.9 times	5.6 times	3.1 times	3.6 times
Share performance						
Number of shares in issue at year-end	0.0%	229,273,021	229 273 021	243 398 421	137 615 798	137 615 798
Weighted average number of shares at year end	-1.4%	229,273,021	232 501 927	179 059 401	137 615 798	137 615 798
Basic earnings per share	111.4%	0.90 cents	-7.78 cents	8.17 cents	14.95 cents	13.52 cents
Headline earnings per share	30.0%	3.03 cents	2.33 cents	9.31 cents	14.95 cents	13.52 cents
Net asset value per share	1.7%	95.21 cents	93.61 cents	116.08 cents	108.49 cents	106.71 cents
Tangible net asset value per share	15.0%	39.22 cents	34.15 cents	51.81 cents	76.37 cents	71.97 cents
Closing share price at year-end	-23.3%	69 cents	90 cents	90 cents	100 cents	151 cents

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report sets out the governance principles and practices of Cognition.

The Board endorses the philosophies and principles of King IV Report ("King IV") and recognises its responsibility to conduct the affairs of the Company with integrity and accountability in accordance with generally accepted corporate practices. All Board members are aware of their responsibility to ensure that the financial statements fairly represent the state of affairs of the Group. The Board regularly reviews its performance and core governance principles.

Compliance

The Company complied with the provisions of the Companies Act, King IV and the provisions of the Listings Requirements of the JSE Limited ("JSE Listings Requirements").

The Company operated in accordance with it's Memorandum of Incorporation and other relevant constitutional documents.

Ethics and Values

Although the Board has not adopted a written code of ethics the Board has, in applying the principles set out in King IV, the Board committed itself to:

- Acting with integrity and adopting best practice in its dealings with stakeholders and society at large;
- Doing business with customers and suppliers using best ethical practices;
- Employment practices which are non-discriminatory, and which include training and skills development; and
- Doing business in a manner that is sustainable for all stakeholders.

The Board has assessed its governance practices and procedures against the King IV principles and recommendations. The Board will continue to assess its governance practices and procedures and, where necessary, make the necessary adjustments. An analysis of the Group's King IV compliance can be viewed on the Group's website under the Investor Relations > Governance tab at www.cgn.co.za.

Board Changes During the Year

Ashvin Mancha stepped down as Chairman of the Board with effect from 12 March 2021 and assumed the role of Deputy Chairman and Lead Independent Director. The role of Chairman was assumed by Paul Jenkins.

Trevor Ahier and Marc du Plessis resigned as directors subsequent to 30 June 2021. Miles Crisp was appointed as an Independent Non-Executive Director and Servaas de Kock was appointed as a Non-Executive Director with effect from 2 September 2021.

Board of Directors

The Board acts as the custodian of corporate governance and ensures that the Group is a responsible corporate citizen, cognisant of the impact its operations may have on the environment and society in which it operates, while acting in accordance with the board charter.

The Board is responsible and accountable for the performance of the Group and with full control over its subsidiaries. The responsibilities of the Chairman and CEO, and those of other non-executive and executive directors, are clearly separated to ensure a balance of power and prevent any one director from exercising unfettered powers of decision-making.

As at the date of the Annual Report, the Board consisted of three executive directors, six independent non-executive directors (of which one is the Chairman and one is a Lead Independent Director) and two non-executive directors. This is, in the opinion of the Board, an effective structure.

In accordance with the principles in King IV, the roles of the Chairman and CEO, are separate.

The Board has not formed a Nominations Committee to co-ordinate and evaluate appointments to the Board. Where vacancies do arise, the Board sets the criteria that a candidate would be required to meet for the position, which includes criteria relating to gender and race diversity.

Where vacancies arise, proposals for the appointment of a candidate to the Board are submitted to the Board together with a detailed CV of the candidate, including the candidate's relevant expertise, experience and qualifications.

Succession Planning

All executive contracts of employment, which includes the CEO, have a notice period of three months. The Board does not have a formal succession plan in place for executives. Should a vacancy arise at executive level the Board will appoint a third party to assist with the recruitment process.

Disclosure of Interests

Board members are required to disclose any interests in material contracts that involve the Group. This is done in accordance with the disclosure requirements of section 75 of the Companies Act. During the year under review no director or officer of the Group had an interest in any material contracts involving the Group.

Share Dealings and Conflicts of interest

Directors are obliged to disclose any shareholdings, additional directorships and appointments, potential conflicts of interest as well as any share dealings in the company's securities to the Chairman and CEO. Prior to dealing, directors are required to obtain written clearance from the Chairman of the Board. The Chairman in turn requires written permission from the Chairman of the Audit Committee. The Company Secretary must be notified of any dealings in the Company's shares within three business days. This information must be published on SENS within 24 hours of the notification of such dealing. A register of share dealings by directors is maintained by the Company Secretary and reviewed by the Board.

All directors, senior executives and prescribed officers with access to financial and any other price sensitive information are prohibited from dealing in Cognition shares during "closed periods", as defined by the JSE, or while the company is trading under a cautionary. The Company Secretary informs all directors and all other relevant employees by email when the company enters a "closed period".

A formal policy is in place within the Group that restricts share dealing by directors, officers and specific staff members during closed periods. The closed periods are effective from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. Embargoes are also placed on share dealing when the Group is trading under a cautionary announcement.

There were no directors' dealings during the year under review.

The basis of the Board's responsibilities and functions are derived from King IV which provides broad areas of evaluating and identifying key financial and non-financial risk areas of the Group.

The Board identifies principal performance and risk indicators which reflect resource planning, products, service and human resource. The Board is of the view that its members have the expertise and experience to fulfil their obligations to the Group.

The Board meets a minimum of four times a year. Additional meetings are constituted when required.

The executive directors of Cognition are responsible for the day-to-day management of the Group. The Group currently has three executive directors: Mark Smith, Pieter Scholtz and Graham Groenewaldt.

The remuneration of the executive directors is determined by the Remuneration Committee.

The executive directors are mandated and held accountable for:

- the implementation of strategies and key policies determined by the Board;
- managing and monitoring the business and affairs of the Company in accordance with approved business plans and budgets;
- prioritising the allocation of capital and other resources; and
- establishing the best managerial and operational practices.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' attendance at Board and committee meetings for the year under review

	Board		Audit and Risk Committee		Remuneration Committee		Social and Ethics Committee	
	Number of meetings	Attended	Number of meetings	Attended	Number of meetings	Attended	Number of meetings	Attended
A Mancha	4	4	4	4	1	1	2	2
G Mooney	4	4	4	4	1	1	2	2
M Smith	4	4	4*	4*			2*	2*
P Scholtz	4	4	4*	4*			2*	2*
G Groenewaldt	4	4					2	2
R Pitt	4	4	4	4	1	1		
P Jenkins	4	4						
M du Plessis	4	4						
T Ahier	4	3						
D Lupambo	4	3	4	3				

(* By invitation)

Risk Identification and Management

The Audit and Risk Committee reviews the risks facing the Group on a regular basis.

Risk identification and the management of risk, which includes the action taken to mitigate risk, is undertaken by each subsidiary's executive team. The material risks of each subsidiary are consolidated and are then reviewed by the Audit and Risk Committee. The risks considered by the Audit and Risk Committee as being the most material risks are set out below in the table below in order of priority together with the mitigating actions for each of the respective material risks.

Risk Category	Key Risk	Risk Mitigation
Business	**Impact of Covid-19**	• Continuous engagement and communication with clients to ensure their services remain relevant to their customers • Review and introduce new products and services to ensure they remain relevant to clients and consumers in the "new normal" • Re-evaluate KPIs in relation to Covid-19 and Non-Covid-19 factors
Technology	**Cyber Security**	• Consulting with industry expert to understand best practice and measure current environment against best practice • Setting goals in line with operational requirements and best practice • Provision sufficient budget to procure necessary infrastructure • Review policies and standards and ensure that increased manual monitoring in place
Operational - staff	**Developing and maintaining high calibre staff**	• Offer competitive and market related remuneration and benefits (incentives) to attract and retain skilled and key staff • Ensure appointment of appropriately qualified and skilled staff that match Group strategy • Ensure appropriate succession planning • Create an environment where innovation is rewarded and encouraged and staff are remunerated for outcomes

Risk Category	Key Risk	Risk Mitigation
Market	**Concentration of Revenue**	• Pursue new opportunities and products on an ongoing basis • Review existing products to ensure relevance • Develop alternative relevant service offerings • Broaden client base by diversifying products, services and base of pyramid • Diversification into new markets • Develop products and services capable of generating long term annuity income
Compliance	**Data Privacy**	• Raise awareness of POPIA and its requirements among staff • Conduct POPIA audit to assess personal information collected and flow of information • Update contracts to comply where necessary with POPIA
Operational – Technology	**Technology surpassed by more efficient, effective and economical technology**	• Create an environment where innovation is rewarded and encouraged • Regular review of current systems against what is available on the market • Develop systems that meet current needs of the business and its clients

Performance Evaluation

The Board carries out a self-evaluation every two years. The purpose of the evaluation is to ensure that the Board and its committees function as they should and that they have discharged their duties in accordance with the mandates contained in the respective charters.

The last self-evaluation showed that directors had the necessary balance of skills, experience, diversity, independence and knowledge required to discharge their responsibilities.

Independence of Directors

The Company assesses its directors' interests in the Group, their external shareholdings and any other directorships that they hold, on an annual basis to determine the existence of any actual or potential conflicts of interest. In addition, the agenda at each scheduled board meeting allows the Board to consider any conflicts arising from changes to the directors' declarations of interests.

For the period under review, the Board has satisfied itself that no relationships currently exist which could adversely affect the classification of its independent non-executive directors, and accordingly that the classification of each such directors are appropriate.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Company Secretary

All directors have access to the advice and services of the Company Secretary. The Company Secretary is Advocate Stefan Kleynhans.

The Company Secretary assists the Board in meeting its fiduciary obligation to the shareholders and is responsible for the functions specified in the Companies Act.

All meetings of shareholders, directors and Board sub-committees are properly recorded, as per the requirements of the Companies Act.

A formal evaluation of the Company Secretary was conducted by the Chief Executive Officer on behalf of the Board. The evaluation was in line with key legislative and governance principles and practices (Companies Act and King IV). The evaluation included a consideration on the competence, knowledge, experience and qualifications of the Company Secretary, Advocate Stefan Kleynhans.

In line with the provisions of paragraph 3.84(h) of the JSE Listings Requirements, it is confirmed that the Company Secretary has combined qualifications that include BA (Law) B.Iuris, LLB, LLM (Banking Law), LLM (Corporate Law) and ACIS. It is further confirmed that the Company Secretary has the requisite combined competence, knowledge, qualifications and experience to carry out the duties of a secretary of a public company. Considering the statutory duties imposed by the Companies Act, it is confirmed that the Company Secretary fulfilled the statutory duties in line with the statutes.

Rotation and Retirement from the Board

In terms of the Company's Memorandum of Incorporation, at each Annual General Meeting of the Company, one third of the non-executive directors are required to retire from office. The names of the directors eligible for re-election are submitted at the Annual General Meeting, accompanied by appropriate biographical details, as set out in the Integrated Report. The Company has not adopted a retirement age for directors.

Mr Mancha is eligible for re-election at the AGM and has advised the Board that he will not offer himself for re-election at the AGM on 26 November 2021.

Remuneration

The details relating to directors' fees and remuneration are disclosed in the Remuneration Report on page 38 and note 25 of the financial statements. The fees that are proposed to be paid to the independent non-executive directors, subject to approval by the shareholders by way of a special resolution, are set out in the Remuneration Report and the Notice of Annual General Meeting which are attached hereto and which form part of this Annual Report. The basis on which the remuneration of the executives is determined is set out in the Remuneration Report. The remuneration of the executives, as approved by the Remuneration Committee, is disclosed fully in note 25 of the Annual Financial Statements.

BOARD COMMITTEES

The directors have delegated specific functions to committees, to assist the Board in meeting their governance responsibilities. The Board committees are constituted with sufficient non-executive representation. The Board committees are subject to evaluation by the Board to ascertain their level of performance and effectiveness.

The committees act in accordance with approved terms of reference, which are reviewed regularly.

Executive Committee

The Executive Committee ("Exco") meets weekly and is responsible for the day-to-day management of the Group.

Executive management and the Board work closely in determining the strategic objectives of the Group. Authority has been delegated to the Chief Executive Officer and the Exco by the Board for the implementation of strategy and the ongoing management of the business. The Board is appraised of progress through reporting at Board meetings and regular communication with management.

The responsibilities of the Executive Committee include:

- monitoring and managing risk;
- developing and implementing the Group's strategic plan;
- determining human resources policies and practices;
- preparing budgets and monitoring expenditure;
- monitoring operational performance against agreed targets; and
- adhering to financial and capital management policies.

Audit and Risk Committee

Members

- Mr Roger Pitt (Chairman)
- Mr G Mooney
- Mr D Lupambo

All three members of the Audit and Risk Committee are independent non-executive directors.

The independent external auditor attends the meetings as a standing invitee. The Chief Executive Officer and Financial Director attend the meetings by invitation.

The Audit and Risk Committee report can be found on pages 45 to 47.

The Audit and Risk Committee acts in accordance with approved terms of reference.

The Audit and Risk Committee met four times in the financial year. A record of attendance of committee meetings is available on page 24.

Internal Controls and Audit

The Group does not have a dedicated internal audit function, but the Audit and Risk Committee is mandated from time to time to require management to review and report on key operational controls. These reviews can be performed by internal staff that will report their findings independently to the Committee or by external consultants.

The internal controls and systems that are maintained by the Group are designed to provide a reasonable degree of assurance regarding the integrity and reliability of the financial statements and are aimed at adequately safeguarding, verifying and maintaining accountability for the assets of the Group and its stakeholders.

Based on the tests carried out on the internal controls, nothing material has come to the attention of the Board or the external auditor to indicate that there has been any material breakdown in the functioning of the abovementioned internal controls and systems during the year under review.

The Audit and Risk Committee has recommended the Annual Report to the Board for approval.

The Audit and Risk Committee has considered and has satisfied itself as to the appropriateness of the expertise and experience of the Financial Director, Mr Pieter Scholtz.

CORPORATE GOVERNANCE REPORT (CONTINUED)

IT Governance

The role of IT Operations is to ensure that IT is aligned with business operations and translate the requirements of the business into efficient and effective IT solutions. It is regarded as critical to the sustainability of the Group.

The Group has an IT Security Policy that covers access to information, information integrity and business support. In addition, the IT Security Policy also addresses information integrity by implementing hierarchical password access control, testing and change control of systems, anti-virus management and firewalls.

The responsibility for reporting on IT Security falls on the IT Manager and IT Systems and Architect Manager who report on a weekly basis to Exco and by invitation to the Board. It is the duty of the IT Managers to ensure that IT Security controls are in place and all risks associated with the IT Department and the Group's products and services are identified and, where appropriate, mitigated.

To provide for the risk associated with any possible disasters that may affect the Group's IT capacity, multiple distinct and diverse hosting environments are in operation. These sites operate as live sites for most of the Group's revenue. In addition, one of these sites provides a full back-up and stores all facets of services managed by the Group, remotely.

The Group also pays an external consultant to assist and advise on firewall protection and gateway and database management. In addition, the Group also consults with external software security companies to provide input on security, hacking, phishing and the like.

The Company has, in addition to the Group's external auditor, contracted with B E Rees & Company to audit the control systems to ensure that these comply with the requirements of the Consumer Protection Act, 2008 (Act 68 of 2008) and WASPA Code of Conduct.

Social and Ethics Committee

Members

- Mr A Mancha (Independent non-executive director and Chairman)
- Mr G Mooney (Independent non-executive director and member)
- Mr Graham Groenewaldt (executive director and member)
- The CEO and Financial Director attend the meetings by invitation

The Social and Ethics Committee met two times during the year under review

The Social and Ethics Committee acts in accordance with approved terms of reference. The Chairman of the Social and Ethics Committee reports to the Board after every meeting held. The Chairman of the Committee attends Annual General Meetings to answer shareholder questions.

The Social and Ethics Committee's roles and responsibilities include, but are not limited to:

- monitoring the Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice;
- good Corporate Citizenship;
- the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; and
- labour and employment.

The Committee reports to the Board and to shareholders on the matters that fall within its mandate.

During the year under review the Committee identified and considered the following issues:

- the Group and subsidiary Broad-Based Black Economic Empowerment ("B-BBEE") scorecards including in particular enterprise and supplier development and skills development;
- employee health and safety and compliance with the Occupational Health and Safety Act;
- a Group anti-corruption policy comprising three inter-related policies being an Anti-Bribery Policy, Code of Ethics and Conduct and Whistleblowing Policy; and
- the Board Gender and Race Diversity Policy.

Remuneration Committee

Members

- Mr Roger Pitt
- Mr A Mancha
- Mr G Mooney

All the members of the Remuneration Committee are independent non-executive directors.

The Remuneration Committee met once in the financial year. No executive directors participate in discussions regarding their own remuneration and benefits; neither do they have a vote at meetings.

Details on the attendance of the Remuneration Committee meetings are available on page 24. The Remuneration Committee acts in accordance with the approved terms of reference.

The salaries of the executive directors (CEO, Financial Director and Sales Director) are determined by Mr Ashvin Mancha, Mr Gaurang Mooney and Mr Roger Pitt. The three executive directors are not included in the deliberations regarding their own remuneration.

The CEO and Financial Director recommend the salaries of senior management and staff and these recommendations are then tabled before the Remuneration Committee for discussion and approval.

The fees paid to Mr Mancha, Mr Pitt and Mr Lupambo for attendance at the Board and Audit and Risk Meetings are set out in the Remuneration Report on page 40.

In considering appropriate remuneration packages for the executive directors, the Committee is guided by the Group's strategy, performance for the period under review, achievement of internal targets and an evaluation of external salary and bonus trends. In addition, the Committee also considers industry standards, trends in the marketplace and the personal input of each individual based on annual appraisal systems.

The Remuneration Committee's roles and responsibilities, as set out in the terms of reference, include but are not limited to:

- overseeing the setting and administering of remuneration at all levels in the Group. This is done on the recommendation of the CEO and Financial Director;
- overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance;
- reviewing the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;
- ensuring that the mix of fixed and variable pay, in cash and other elements, meet the Group's needs and strategic objectives and is fair and reasonable;
- considering the results of the evaluation of the performance of the Chief Executive Officer and other executive directors, both as directors and as executives in determining remuneration;
- selecting an appropriate comparative group when comparing remuneration levels; and
- overseeing the preparation and recommendation of the remuneration report to the Board for inclusion in the Integrated Report as to whether it:
  - is accurate, complete and transparent; and
  - provides a clear explanation of how the remuneration policy has been implemented

Remuneration structure

The remuneration structure is delegated as follows:

- the Remuneration Committee approves executive director remuneration;
- the Remuneration Committee approves senior management and staff remuneration, as proposed by the CEO and Financial Director; and
- Management approves employees' remuneration.

The Group's remuneration philosophy complements its business strategy. The Group employs high-calibre individuals with integrity, intellect and a sense of innovation. It is fundamental to our business culture that all employees subscribe to the values, ethics and philosophy of Cognition.

The remuneration of the Board, executive members and employees is fair and market related. The Board, with the assistance of the Remuneration Committee, will maintain this approach, so as to attract and retain suitable employees and Board members to the benefit of the stakeholders. The Board acknowledges the importance of motivating individual and team performance and therefore applies its remuneration philosophy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and personal performance.

The Group's remuneration policy is subject to a non-binding advisory vote by shareholders at the Annual General Meeting each year. This enables shareholders to express their views on the remuneration policy and for the Board to take these views into account.

Going Concern

In determining the going concern of the Group, the Board carefully considered the ongoing impact that the COVID-19 pandemic will have on each company in the Group within the short-to-medium-term as well as long-term sustainability. All the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with very limited debt. The Board has formally considered the going concern assertion for the year going forward and is of the opinion that it is appropriate.

Board Diversity

The Board recognises that diversity of skills, experience, background, knowledge, thought, culture, race and gender are necessary to strengthen the board's ability to effectively carry out its duties and add value to all stakeholders and as such the Board has a policy that addresses gender and race diversity when vacancies arise on the Board.

Although the Board considers it a priority to meet the diversity targets in line with its policy, the Company's controlling shareholder has a decisive say in the nomination and appointment of directors.

Behavioural and Ethical Compliance

The Group adheres to the highest standards of ethical conduct. The Board-approved ethics framework, incorporates the Anti-Bribery and Corruption Policy, the Code of Conduct and Ethics and the Whistleblowing Policy. These Policies outline the standards of honesty, integrity and mutual respect which employees are required to observe. These policies are available on the Group's website at http://www.cgn.co.za/pages/display/governance.

There were no reported breaches of these policies during the year under review.

Investor Relations and Communication with Stakeholders

The Group believes that communication with its stakeholders is vital. Investor relations activities include interim and final results presentations to investors available on the Cognition website: www.cgn.co.za

The Group will continue to have an interactive relationship with shareholders, investors, analysts and regulators.

Sponsor

The Group's JSE Sponsor is Merchantec Capital.

Transfer Secretaries

The Group's appointed transfer secretaries are Computershare Investor Services Proprietary Limited. They assist with enquiries relating to shareholdings.

Shareholders can address shareholding related queries to Private Bag X9000, Saxonwold, 2132.

SUSTAINABILITY REPORT

Introduction

The Group embraces the philosophy of the King IV Report in pursuing its sustainability objectives. The Social and Ethics Committee has been mandated by the Board to take responsibility for the sustainability issues contained in this Report.

The sustainability strategy acknowledges that the Group is responsible to all stakeholders to ensure its long-term viability. The Group identifies and considers the impact of its business on its stakeholders in pursuing this strategy on an ongoing basis.

The Report aims to provide a balanced assessment of the strategic position and performance of the Group to enable all stakeholders to properly assess the Group's ability to continue creating value added sustainability into the future. As part of this, the Board has embraced integrated reporting, seeking to provide financial and relevant non-financial information applicable to a range of stakeholders. The Company's management has been mandated by the Board to ensure that sustainability principles are implemented and to report on progress and, where applicable, reasons for non-compliance.

Sustainability reporting is not independently assured in terms of a formal process. The Committee reviews the Group's sustainability objectives on an ongoing basis and provides management with the necessary guidance. The Board regards the assurance of sustainability reporting by the Committee as being appropriate and sufficient.

Scope of Sustainability Report

This Report covers the economic, social and environmental performance of the Group for the year from 1 July 2020 to 30 June 2021. It is intended to provide this information to a wide range of stakeholders with an interest in its performance. These include existing and prospective shareholders and investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of our operations, contractors, suppliers, customers, business partners and the media.

People

Employees are the cornerstone of the Group and employee wellness and development are recognised as key factors that contribute to maintaining and building a sustainable business.

Staff are provided with the appropriate working conditions. Should the need arise, staff have open access to a Legal and Human Resource Manager to assist them.

Each of the main operating subsidiaries determines the benefits that it makes available to staff. Depending on which operating subsidiary they are employed by, staff may qualify for:

- Group cover (funeral, life, disability);
- Leave (annual, ill health, maternity, compassionate and study);
- Employee training / bursaries; and
- A performance-based bonus, provided certain agreed targets or conditions have been achieved or met.

The employee/employer relationship is governed by the customary human resource policies which are reviewed on a regular basis, i.e. safety, health, training and development.

Management aims to create an environment where people are encouraged to act in a responsible way, work hard, build friendships and be part of a working family. The Group employs individuals with passion, who are skilled in their fields, can contribute in meaningful ways to the Group and can identify with the Group's values.

The Group encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation.

To ensure that the Group has a ready pool of talent, management focuses on the key areas of skills development and training.

Transformation

	B-BBEE Compliance Level 2021	B-BBEE Compliance Level 2020
Cognition Holdings Limited	Level 4	Level 4

The following operating subsidiaries achieved the following B-BBEE compliance scores for the period under review

Operating Subsidiary	B-BBEE Compliance Level 2021	B-BBEE Compliance Level 2020
BMi Sport Info Proprietary Limited	Level 3	Level 3
FoneWorx Proprietary Limited	Level 4	Level 4
BMi Research Proprietary Limited	Level 4	Level 8

Private Property has completed a review of its B-BBEE status and is implementing measures aimed at ensuring that it becomes B-BBEE compliant.

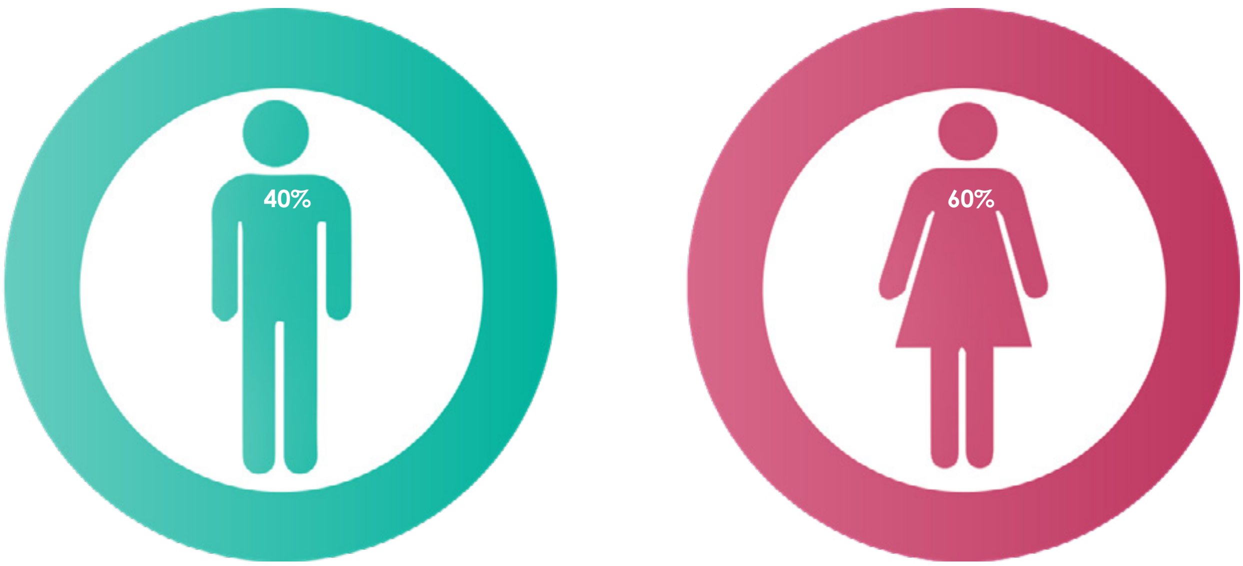
Ownership

Cognition has a majority shareholder and is dependent on flow through ownership from this shareholder for its ownership score. The Board and management continue to look for suitable partners that would be of benefit to all stakeholders.

Employment Equity

As at 30 June 2021, the Group employed a total of 205 permanent and temporary staff. All staff are encouraged to reach their maximum potential irrespective of gender, age or race.

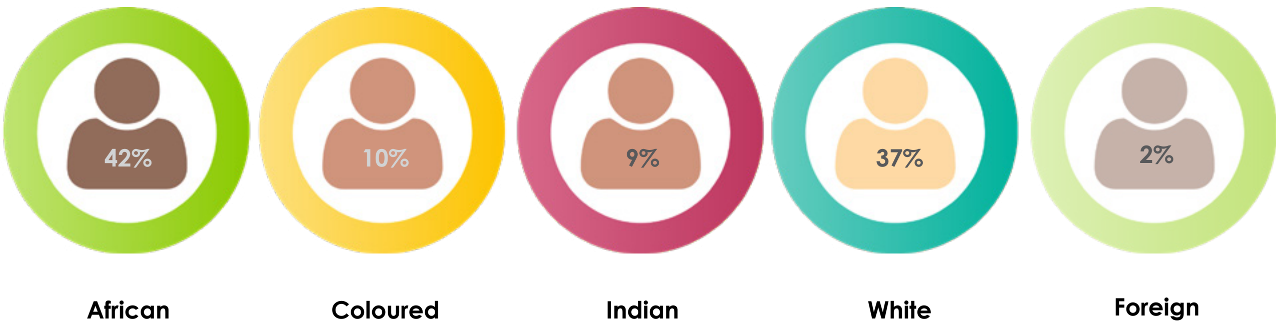
Workforce by Gender



Male **Female**

The staff profile for the year under review was as follows:

	Male				Female				Foreign nationals		
Occupation Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Executive Management	0	0	0	5	0		0	2	1	0	8
Top Management	3	0	0	2	1	1	0	0	0	0	7
Other Executive Management	0	0	0		1	1	0	1		0	3
Senior Management	0	0	0	7	2	1	0	1	0	0	11
Professionally qualified and experienced specialists mid-management	3	2	2	10	4	2	2	12	1	0	38
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	11	1	6	6	4	5	5	7	2	0	47
Semi-skilled and discretionary decision making	13	2	0	4	35	7	4	19	0	1	85
Unskilled and defined decision making	2	0	0	0	3	0	0	0	0	0	5
TOTAL PERMANENT	32	5	8	34	50	17	11	42	4	1	204
Temporary employees	0	0	0	0	0	0	0	1	0	0	1
GRAND TOTAL	32	5	8	34	50	17	11	43	4	1	205



The Group is committed to increasing the participation of historically disadvantaged staff in its structures and to this end the Group's recruitment policy is aligned with current legislative and regulatory requirements. Approximately 61% of the Group's employees are from historically disadvantaged backgrounds. The Group continues to implement strategies aimed at achieving employment equity targets. These strategies include the implementation of an ongoing learning and development plan, in-service training, financial assistance toward further studies, internships and performance assessments.

The skills shortage, especially in the IT sector, continues to have an impact on the Group's ability to achieve the targeted growth rates within certain ethnic groups. The Group has very specific skills requirements that are developed in-house over time.

The Group's recruitment policy is based on:

- Recruitment being based on competency;
- Using targeted selection interviewing principles;
- Following a transparent process; and
- Fair and non-discriminatory recruitment and selection practices.

The employment equity and skills retention function falls within the mandate of nominated individuals who are responsible for monitoring the progress made in these areas and reporting to the Board thereon.

Skills Development

Male spend **R158 718**

Female spend **R1 537 433**

Each of the operating subsidiaries namely FoneWorx, BMi Research, BMi Sport Info and Private Property have different skills requirements relating to the market in which each operates. Each of the subsidiaries has accordingly adopted formal skills programmes to meet their specific needs. The skills programmes of each subsidiary are overseen by the management of the respective operating subsidiary to ensure that the training interventions that are implemented meet the specific skills needs of the operating subsidiary.

The following learning interventions took place during the year under review:

Course	NQF Level	Type	No of learners
Vuca Best Foot Forward Programme		Work readiness	2
Computer skills			2
National Certificate	3	Bookkeeping	2
Higher Certificate	5	Information Systems	3
Bachelors Degree	7	HR / Accounting / Business Administration / Marketing / Education	5
Masters Degree	9	Marketing	1

Some of the training interventions implemented during the period under review include an internship program for existing staff wanting to enhance their existing skills and a work readiness programme that equips staff to reach their maximum potential in the work place.

In addition to assisting existing employees, the Group also assists non-employees with funding for their studies.

The Group complies with all legislation outlined in the Skills Development Act, Skills Levies Act and strives to achieve significant points in the Skills Development element.

The table below provides information about the number of staff that benefited from the learning interventions implemented by the Group during the year under review.

Total Number of staff on learnerships, internships and other training

Male					Female					Grand Total
A	C	I	W	Total	A	C	I	W	Total	
4	-	-	-	4	7	3	-	1	11	15

Enterprise and Supplier Development

The Group's operating subsidiaries have implemented measures to identify and assist enterprise and supplier development beneficiaries. In this regard the following supplier development assistance has been provided:

- Assistance to a former employee to establish a transport business that provides transport services to the Group.
- Assistance to entities involved in field research services.

The operating subsidiaries have also identified beneficiaries for enterprise development. It is expected that over time these enterprise development beneficiaries will become suppliers to the Group.

SUSTAINABILITY REPORT (CONTINUED)

Management Control

In line with the Group's Gender Diversity policy, the boards of directors of BMi Research includes three female directors and BMi Sport Info includes one female director. The board of directors of Livingfacts comprises of two female directors.

As vacancies arise, suitable individuals will be identified for appointment to the Board to meet the Group's commitment to gender and race representation at Board level.

Appointments will be made where candidates can add value to the Board and increase the representation of designated groups.

Preferential Procurement

The nature of the services provided by the Group is such that most of the services are procured from the mobile and fixed line networks. These companies are mainly black empowered or black owned. Where possible, the remainder of the Group's spend is placed with qualifying SMMEs.

Environment

The Group acknowledges the importance of the communities who may be affected by its operations and the safe-guarding of the environment is considered in the business decision-making processes.

Legislators, regulators and other stakeholders demand an increasing attention to environmental issues. As a responsible corporate citizen, the Group has committed itself to maintaining and growing the business in an environmentally and socially responsible manner.

The business of the Group is conducted on ethical business practices and incorporates positive governance and social and environmental objectives. Greenhouse gases ("GHGs") are emitted primarily as a result of the consumption of electricity and diesel used for the back-up generators.

The process of managing the Group's environmental impact is overseen by the Executive Committee, under the leadership of the Chief Executive Officer.

The Group's Social and Ethics Committee is entrusted with ensuring greater integration between economic risk and opportunity assessment and the social and environmental impact of the business within the guidelines of King IV.

Carbon Footprint

The Group completed its first Carbon Footprint assessment for its baseline year in 2011.

The Carbon Footprint assessment was done internally and was not independently verified due to the small footprint of the Group (primarily electricity) and the materiality value.

The 2021 Carbon Footprint is approximately 600 tonnes of CO_2 with 98% of carbon emissions.

Social Investment

During the year under review the Group provided support to a number of programs and organisations whose purpose is socio-economic upliftment of their communities. These included:

THE LIGHTHOUSE **Baby Shelter** **God's light in their darkness!**	A shelter for abandoned, abused and neglected children as well as HIV orphans.
TDSAG [The Down Syndrome Association Gauteng]	A non-profit organisation that focuses on the best practices within the field of intellectual disability and aims to find ways, to raise awareness and understanding about the genetic condition Down syndrome and promotes the inherent rights of persons with Down syndrome to enjoy full and dignified lives and be active participants in their communities and society.
ubuhle christian school	A grassroots organisation established in July 2008 to make a difference in the lives of orphans and vulnerable children of farm-worker households, living in severe poverty on farmland.

Occupational Health and Safety

Employees of the Group work predominantly in an office environment with very limited exposure to machinery. Each operating subsidiary is entrusted with appointing a Health and Safety Officer that is responsible for ensuring safe working conditions and advising management on appropriate measures to avoid injuries.

First aiders and fire marshals that are responsible for ensuring the safety of staff have been appointed at Group Head Office as well as at the offices of Private Property. General health and safety risks are also communicated to employees.

The Group has a substance abuse policy to address and manage the potential impact that substance abuse may have on the individuals and Group's activities. Employees who may have a substance abuse problem are encouraged to undergo appropriate therapy.

COVID-19

The Group has continued to provide services to its customers despite disruption brought about to the working environment since the outbreak of COVID-19.

- Although many of the restrictions have been eased, the Group remains conscious of the safety and well-being of its staff. Approximately 60% of staff continue to work remotely.

To ensure the health and safety of our staff the following precautions have been taken:

  - Staff that are able to work from home continue to do so.
  - All staff have been encouraged to register for and be vaccinated.

- The following measures have been implemented at the workplace to ensure the health and safety of staff:
  - Social distancing of workstations.
  - Continuous sanitising of the building.
  - Access control measures.
  - Keeping staff informed of health and hygiene measures, including medical testing and vaccination.
  - Mandatory temperature screening using thermal scanners.
  - Equipping staff with the necessary tools to work remotely so that they don't have to be at the office.

Privacy

A Protection of Personal Information Policy has been developed and a number of measures have been implemented and continue to be implemented to ensure compliance with Protection of Personal Information Act, no 4 of 2013

Management is not aware of any substantiated complaints regarding breaches of customer privacy and losses of customer data during the reporting period.

REMUNERATION REPORT

In accordance with sections 66(8) and 66(9) of the Companies Act and the principles of King IV, the Remuneration Committee (the Committee) presents its report for the 2021 financial year. This includes the remuneration policy on which the shareholders will be requested to cast a non-binding advisory vote at the Company's Annual General Meeting.

This Remuneration Report comprises of three sections:

- background statement;
- overview of the remuneration policy for the year under review and the amendments that are proposed for the 2021 financial year; and
- remuneration implementation report showing actual remuneration paid based on the remuneration policy.

At the Annual General Meeting to be held on Friday, 26 November 2021, shareholders will be asked to vote on the remuneration policy and the remuneration implementation report. These votes enable shareholders to express their satisfaction or otherwise on the remuneration policy and the remuneration implementation report. If 25% or more votes are cast against a resolution, the Board undertakes to engage actively with such dissenting shareholders to address all legitimate and reasonable objections and concerns.

Notwithstanding the voting process, any shareholder who wishes to discuss the subject of remuneration is welcome to engage executive management at any time, in the interests of continuous improvement of the remuneration policy.

At the Annual General Meeting held on Friday, 27 November 2020, the non-binding advisory vote on the company's remuneration policy received a 100% vote in support of the policy and the non-binding advisory vote on the company's remuneration implementation report received a 100% vote in support of the policy.

BACKGROUND STATEMENT

The Remuneration Committee operates under Terms of Reference that are reviewed and approved by the Board and encompass the provisions of the Companies Act and the requirements of King IV.

It is the responsibility of the Remuneration Committee to ensure the alignment of remuneration with the interests of shareholders. To this end the Committee is responsible for determining the remuneration; and incentive arrangements of executive directors and executive management.

In addition, the Remuneration Committee is responsible for ensuring that remuneration levels are competitive enough to attract, retain and motivate executives and other key personnel.

The Remuneration Committee also assists in the assessment of executive directors' performance in discharging their functions and responsibilities.

The Remuneration Committee oversees the implementation of a remuneration policy at all levels in the Company.

It is the responsibility of the Remuneration Committee to ensure that the Remuneration Policy is put to a non-binding advisory vote at the Annual General Meeting of shareholders once every year.

The attendance of meetings and composition of the Committee is set out in the Corporate Governance Report on page 24 and 29 respectively. A member of the Committee attends the Annual General Meeting and is available to address any queries, if necessary, from shareholders.

REMUNERATION POLICY

Introduction

COVID-19 has continued to have an impact on the company as well as the economy. The Group has, despite the difficult times, continued to provide its service offerings.

The remuneration policy aims to support the Group's strategy of creating value for stakeholders both in the short-term and in the long-term through the implementation of a high-performance culture. Remuneration is aimed at attracting, retaining and motivating the correct calibre of individuals with consistently high levels of performance. To this end the Group:

- aims to maintain competitive salary levels with reference to the comparable market mean and facilitates exceptions dependent on particular qualification and experience required, economic as well as operational circumstances that may arise from time to time;
- enables remuneration decisions that support its growth strategy;
- sanctions the continual development of internal talent that reinforces roles and general accountability in line with its growth strategy;
- rewards individuals that make the Group more competitive and generally important to our customers; and
- does not indulge in remuneration practices that facilitate the avoidance of applicable laws and regulations of the country.

In the opinion of the Committee the remuneration of the Board, Executive Directors and employees is fair and market related. The Board acknowledges the importance of motivating individual and team performance and therefore applies its remuneration philosophy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and individual performance.

During the year under review remuneration comprised a fixed and variable component. The fixed component includes a salary, typically targeted at what comparable companies pay, while the variable component comprises a bonus based on the Group's performance. In addition, further benefits incorporated into the Group's total reward programme may include death and disability cover, assistance with studies to deserving staff who wish to undertake studies relevant to the Group's business, certain training and development initiatives, long service awards where applicable, cell phone and computer usage.

Non-Executive Directors

The remuneration of the non-executive Directors is set by the Remuneration Committee and approved at the Annual General Meeting.

The remuneration of the of the Lead Independent Director (formerly the Chairman) and the Chairman of the Audit and Risk Committee comprises a monthly retainer fee and a meeting fee. The remuneration of Mr Lupambo, as a member of the Audit and Risk Committee, comprises only of a meeting fee. The remuneration of the Lead Independent Director and the Chairman of the Audit and Risk Committee and of Mr Lupambo as a member of the Audit and Risk Committee, was, as required by section 66 of the Companies Act, authorised by shareholders by means of a special resolution at the Annual General Meeting held on 27 November 2020.

During the year under review the fees paid to the Lead Independent Director (formerly the Chairman) and Chairman of the Audit and Risk Committee as well as the fee paid to Mr Lupambo as a member of the Audit and Risk Committee were updated as a matter on the agenda of the Annual General Meeting of 27 November 2020. The updated values and their preceding values for the previous period are reflected as follows:

Up to 31 December 2020

Position	Monthly retainer	Fee per meeting
Chairman of the Board (Mr Ashvin Mancha)	R5 750	R15 200
Chairman of the Audit Committee (Mr Roger Pitt)	R5 750	R15 200
Member of the Audit and Risk Committee (Mr Dennis Lupambo)		R10 000

From 1 January 2021

Position	Monthly retainer	Fee per meeting
Chairman of the Board (Mr Ashvin Mancha) *****	R5 750	R15 200
Chairman of the Audit Committee (Mr Roger Pitt)	R5 750	R15 200
Member of the Audit and Risk Committee (Mr Dennis Lupambo)		R10 000

***** With effect from 12 March 2021 Mr Mancha assumed the position of Deputy Chairman and Lead Independent Director

The following is the proposed remuneration for the Independent Non-Executive Directors:

Proposed retainer fee per month in ZAR for the year ending 2022	Proposed meeting fee in ZAR for the year ending 2022	Expected total fee in ZAR for the year ending 2022
R5 750+	R15 200*	R129 800+ / R60 800*

+ - payable to the Lead Independent Director and the Chairman of the Audit and Risk Committee

* - fee for attendance of both the Board and Audit Committee Meeting

Executive Directors

The remuneration packages for Executive Directors are market related. Executive Director remuneration comprises a fixed salary and a performance bonus which is not guaranteed.

Remuneration and other benefits of Executive Directors are based on the following criteria:

Salary

- The division's performance for which the Director is responsible; and
- The Director's overall contribution to the Group.

Performance bonus

- The overall performance of the Group;
- The Board sets annual targets that have to be achieved by the Group before any bonus provision is made for Directors;
- Bonuses are therefore included as an expense accrual in the year to which they relate or as an expense in the following year based on accruals in that year;
- The division's performance for which the Director is responsible; and
- The Director's overall contribution to the Group.

Employees

Except for sales staff, employee remuneration comprises a fixed salary and a performance bonus which is not guaranteed. The remuneration of sales staff is mainly commission-based with only a small percentage of salary being fixed.

Increases are considered annually, however due to impact of Covid-19 no increases were awarded during the year under review.

When increases are considered the Executive Committee of the Group submits the information relating to performance evaluations for each employee to the Remuneration Committee for review and consideration in terms of the remuneration policy.

The following factors are considered when determining salary increases:

Salary

- The division's performance within the Group;
- The individual's performance within his/her division; and
- The individual's overall contribution to the Group.

Performance bonus

- The overall performance of the Group;
- The division's performance within the Group;
- The individual's performance within his/her division; and
- The individual's overall contribution to the Group.

IMPACT OF COVID-19

COVID-19 has continued to have an impact on the Group.

While no salary increases or discretionary bonuses were granted in the period under review. It has been agreed that, in order to retain key staff, discretionary bonuses may be awarded in the current financial period. It has further been agreed that salaries will be reviewed to consider increases going forward.

The Executive Management took a substantial voluntary salary cut during the period under review with salaries only reinstated as of April 2021.

IMPLEMENTATION REPORT

The remuneration implementation report with executive directors' and prescribed officers' remunerations as well as non-executive directors' fees for the year under consideration are disclosed in note 25 of the Annual Financial Statements.

APPROVAL

The Committee and the Board approved this report on 29 October 2021. The Committee and the Board are satisfied that there were no material deviations from the remuneration policy during the 2021 financial year.

On behalf of the Remuneration Committee

A MANCHA
Member of the
Remuneration Committee

29 October 2021

CEO and FD responsibility statement

IN COMPLIANCE WITH PARAGRAPH 3.84(K) OF THE JSE LISTINGS REQUIREMENTS

The directors, whose names are stated below, hereby confirm that–

- The Annual Financial Statements set out on pages 57 to 106, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- No facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal controls and any fraud that involves directors, and have taken the necessary remedial action;

Mark Smith
Chief Executive Officer

Pieter Scholtz
Financial Director

Statement of Responsibility and approval by the Board of Directors

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 52 to 56.

The annual financial statements set out on pages 57 to 106, which have been prepared on the going concern basis, were approved by the board of directors on 30 July 2021 and were signed on their behalf by:

Paul Jenkins	**Mark Smith**	**Pieter Scholtz**
Chairperson	Chief Executive Officer	Chief Financial Officer

29 October 2021

Declaration by Company Secretary

In terms of the Companies Act, 2008 (Act 71 of 2008) as amended ("Companies Act"), I declare that, to the best of my knowledge, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public Company in terms of the Companies Act and that all such returns are true, correct and up to date in respect of the financial year reported upon.

Stefan Kleynhans BA BIuris LLB LLM ACIS
Company Secretary

29 October 2021

Audit and Risk Committee Report

Members of the Audit and Risk Committee

For the year under review the members of the Audit and Risk Committee were:

Mr. Roger Pitt

Mr. Gaurang Mooney

Mr. Dennis Lupambo

All three members of the Committee are independent non-executive directors.

The Board is satisfied that the members have the required knowledge and experience as set out in section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations.

Meetings

The Audit and Risk Committee had its ninth full year of operations and met four times during the year under review.

The CEO and Financial Director were invited to attend meetings of the Audit Committee during the year under review. In addition to the Chief Executive Officer and Financial Director, the Group Auditor was also invited from time to time.

Roles and Responsibilities

In the conduct of its duties, the Committee has performed the following statutory duties:

- reviewed and recommended for approval the Annual Financial Statements;
- considered and has satisfied itself of the appropriateness of the expertise and experience of the Financial Director;
- confirmed the going concern basis of preparation of the Annual Financial Statements;
- assessed the effectiveness of internal financial controls and systems and formed the opinion that there were no material breakdowns in internal control;
- confirmed that the Company has, with consideration to all entities included in the consolidated Group IFRS Financial Statements, established appropriate financial reporting procedures and that those procedures are operating to ensure that it has access to all the information of the issuer to effectively prepare and report on the financial statements;
- nominated, for reappointment as external auditor of the Company, BDO South Africa Incorporated ("BDO"), a registered auditor which, in the opinion of the Committee, is independent of the Company;
- determined the fees to be paid to the external auditor and its terms of engagement;
- ensured that the appointment of the external auditor complies with the Companies Act, and any other legislation and regulations relating to the appointment of auditors;
- determined the nature and extent of those non-audited services that the external auditor may, from time to time, provide to the Company;
- pre-approved any proposed agreement with the external Auditor for the provision of non-audit services to the Company;
- considered whether there were any concerns or complaints, whether from within or outside the Company, relating to the accounting practices of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company or any related matter; and
- made submissions to the Board on matters concerning the Company's accounting policies, financial controls, records and reporting.

Audit and Risk Committee Report

External Auditor

BDO served as the Company's external auditor for the period under review.

The auditor's terms of engagement were approved prior to the audit. The Committee satisfied themselves that the external auditor's appointment complies with the Companies Act and the Auditing Professions Act.

The Committee has reviewed sections 3, 8, 13, 15 and 22 and schedule 8 of the JSE Listings Requirements and confirm that based on the amended requirements for the JSE-accreditation of Auditors, effective 15 October 2017, the Committee was satisfied that:

(i) the audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle;

(ii) the auditor has provided to the Committee, the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and

(iii) both the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent and scope of the work required.

Internal Audit

The Group does not have an internal audit function. The Committee nevertheless undertakes an annual review on the feasibility of establishing an internal audit function. In undertaking the review, the Committee considers:

- the operational necessity of having an internal audit function that can operate and report independently to the Committee;
- the possible risk that the Company may incur, by not having an internal audit function, considering all compensating controls that management has put in place;
- the findings contained in the management report prepared by the external auditor during their annual financial audit; and
- the cost of having an internal audit function that can report independently to the Committee.

In the absence of an internal audit function, the Committee may, from time to time, require management to review and report on key operational controls. These reviews can be performed either by internal staff that will report their findings independently to the Committee or by external consultants.

Going Concern

The Committee reviewed the documented assessment by management of the going concern of the Group in light of the impact that COVID-19 will have on the Group in the short-to-medium-term as well as the long-term. The Committee was satisfied that all the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with limited debt. Accordingly, the Committee recommended to the Board that the Company will be a going concern in the foreseeable future.

Solvency and Liquidity Review

The Committee is satisfied that the Board has performed a solvency and liquidity test on the Company in terms of section 46 of the Companies Act and that:

(a) the assets of the company, as fairly valued, equal or exceed the liabilities of the company, as fairly valued; and
(b) it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date on which the test is considered.

Annual Financial Statements

The Committee reviewed the financial statements of the Group and is satisfied that they comply, in all material respects, with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Following the review of the Annual Financial Statements, the Audit Committee recommend the Board's approval thereof.

On behalf of the Audit Committee.

Mr. R Pitt
Audit Committee Chairman

29 October 2021

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ended 30 June 2021.

Nature of Business

Cognition Holdings Limited is a multi-disciplinary data collection, communication, research and marketing company that provides a broad range of services to Fast Moving Consumer Goods companies, media and digital agencies.

Authorised Share Capital

The authorised share capital of the Company is made up of 1 250 000 000 ordinary shares of no par value.

Stated Share Capital

At 30 June 2021, the stated capital was R159 420 500 divided into 229 273 021 ordinary shares of no par value.

Directors

The Directors of the Company for the year ended 30 June 2021 and up to the date of this report were:

Director	Role	Age	Other significant board memberships	Length of service
Paul Jenkins*	Non-Executive Director Chairman	62	Caxton and CTP Publishers and Printers	7 Years
Ashvin Mancha*	Non-Executive Director Lead Independent Director	64		16 Years
Gaurang Mooney (Botswana)*	Non-Executive Director	51	Trans Africa Proprietary Limited, Jumbo Botswana Proprietary Limited, Overseas Development Enterprises (Botswana) Proprietary Limited, Trans Shopping Mall Proprietary Limited	20 Years
Roger Pitt*	Non-Executive Director	40	FedGroup, Ecsponent Limited Merchantec Proprietary Limited	7 Years
Marc du Plessis[1]	Non-Executive Director	41	None	7 Years
Trevor Ahier*[2]	Non-Executive Director	53	True North Developments Proprietary Limited, Mint Management Technologies Proprietary Limited, Motheo Infrastructure Contractors Proprietary Limited	2 years and 6 months
Servaas de Kock[3]	Non-Executive Director	47		-
Miles Crisp*[3]	Non-Executive Director	63		-
Dennis Lupambo*	Non-Executive Director	57	Managing Director of MMT Africa (Pty) Ltd, a subsidiary of the Mint Management Technologies Group	2 year and 6 months
Amasi Mwela	Non-Executive	40	None	5 months
Mark Smith	Chief Executive Officer	63	None	23 Years
Pieter Scholtz	Financial Director	45	None	12 Years
Graham Groenewaldt	Executive Director	63	None	23 Years

* *Independent*

[1] Mr Marc du Plessis resigned as director of the Board with effect from 31 August 2021

[2] *Mr Trevor Ahier resigned as a member of the Board with effect from 5 August 2021*

[3] *Messrs Crisp and de Kock were appointed to the Board to fill the vacancies left by the resignation of Messrs du Plessis and Ahier. Their appointments remain subject to confirmation by the shareholders at the Company's AGM.*

Mr Mancha retires by rotation and has advised the Board that he will not offer himself for re-election.

Dividend

The Company did not declare a dividend during the period under review (2020: RNIL)

Directors' Shareholding as at 30 June 2021

	30 June 2021			30 June 2020		
	Direct Beneficial '000	Indirect Beneficial '000	Aggregate of Direct and Indirect Beneficial Interests	Direct Beneficial '000	Indirect Beneficial '000	Aggregate of Direct and Indirect Beneficial Interests
M A Smith	11 373			11 373		
T Ahier		3 910			3 910	
G Groenewaldt	1 484			1 484		
D I Sidenberg*	1 450			1 450		
P Scholtz	485			485		
Total	**14 792**	**3 910**	**18 702**	**14 792**	**3 910**	**18 702**

There have been no changes to the directors' shareholding between the end of the financial year and the date of approval of the annual report.

* - As DI Sidenberg is a director of BMi Sport Info Proprietary Limited his shareholding is reported

Shareholder spread as at 30 June 2021

	Number of shareholders	%	Number of shares '000	%
1 - 100 000	900	92.1	5 728	2.5
100 001 – 500 000	56	5. 7	11 489	5.0
500 001 – 10 000 000	16	1.6	20 910	9.1
10 000 001 +	5	0.5	191 146	83.4
	977	**100**	**229 273**	**100**

Shareholding of ordinary shares at 30 June 2021

	Number of shareholders	%	Number of shares '000	%
Public	970	99.3	56 480	24.6
Non-Public				
- Directors	5	0.5	18 703	8.2
- Non-Directors	2	0.2	154 090	67.2
	977	**100%**	**229 273**	**100**

Major Shareholders

* Shareholders other than Directors who, insofar as is known, were directly or indirectly interested in 5% or more of the Company's issued share capital as at 30 June 2021 were as follows:

	Number of shares ('000)	%
CTP Limited	105 833	46,2
Caxton & CTP Publishers and Printers Limited	48 257	21.0
Lazio Holdings SA	15 219	6.7

Special Resolutions

Four Special Resolutions were passed at the Annual General Meeting held on 27 November 2020.

SPECIAL RESOLUTION NUMBER 1 – General approval to acquire shares

"Resolved, by way of a general approval that Cognition Holdings Limited ("the Company") and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited ("the JSE"), as amended from time to time.

SPECIAL RESOLUTION NUMBER 2 – Financial assistance for subscription of securities

"Resolved that, as a special resolution, in terms of section 44 of the Companies Act, 2008 (Act 71 of 2008) ("Companies Act"), the shareholders of Cognition Holdings Limited ("the Company") hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 2, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that –

(a) the board of directors of the Company ("the Board"), from time to time, determines (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided; and

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 2 unless the Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

SPECIAL RESOLUTION NUMBER 3 – Loans or other financial assistance to directors

"Resolved that, as a special resolution, in terms of section 45 of the Companies Act, 2008 (Act 71 of 2008) ("Companies Act"), the shareholders of Cognition Holdings Limited ("the Company") hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or interrelated company or corporation or to a member of any such related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member provided that –

(a) the board of directors of the Company ("the Board"), from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided, and

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

SPECIAL RESOLUTION NUMBER 4 – Approval of non-executive directors' remuneration

"Resolved that, in terms of the provisions of sections 66(9) of the Companies Act, 2008 (Act 71 of 2008), as amended, the annual remuneration payable to the non-executive directors of Cognition Holdings Limited ("the Company") for their services as directors of the Company for the financial year ending 2021, be and is hereby approved as follows:

Type of fee	Proposed retainer fee per month for the year ending 2021	Proposed meeting fee for the year ending 2021	Expected total fee for the year ending 2021
Board Chairman			
Ashvin Mancha	R5 750	R15 200	R129 800
Audit and Risk Committee Chairman			
Roger Pitt	R5 750	R15 200	R129 800
Audit and Risk Committee Member			
Dennis Lupambo	NIL	R10 000	R40 000

Explanatory note

In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

Events Subsequent to the Financial Year End

Subsequent to the accounting date and the date of this report management concluded an agreement in terms of which the Company's entire shareholding in the BMi Sport Group was sold to the management of the BMi Sport Group. BMi Sport Group was severely impacted by COVID-19 due to many live sports events being cancelled and an overall decrease in sponsorships. There is also no clear indication if or when the industry will recover to pre-COVID-19 conditions. This resulted in the Board concluding that the BMi Sport Group no longer added value to the long-term strategy of the Group. However, the Board wished the business to continue albeit in a scaled down form and as such it resolved to sell the Group to its current management.

Compliance with laws and MOI

The Directors whose names appear on pages 3 to 5 confirm that the Company –

- has complied with the provisions of the Companies Act or relevant laws of establishment, relating to its incorporation; and
- is operating in conformity with its MOI.

Litigation Statement

The Directors, whose names are on pages 3 to 5, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least 12 months, a material effect on the Group's financial position.

Independent Auditor's Report

TO THE SHAREHOLDERS OF COGNITION HOLDINGS LIMITED AND ITS SUBSIDIARIES

Opinion

We have audited the consolidated and separate financial statements of Cognition Holdings Limited and its subsidiaries (the group and company) set out on pages 57 to 106, which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Cognition Holdings Limited and its subsidiaries as at 30 June 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board of Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of Goodwill – Note 5 *Consolidated Financial Statements* Impairment indicators in respect of goodwill were noted during the current financial year. These indicators were related to the economic downturn due to COVID-19 still affecting the South African economy, and the impact it has had on certain subsidiaries within the Group, coupled with uncertainty about the future. During the current financial year the Group recognised the following impairments of goodwill: • Goodwill relating to BMi Sport Group of R 1 million was impaired in full; and • A R3.3 million impairment of goodwill relating to BMi Research Proprietary Limited. Following the above impairments, the goodwill carried at 30 June 2021 comprises: • R 1.9 million relating to BMi Research Proprietary Limited; and • R 95.3 million relating to Private Property South Africa Proprietary Limited. The impairment assessment of goodwill was considered a matter of most significance to the current year's audit of the consolidated financial statements due to the following reasons: • The significant estimation uncertainty related to management estimates applied in the discounted cash flow models prepared to calculate the value in use values, including the sensitivity analyses in respect of future cash flows and changes in the discount rates; and • The significance of the value of the carrying amount of goodwill at year-end.	Our procedures included the following: • We assessed the design and implementation of relevant controls in the impairment assessment process; • We identified the key assumptions applied in the discounted cash flow models prepared by management and performed sensitivity analyses on the key assumptions to consider the impact of reasonable changes in key judgements, assumptions and estimates on the recoverable amount and the impact on the impairment assessment of the goodwill; • We tested the mathematical accuracy of the model; • We considered the reasonableness of the revenue and costs forecast against current year actual results along with our knowledge of the business and the industry; • We made use of our internal valuations expertise to evaluate the discount and growth rates used in the impairment model and the reasonableness of the assumptions applied by management; and • We considered the adequacy and accuracy of the Group's disclosure against the requirements of IFRS.

Independent Auditor's Report

TO THE SHAREHOLDERS OF COGNITION HOLDINGS LIMITED AND ITS SUBSIDIARIES (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Recoverability of the investment in subsidiaries – Note 7 *Separate Financial Statements* The Company carried investments in subsidiaries of R152 million at 30 June 2021. Impairment indicators in respect of investments in subsidiaries were noted during the current financial year. These indicators were related to the economic downturn due to COVID-19 still affecting the South African economy, and the impact it has had on certain subsidiaries within the Company, coupled with uncertainty about the future. During the current financial year the Company recognised the following impairments of investments in subsidiaries: • R 1 million in respect of BMI Sport Group; and • R3.3 million in respect of BMI Research Proprietary Limited. The recoverability of the investments in subsidiaries was considered a matter of most significance to the current year's audit due to the significant value of the investments at year-end, as well as the significant management estimates and judgements applied to the value-in-use models prepared.	Our procedures included the following: • We assessed the design and implementation of relevant controls in the impairment assessment process; • We assessed whether any impairment indicators existed on the investments held at year end by assessing the subsidiaries' performance in the current year and conducting discussions with management; • We obtained management's value in use calculations for investments where impairment indicators existed, identified the key assumptions in the models and performed sensitivity analyses on the key assumptions to assess their reasonability; • We tested the mathematical accuracy of the models; • We considered the reasonableness of the revenue and costs forecast against current year actual results; • We made use of our internal valuations expertise to evaluate the discount and growth rates used in the impairment model and the reasonableness of the assumptions; and • Considered the adequacy of the company's disclosure against the requirements of IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cognition Holdings Limited Annual Report for the year ended 30 June 2021", which includes the Directors' Report, the Audit and Risk Committee's Report and the Declaration by Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

TO THE SHAREHOLDERS OF COGNITION HOLDINGS LIMITED AND ITS SUBSIDIARIES (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and /or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Cognition Holdings Limited and its subsidiaries for eleven years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

K A Luck
Director
Registered Auditor

29 October 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position

as at 30 June 2021

Figures in Rand	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	13 784 011	15 806 521	-	-
Right-of-use assets	4	-	10 176 361	-	-
Goodwill	5	97 245 626	101 579 938	-	-
Intangible assets	6	31 128 379	32 846 932	-	-
Investments in subsidiaries	7	-	-	151 996 589	158 522 830
Investment in associate	8	2 797 569	2 528 001	2 156 816	2 156 816
Loans to group companies	11	-	-	949 152	85 592
Lease receivable	9	376 514	-	-	-
Deferred tax asset	10	4 617 192	3 009 564	265 854	178 214
		149 949 291	**165 947 317**	**155 368 411**	**160 943 452**
Current Assets					
Inventories	12	889 463	-	-	-
Trade and other receivables	13	36 668 816	41 357 241	15 465 438	20 876 824
Current tax receivable		854 207	1 137 539	-	379 373
Cash and cash equivalents	14	109 811 682	85 704 579	1 053 548	612 976
		148 224 168	**128 199 359**	**16 518 986**	**21 869 173**
Total Assets		**298 173 459**	**294 146 676**	**171 887 397**	**182 812 625**
Equity and Liabilities					
Equity					
Share capital/Stated capital	15	159 420 500	159 420 500	159 420 500	159 420 500
Equity due to change in ownership	16	(12 892 945)	(12 892 945)	-	-
Retained income (accumulated loss)		71 767 336	69 703 426	(31 136 096)	(27 674 766)
		218 294 891	216 230 981	128 284 404	131 745 734
Non-controlling interest	17	24 734 559	17 891 269	-	-
		243 029 450	**234 122 250**	**128 284 404**	**131 745 734**
Liabilities					
Non-Current Liabilities					
Lease liability	18	-	8 836 349	-	-
Deferred tax liability	10	4 014 757	5 341 245	-	-
Cash-settled share-based payment liability	19	1 675 612	1 009 406	-	-
		5 690 369	**15 187 000**	**-**	**-**
Current Liabilities					
Loans from group companies	20	-	-	38 563 196	41 585 368
Lease liability	18	-	2 284 925	-	-
Current tax payable		1 075 155	1 954 537	142 967	117 777
Trade and other payables	21	34 240 549	30 679 444	4 664 124	9 078 333
Dividend payable		232 706	232 706	232 706	232 706
Third party prize money	14	13 905 230	9 685 814	-	52 707
		49 453 640	**44 837 426**	**43 602 993**	**51 066 891**
Total Liabilities		**55 144 009**	**60 024 426**	**43 602 993**	**51 066 891**
Total Equity and Liabilities		**298 173 459**	**294 146 676**	**171 887 397**	**182 812 625**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Revenue	**22**	**230 562 531**	**263 165 582**	**12 431 920**	**15 858 071**
Cost of services		(31 883 372)	(49 184 091)	(8 889 178)	(11 170 838)
Gross profit		**198 679 159**	**213 981 491**	**3 542 742**	**4 687 233**
Other operating income		579 384	652 811	-	931
Other operating gains (losses)	23	709 945	(478 910)	-	-
Modification loss of right-of-use assets		(1 712 659)	-	-	-
Staff costs		(92 221 390)	(106 348 655)	(353 100)	(255 358)
Depreciation and amortisation expense		(12 545 036)	(14 901 001)	-	-
Allowance for expected credit losses		(213 896)	(1 331 264)	-	(636 477)
Impairment of goodwill		(4 334 312)	(22 100 000)	-	-
Impairment of investment		-	(1 660 624)	-	(22 420 800)
Operating expenses		(72 452 171)	(79 088 849)	(9 320 032)	(2 971 768)
Operating profit (loss)	24	**16 489 024**	**(11 275 001)**	**(6 130 390)**	**(21 596 239)**
Investment income	26	2 862 038	5 287 977	3 278 831	27 341 459
Finance costs	27	(663 926)	(1 356 794)	-	-
Income from equity accounted investments	8	269 568	59 278	-	-
Profit (loss) before taxation		**18 956 704**	**(7 284 540)**	**(2 851 559)**	**5 745 220**
Taxation	28	(7 502 359)	(5 013 177)	(609 771)	(946 696)
Profit (loss) for the year		**11 454 345**	**(12 297 717)**	**(3 461 330)**	**4 798 524**
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		**11 454 345**	**(12 297 717)**	**(3 461 330)**	**4 798 524**
Total comprehensive income (loss) attributable to:					
Owners of the parent		2 063 910	(18 371 869)	(3 461 330)	4 798 524
Non-controlling interest		9 390 435	6 074 152	-	-
		11 454 345	**(12 297 717)**	**(3 461 330)**	**4 798 524**
Per share information					
Basic earnings/(loss) per share (cents)	35	0.90	(7.90)	-	-
Diluted earnings/(loss) per share (cents)	35	0.90	(7.90)	-	-

Statement of Changes in Equity

Figures in Rand	Stated capital	Equity due to change in ownership	Retained income	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
Group						
Balance at 01 July 2019	**182 967 544**	**(12 892 945)**	**110 745 145**	**280 819 744**	**15 418 999**	**296 238 743**
(Loss)/profit for the year	-	-	(18 371 869)	(18 371 869)	6 074 152	(12 297 717)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(18 371 869)**	**(18 371 869)**	**6 074 152**	**(12 297 717)**
Share buy-back	(23 547 044)	-	-	(23 547 044)	-	(23 547 044)
Dividends	-	-	(22 669 850)	(22 669 850)	(3 601 882)	(26 271 732)
Total contributions by and distributions to owners of company recognised directly in equity	**(23 547 044)**	**-**	**(22 669 850)**	**(46 216 894)**	**(3 601 882)**	**(49 818 776)**
Balance at 01 July 2020	**159 420 500**	**(12 892 945)**	**69 703 426**	**216 230 981**	**17 891 269**	**234 122 250**
Profit for the year	-	-	2 063 910	2 063 910	9 390 435	11 454 345
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**2 063 910**	**2 063 910**	**9 390 435**	**11 454 345**
Dividends	-	-	-	-	(2 547 145)	(2 547 145)
Balance at 30 June 2021	**159 420 500**	**(12 892 945)**	**71 767 336**	**218 294 891**	**24 734 559**	**243 029 450**
Notes	15	16			17	

Statement of Changes in Equity

for the year ended 30 June 2021 (Continued)

Figures in Rand	Stated capital	Accumulated loss	Total attributable to equity holders of the Company	Total equity
Company				
Balance at 01 July 2019	**182 967 544**	**(9 536 988)**	**173 430 556**	**173 430 556**
Profit for the year	-	4 798 524	4 798 524	4 798 524
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**4 798 524**	**4 798 524**	**4 798 524**
Share buy-back	(23 547 044)	-	(23 547 044)	(23 547 044)
Dividends	-	(22 936 302)	(22 936 302)	(22 936 302)
Total contributions by and distributions to owners of company recognised directly in equity	**(23 547 044)**	**(22 936 302)**	**(46 483 346)**	**(46 483 346)**
Balance at 01 July 2020	**159 420 500**	**(27 674 766)**	**131 745 734**	**131 745 734**
Loss for the year	-	(3 461 330)	(3 461 330)	(3 461 330)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	**-**	**(3 461 330)**	**(3 461 330)**	**(3 461 330)**
Balance at 30 June 2021	**159 420 500**	**(31 136 096)**	**128 284 404**	**128 284 404**
Note	15			

Statement of Cash Flows

		Group		Company	
Figures in Rand	Notes	2021	2020	2021	Restated * 2020
Cash flows from operating activities					
Cash generated from operations	29	46 647 360	23 290 383	160 414 082	125 778 259
Interest income		2 862 038	5 287 977	204 387	344 645
Dividend income		-	-	3 074 444	26 996 814
Finance costs		(663 926)	(1 356 794)	-	-
Tax paid	30	(11 102 536)	(7 872 859)	(292 849)	(1 133 878)
Net cash from operating activities		**37 742 936**	**19 348 707**	**163 400 064**	**151 985 840**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(967 091)	(997 393)	-	-
Sale of property, plant and equipment	3	2 075 615	58 982	-	-
Purchase of intangible assets	6	(7 521 663)	(4 709 977)	-	-
Sale of intangible assets	6	208 784	-	-	-
Loans to group companies advanced		-	-	(863 560)	(935 592)
Lease receivable		(376 514)	-	-	-
Dividend from associate		-	190 733	-	-
Net cash from investing activities		**(6 580 869)**	**(5 457 655)**	**(863 560)**	**(935 592)**
Cash flows from financing activities					
Share-buy back	15	-	(23 547 044)	-	(23 547 044)
Repayment of loans from group companies		-	-	(177 420 643)	(174 134 465)
Proceeds of loans from group companies		-	-	15 324 711	69 520 871
Dividends paid	31	(2 547 145)	(26 248 900)	-	(22 913 470)
Lease liability - Capital portion paid	18	(4 507 819)	(1 830 458)	-	-
Net cash from financing activities		**(7 054 964)**	**(51 626 402)**	**(162 095 932)**	**(151 074 108)**
Total cash movement for the year		**24 107 103**	**(37 735 350)**	**440 572**	**(23 860)**
Cash at the beginning of the year		85 704 579	123 439 929	612 976	636 836
Total cash at end of the year	14	**109 811 682**	**85 704 579**	**1 053 548**	**612 976**

* - refer to note 39 for details regarding the restatement

Group Accounting policies

1. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the South African Companies Act and the JSE Listings Requirements. The financial statements have been prepared on the historical cost basis, except for the measurement of financial instruments and incorporate the principal accounting policies set out below. These financial statements are presented in South African Rand, since that is the currency in which the majority of Group's transactions are denominated.

These accounting policies are consistent with the previous period.

1.1. Significant judgements and sources of estimation uncertainty

In the process of applying the Group's accounting policies management makes certain estimates and assumptions regarding the future. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant judgements

Significant Judgements are as follows:

Revenue of Research Services - Management applies judgement to estimate benchmarks as follows, work completed over estimate work required to complete the service, the cost incurred at a period end over the total estimated cost to complete the service. This is applied on an individual project basis.

Revenue on Campaign service development - Management applies judgement to determine if the service is setup and provisioned. No judgement involved with regards to the timing and amount of management fees.

Below are sources of estimated uncertainty.

Impairment

The recoverable amount of intangible assets that are not yet available for use is estimated annually. The recoverable amount of an asset is calculated as the higher of its fair value less costs to sell and its value in use.

In assessing the value in use, the expected future cashflows from the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

The discount rate applied is based on managements' estimate and is subject to change. An impairment loss is recognised in profit or loss whenever the carrying amount of the assets exceed its recoverable amount.

Residual value and useful life

Property, plant and equipment and intangible assets are depreciated or amortised over their estimated useful lives taking into account residual values following the requirements of International Accounting Standards (IAS 16) Property, plant and equipment as well as (IAS 38) Intangible Assets. Estimated useful lives and the residual values are re-assessed at each financial year end. The actual lives and residual values of those assets can vary depending on a variety of factors.

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Deferred tax assets

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future.

Assessing the recoverability of deferred tax requires the Group to make significant estimates related to expectations of future taxable income.

Recoverability of deferred tax assets requires estimates of future taxable income based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note Provisions.

1.2. Basis of consolidation

The Group financial statements consolidate those of the parent and all of its subsidiaries as of 30 June 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually and whenever there is an indicator of impairment.

1.3. Goodwill

Goodwill is carried at cost less impairment losses.

At each reporting date or whenever there is an indicator of impairment the Group reviews the carrying amount of Goodwill and determine whether there is an indication of impairment.

Group Accounting Policies (Continued)

1.4. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on a straight line basis over their useful lives as follows:

Item	Average useful life
Land	Is not depreciated
Buildings	20 years
Leasehold improvements	5 years
Plant and machinery	5 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	3 - 5 years
IT equipment	3 - 5 years on average
Call centre equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each financial year.

1.5. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight-line basis over their useful life. The intangible assets are tested for impairment annually or when there is an indicator of possible impairment.

The amortisation period and the amortisation method for intangible assets are reviewed every year-end. Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indication that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	5 - 6.67 years on average
Internally developed asset	5 years
Rights of use of Property Buyers Show	Indefinite

1.6. Internally generated intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

1.7. Impairment of assets

At each reporting date or whenever there is an indicator of impairment the Group reviews the carrying amount of its tangible and intangible assets, except intangible assets that are not yet available for use and goodwill, to determine whether there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual assets, the recoverable amount is determined for the cash-generating unit to which it belongs.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Impairments to goodwill are never subsequently reversed.

Recoverable amount is the higher of fair values less cost to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or (cash-generating unit) in prior years.

1.8. Investments in subsidiaries Company financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination.

1.9. Investments in associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries. Investments in associates are accounted for using the equity method.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however a gain on acquisition is recognised immediately in profit or loss.

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment.

1.10. Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Note 37 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Group Accounting Policies (Continued)

1.10 Financial instruments (continued)

Loans to group companies

Classification

Loans to group companies (note 11), are classified as financial assets measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans to group companies and loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 26).

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Definition of default

- A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on the number of factors including various liquidity and solvency ratios.

Significant increase in credit risk (SICR) assessment

- This assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default on a demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately (meaning that the risk of default is very low, possibly close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%)

1.10 Financial instruments (continued)

Credit impaired indicators

- A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Write off policy

Write-off is considered on a case by case basis taking into consideration the age of the loan and the potential for a reasonable recovery or part recovery.

Trade and other receivables Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets measured at amortised cost (note 13).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade receivables on a simplified approach at an amount equal to lifetime expected credit losses (lifetime ECL). The Group made use of the practical expedient available under IFRS 9 and calculated the allowance using a provision matrix.

The Group measures the loss allowance for other receivables when the receivable amount is raised. This is then maintained on a per customer basis and adjusted when there is an indication of significant credit risk.

Significant increase in credit risk (SICR) assessment

This assessment is performed qualitatively by reference to the counter-party's:

- Overall credit rating that is determined via publicly available information;
- Agreed payment terms with increased risk associated with longer payment terms measured in 30 day increments;
- Payment history and adherence to current payment terms that increases the relative risk and resulting expected credit loss

Trade Receivables are specifically impaired when management has exhausted all practical measures to recover the amounts outstanding.

Write off policy

Write-off is considered on a case by case basis taking into consideration the age of the outstanding amount and the potential for a reasonable recovery."

1.10 Financial instruments (continued)

Loans from group companies

Classification

Loans from group companies (note 20) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from group companies are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 27).

Loans from group companies expose the Group to liquidity risk and interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Trade and other payables Classification

Trade and other payables (note 21), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments arrangements entered into. Cash and cash equivalents are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest rate method.

1.10 Financial instruments (continued)

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.11. Tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income where it includes items of income and expenses that are accounted for in other periods and it further excludes items that are not taxable or deductible. The Group liability for current tax is calculated using rates currently enacted and substantially enacted at financial year end.

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the comprehensive liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit or loss nor the accounting profit or loss. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it's probable that the temporary difference will not reverse in the foreseeable future.

Group Accounting Policies (Continued)

1.11. Tax (continued)

Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are off-set when there is a legally enforceable right to set off current tax against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited to profit or loss, in which case the tax is also recognised directly in profit or loss, or where they arise from the initial accounting for a business combination.

In the case of a business combination, the effect is taken into account in calculating goodwill or in determining the gain or bargain purchase.

1.12. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the lease receivables that are held by the lessor. Lease receivables may not be used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Group as a lessor

Where the Group leases out assets they apply a single recognition and measurement approach. The Group recognises lease receivables to account for the estimated expected lifetime lease payments.

1.12 Leases (continued)

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The rate is calculated using a build-up approach that starts with a risk-free interest rate adjusted for credit risk.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group's lease liabilities are included on the face of the Statement of Financial Position.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT and office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group Accounting Policies (Continued)

1.13. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Group re-acquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Transaction costs incurred on such transactions are netted off or deducted from equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Dividends are recognised as a liability in the Group in the period in which they are declared.

1.14. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15. Revenue

The Group provides a wide variety of digital communication and platform services that enables the Group's clients to interact with its users.

Rendering of services

Revenue from the rendering of services is recognised using the 5-step process:

- identifying the contract with a customer;
- identifying the performance obligations
- determining the transaction price;
- allocating the transaction price to the performance obligations; and
- recognising revenue when/as performance obligation(s) are satisfied.

The group often enters into transactions involving a range of the group's services. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative stand-alone selling prices. Revenue is recognised as/or when the group satisfies performance obligations by transferring the promised service to its customers.

Other revenue

Other revenue is recognised on the accrual basis in accordance with the substance of the relevant agreements and measured at fair value of the consideration receivable.

Where the Group enters into sales transactions involving a range of the Group's services, the Group applies the revenue recognition criteria set out above to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value.

Dividends

Dividends are recognised, in profit or loss, when the Group's right to receive payment has been established.

1.16. Interest income

Interest is accrued on a time apportionment basis, by reference to the principal outstanding and the effective interest rate.

1.17. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

1.18. Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

1.19. Cost of services

The related cost of providing services recognised as revenue in the current period is included in cost of sales when incurred.

1.20. Translation of foreign currencies Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.21. Inventory

Inventories are stated at the lower of cost and net realisable value and comprise of a property unit that the Group had a contractual obligation to develop and re-model.

The property unit will be used for publishing videos for marketing purposes. Once the contractual obligations have been fulfilled, the property will be sold.

Group Accounting Policies (Continued)

2. New Standards and Interpretations

2.1. Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2021 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Details of amendment:	Effective date: Years beginning on or after
• Annual Improvements to IFRS: 2018-2020 Cycle	In May 2020, the IASB issued minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.	01 January 2022
• Conceptual Framework for Financial Reporting (Amendments to IFRS 3)	In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.	01 January 2022
• IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of 1 January 2022, however, in July 2020 this was deferred until 1 January 2023 as a result of the COVID-19 pandemic.	01 January 2023
• IAS 1 Presentation of Financial Statements (Amendment - Disclosure of Accounting Policies)	The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	01 January 2023
• IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	01 January 2023

Notes to the Financial Statements

3. **Property, plant and equipment**

Group	2021 Cost	2021 Accumulated depreciation	2021 Carrying value	2020 Cost	2020 Accumulated depreciation	2020 Carrying value
Land	2 200 000	-	2 200 000	2 200 000	-	2 200 000
Buildings	11 183 184	(1 426 219)	9 756 965	11 183 184	(1 349 893)	9 833 291
Plant and machinery	598 584	(598 584)	-	602 726	(602 726)	-
Furniture and fixtures	1 517 414	(1 449 729)	67 685	3 706 842	(1 907 097)	1 799 745
Motor vehicles	183 730	(183 730)	-	183 730	(183 730)	-
Office equipment	1 300 279	(1 188 021)	112 258	1 434 336	(1 325 976)	108 360
IT equipment	18 703 268	(17 364 205)	1 339 063	19 683 955	(18 179 730)	1 504 225
Leasehold improvements	1 205 946	(897 906)	308 040	1 205 946	(845 046)	360 900
Call centre equipment	1 197 441	(1 197 441)	-	1 197 441	(1 197 441)	-
Total	**38 089 846**	**(24 305 835)**	**13 784 011**	**41 398 160**	**(25 591 639)**	**15 806 521**

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 200 000	-	-	-	2 200 000
Buildings	9 833 291	-	-	(76 326)	9 756 965
Furniture and fixtures	1 799 745	-	(1 326 176)	(405 884)	67 685
Office equipment	108 360	59 895	-	(55 997)	112 258
IT equipment	1 504 225	907 196	(68)	(1 072 290)	1 339 063
Leasehold improvements	360 900	-	-	(52 860)	308 040
	15 806 521	**967 091**	**(1 326 244)**	**(1 663 357)**	**13 784 011**

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 200 000	-	-	-	2 200 000
Buildings	9 719 043	182 222	-	(67 974)	9 833 291
Plant and machinery	48 206	-	-	(48 206)	-
Furniture and fixtures	2 212 777	-	-	(413 032)	1 799 745
Office equipment	187 596	-	-	(79 236)	108 360
IT equipment	2 376 105	815 171	(5 091)	(1 681 960)	1 504 225
Leasehold improvements	413 760	-	-	(52 860)	360 900
	17 157 487	**997 393**	**(5 091)**	**(2 343 268)**	**15 806 521**

The change in cost and accumulated depreciation of plant and machinery is due to exchange rate differences of assets that is held in a foreign company and nominated in a different currency.

A detailed register of assets is available for inspection at the registered office of the Group.

Notes to the Financial Statements (CONTINUED)

4. Right-of-use assets

Group	2021 Cost	2021 Accumulated depreciation	2021 Carrying value	2020 Cost	2020 Accumulated depreciation	2020 Carrying value
Right-of-use assets	-	-	-	12 951 732	(2 775 371)	10 176 361

Reconciliation of right-of-use assets - Group - 2021

	Opening balance	Cancelled leases	Depreciation	Modification loss	Total
Right-of-use assets	10 176 361	(6 613 455)	(1 850 247)	(1 712 659)	-

Reconciliation of right-of-use assets - Group - 2020

	Opening balance	IFRS 16 adoption	Depreciation	Total
Right-of-use assets	-	12 951 732	(2 775 371)	10 176 361

The right-to-use asset relates to the Private Property Proprietary Limited Head Office space in Umhlanga which was cancelled on 28 February 2021 and the right-to-use assets was derecognised.

The Group entered into a lease agreement for renting of office space over 5 years starting from July 2019. The lease payments for the property were predetermined and had no variable adjustments and rentals generally escalate at a fixed percentage of 8%. The Group decided to discontinue applying IFRS 16 after terminating the lease on 28 February 2021. The Group paid R 2 000 000 as lease break termination fees. Refer to note 18.

Due to the impact of Covid-19 the company no longer made use of its office space and negotiated the cancellation of the lease agreement.

5. Goodwill

Group	2021 Cost	2021 Accumulated impairment	2021 Carrying value	2020 Cost	2020 Accumulated impairment	2020 Carrying value
Goodwill	125 688 759	(28 443 133)	97 245 626	125 688 759	(24 108 821)	101 579 938

Reconciliation of goodwill - Group - 2021	Opening balance	Impairment loss	Total
Goodwill - BMi Sport Group	1 032 975	(1 032 975)	-
Goodwill - BMi Research	5 189 731	(3 301 337)	1 888 394
Goodwill - Private Property	95 357 232	-	95 357 232
	101 579 938	**(4 334 312)**	**97 245 626**

Reconciliation of goodwill - Group - 2020	Opening balance	Impairment loss	Total
Goodwill - BMi Sport Group	13 832 975	(12 800 000)	1 032 975
Goodwill - BMi Research	14 489 731	(9 300 000)	5 189 731
Goodwill - Private Property	95 357 232	-	95 357 232
	123 679 938	**(22 100 000)**	**101 579 938**

5. Goodwill (continued)

For the purpose of annual impairment testing the goodwill was matched with the related asset that gave rise to the goodwill.

BMi Sport Group

BMi Sport Group's goodwill is tested for impairment by determining the current value of the future projected cashflow for 5 years. In previous year a low growth rate of 1.21% was used, however with the current impact that the pandemic has had on the sports and sponsorship industry, management is not able to determine, with any degree of certainty, if the industry will be able to recover within the next year and therefore decided to impair the remaining goodwill associated with the BMi Sport Group of R1 032 975. (2020: R12 800 000).

The recoverable amount of the cash generating unit was calculated to be R8 248 020 (2020: R8 682 198) which is the net asset value of the Group as at 30 June 2021.

BMi Research

BMi Research's goodwill is tested for impairment by determining the current value of the future projected cashflow for 5 years including the calculation of a terminal value after the period using an average growth and terminal growth rate of 4.5% (2020: 5%).

During the past year, BMi Research was able to navigate through a very difficult trading environment and has been able to ensure sustainable revenue and manageable operating expenditure the past year with a positive outlook on the forthcoming financial year, however due to continued uncertainty in the research market, management revised the discount rate as described below and revised the estimates sustainable growth rate down to 4.5% from 5% in the previous financial year. The result is that the reduction in growth rate and the uncertainty of the economic environment will result in goodwill being impaired by R3 301 337 (2020: R9 300 000) by the Group. The cashflow projections are in line with the normal rates achieved by the asset in the past. BMi Research is reported within the Knowledge Creation and Management Segment.

The recoverable amount of the cash generating unit was calculated to be R17 782 029 (2020: R19 679 462) which relates to a goodwill value of R1 888 395 (2020: R 5 189 731). If the future growth rate is increased by 1% then the value of the asset value calculated will be R22 817 318 (2020: R23 478 575). If the future growth rate is decreased by 1% then the value of the asset value calculated will be R13 005 108 (2020: R16 258 629), which will result in impairment of goodwill to the value of R1 888 395 (2020: R5 189 731).

The pre-tax discount rate of 25.60% (2020: 27.21%) used reflect the appropriate costs of capital and risks associated with the asset. If the discount rate is increased by 1% then the value of the asset value calculated will be R17 575 433 (2020: R19 278 243) with resulting additional impairment to the value of R 268 692 (2020: R 401 219). If the discount rate is decreased by 1% then the value of the asset value calculated will be R18 125 646 (2020: R20 099 003).

5. Goodwill (continued)

Private Property South Africa

Private Property South Africa's is tested for impairment by determining the current value of the future projected cashflow for 5 years including the calculation of a terminal value after the period using an average growth rate of 5.5% (2020: 10%) and terminal growth rate of 4.5% (2020: 6%). Management based its growth rate on modest assumption that the company will maintain its current user base with gradual increase in pricing and the introduction of marketing opportunities within the next few year. Private Property South Africa is reported within the Knowledge Creation and Management Segment. The reduction in the estimated growth rate is based on an updated strategy adopted by the management of Private Property to focus on reinvesting more funds back into the business for the foreseeable future.

The recoverable amount of the cash generating unit was calculated to be R144 269 985 (2020: R151 840 000) for the 50.01% of the shares held by the Group. At the calculated value, goodwill to the value of R95 357 232 does not need to be impaired.

If the future growth rate is increased by 1% then the value of the asset value calculated will be R162 193 589 (2020: R171 134 000). If the future growth rate is decreased by 1% then the value of the asset value calculated will be R126 940 433 (2019: R133 166 000) with a potential resulting impairment in goodwill of R1 583 513.

The pre-tax discount rate of 22.38% (2020: 22.52%) used reflect the appropriate costs of capital and risks associated with the asset. If the discount rate is increased by 1% then the value of the asset value calculated will be R140 149 686 (2020: R147 081 000). If the discount rate is decreased by 1% then the value of the asset value calculated will be R148 589 755 (2020: R156 833 000) with no resulting additional impairment.

6. Intangible assets

	2021			2020		
Group	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Bespoke services*	6 301 902	(2 117 821)	4 184 081	4 228 948	(1 781 325)	2 447 623
Computer software	14 437 505	(6 342 438)	8 095 067	10 857 122	(5 320 332)	5 536 790
Email2Fax and Fax2Email System*^	-	-	-	8 570 414	(8 570 414)	-
Fax2Email Platform - Africa*^	-	-	-	2 383 605	(2 383 605)	-
Incentive Programme*	4 714 592	(2 849 418)	1 865 174	4 580 182	(1 922 181)	2 658 001
Knowledge 350*	3 205 136	(3 156 982)	48 154	3 205 136	(3 060 672)	144 464
MediaWorx platform*	2 116 878	(1 333 987)	782 891	1 539 217	(1 026 144)	513 073
Property Buyers Show	2 655 240	-	2 655 240	2 655 240	-	2 655 240
Research panel*^	-	-	-	1 365 545	(1 365 545)	-
SportTrack	1 527 967	(1 527 967)	-	1 527 967	(1 527 967)	-
Private Property Brand Value	7 856 710	(3 797 410)	4 059 300	7 856 710	(2 226 068)	5 630 642
Private Property Platform	2 311 662	(1 553 950)	757 712	2 311 662	(1 091 618)	1 220 044
Private Property Client Relationship	16 801 472	(8 120 712)	8 680 760	16 801 472	(4 760 417)	12 041 055
Total	**61 929 064**	**(30 800 685)**	**31 128 379**	**67 883 220**	**(35 036 288)**	**32 846 932**

6. **Intangible assets (continued)**

Reconciliation of intangible assets - Group - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Bespoke services*	2 447 623	2 671 352	(208 784)	(726 110)	4 184 081
Computer software	5 536 790	4 138 240	-	(1 579 963)	8 095 067
Incentive Programme*	2 658 001	134 410	-	(927 237)	1 865 174
Knowledge 350*	144 464	-	-	(96 310)	48 154
MediaWorx platform*	513 073	577 661	-	(307 843)	782 891
Property Buyers Show	2 655 240	-	-	-	2 655 240
Private Property Brand Value	5 630 642	-	-	(1 571 342)	4 059 300
Private Property Platform	1 220 044	-	-	(462 332)	757 712
Private Property Client Relationship	12 041 055	-	-	(3 360 295)	8 680 760
	32 846 932	**7 521 663**	**(208 784)**	**(9 031 432)**	**31 128 379**

Impairment of intangible assets

At reporting date there were no indications that these intangible assets should be impaired.

Rights to property show

The Property Buyer Show has an indefinite useful life since the asset is a series of annual events hosted throughout the country with a long standing history. As such the impairment of the asset must be assessed annually.

The recoverable amount of the asset was calculated to be R 9 336 383 (2020: R 6 829 224) by using an average growth rate of 18.9% with a terminal rate of 1%. If the future growth rate is increased by 1% then the value of the asset value calculated will be R 9 676 723 (2020: R 7 111 009). If the future growth rate is decreased by 1% then the value of the asset value calculated will be R 9 029 740 (2020: R 6 575 337).

The pre-tax discount rate of 20.2 % (2020: 20.2%) used reflects the appropriate costs of capital and risks associated with the asset. Management's key assumptions include physical events starting from year 2023 onwards and WACC remains at same rate as prior year since there was no change in capital structure. If the discount rate is increased by 1% then the value of the asset value calculated will be R 8 715 721 (2020: R6 335 554). If the discount rate is decreased by 1% then the value of the asset value calculated will be R 10 032 905 (2020: R 7 385 023). No impairment was deemed necessary.

* - Internally generated assets.

^ During the year the Group wrote off intangible assets that had been fully amortised and are no longer in use. The original cost of the assets was R12 319 564.

Average remaining useful life

	Average remaining useful life 2021	Average remaining useful life 2020
Incentive Programme*	1.00 years	2.00 years
Computer software	0.13 years	1.13 years
MediaWorx Platform*	0.66 years	1.66 years
Bespoke services*	0.50 years	1.50 years
Property Buyers Show	Indefinite	Indefinite
Private Property Brand Value	2.60 years	3.60 years
Private Property Platform	0.60 years	1.60 years
Private Property Client Relationship	2.60 years	3.60 years

7. Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

2021 The holding Company's investment in subsidiaries is as follows:	Issued share capital R	Group effective interest %	Cost of investment R
FoneWorx Proprietary Limited	100	100%	100
Four Rivers Trading 123 Proprietary Limited	100	100%	2 310 100
UNiID Proprietary Limited *	100	100%	850 100
MiVoucher Proprietary Limited *	100	100%	100
Survey On line Proprietary Limited	100	100%	100
Cognition Analytics Proprietary Limited *	100	100%	100
Carbonworx Proprietary Limited *	100	70%	70
VM Advertising Proprietary Limited	100	100%	100
FoneWorx Kenya Limited	5 000 000	60%	100
BMi Sport Group	300	100%	5 350 668
BMi Research Proprietary Limited	100	100%	16 484 751
FoneWorx Global Communications Limited (Nigeria)	10 000 000	70%	100
FoneWorx Zambia Limited	5 000 000	60%	100
FoneWorx Namibia Proprietary Limited	100	100%	100
Private Property South Africa Proprietary Limited	25 000	50.01%	127 000 000
			151 996 589

2020 The holding Company's investment in subsidiaries is as follows:	Issued share capital R	Group effective interest %	Cost of investment R
FoneWorx Proprietary Limited	100	100%	100
Four Rivers Trading 123 Proprietary Limited	100	100%	2 310 100
UNiID Proprietary Limited*	100	100%	850 100
MiVoucher Proprietary Limited*	100	100%	100
Survey On Line Proprietary Limited *	100	100%	100
Cognition Analytics Proprietary Limited *	100	100%	100
Carbonworx Proprietary Limited	100	70%	70
VM Advertising Proprietary Limited *	100	100%	100
FoneWorx Kenya Limited	5 000 000	60%	100
BMi Sport Group	300	100%	8 682 198
BMi Research Proprietary Limited	100	100%	19 679 462
FoneWorx Global Communications Limited (Nigeria)	10 000 000	70%	100
FoneWorx Zambia Limited	5 000 000	60%	100
FoneWorx Namibia Proprietary Limited	100	100%	100
Private Property South Africa Proprietary Limited	25 000	50.01%	127 000 000
			158 522 830

7. **Investment in subsidiaries (continued)**

2021 Reconciliation of Investment in subsidiaries	**Opening balance**	**Additions**	**Impairments**	**Closing balance**
FoneWorx Proprietary Limited	100	-	-	100
Four Rivers Trading 123 Proprietary Limited	2 310 100	-	-	2 310 100
UNiID Proprietary Limited	850 100	-	-	850 100
MiVoucher Proprietary Limited	100	-	-	100
Survey On line Proprietary Limited	100	-	-	100
Cognition Analytics Proprietary Limited	100	-	-	100
Carbonworx Proprietary Limited	70	-	-	70
VM Advertising Proprietary Limited	100	-	-	100
FoneWorx Kenya Limited	100	-	-	100
BMi Sport Group	8 682 198	-	(3 331 530)	5 350 668
BMi Research Proprietary Limited	19 679 462	-	(3 194 711)	16 484 751
FoneWorx Global Communications Limited (Nigeria)	100	-	-	100
FoneWorx Zambia Limited	100	-	-	100
FoneWorx Namibia Proprietary Limited	100	-	-	100
Private Property South Africa Proprietary Limited	127 000 000	-	-	127 000 000
	158 522 830	**-**	**(6 526 241)**	**151 996 589**

2020 Reconciliation of Investment in subsidiaries	**Opening balance**	**Opening balance**	**Impairments**	**Closing balance**
FoneWorx Proprietary Limited	100	-	-	100
Four Rivers Trading 123 Proprietary Limited	2 310 100	-	-	2 310 100
UNiID Proprietary Limited	100	-	-	100
MiVoucher Proprietary Limited	100	850 000	-	850 100
Survey On line Proprietary Limited	100	-	-	100
Cognition Analytics Proprietary Limited	100	-	-	100
CarbonWorx Proprietary Limited	70	-	-	70
VM Advertising Proprietary Limited	100	-	-	100
FoneWorx Kenya Limited	100	-	-	100
BMi Sport Group	22 410 028	-	(13 727 830)	8 682 198
BMi Research Proprietary Limited	26 711 808	-	(7 032 346)	19 679 462
FoneWorx Global Communications Limited (Nigeria)	100	-	-	100
FoneWorx Zambia Limited	100	-	-	100
FoneWorx Namibia Proprietary Limited	100	-	-	100
Private Property South Africa Proprietary Limited	127 000 000	-	-	127 000 000
	178 433 006	**850 000**	**(20 760 176)**	**158 522 830**

The principle location of the Group is in South Africa. All the above entities are private companies. The Group makes use of a network of commercial business associates in order to deliver services throughout Africa.

Notes to the Financial Statements (CONTINUED)

7. Investment in subsidiaries (continued)

BMi Sport Group

The Group impaired the investment in BMi Sport Group by R3 331 530 (2020: R13 727 830) down to a recoverable amount of R5 350 668 (2020: R8 682 198) which was based on estimated a growth and terminal growth rate of 4.5% (2020: 1.21%) for the forthcoming five years and applying a pre-tax discount rate of 19.5% (2020: 27.93%). The change is growth and discount rate for BMi Sport Group is due the the severe impact that Covid-19 had on its operations in the past year with no clear indication if there will be a significant recovery.

BMi Research Group

The Group impaired the investment in BMi Research Group by R3 194 711 (2020: R7 032 346) down to a recoverable amount of R16 484 751 (2020: R19 679 462) which was based on estimated a growth and terminal growth rate of 4.5% (2020: 5%) for the forthcoming five years and applying a pre-tax discount rate of 25.60% (2020: 27.21%).

- The loans to these companies have been subordinated and the impairment was calculated based on expected future losses that are likely to occur. All exposure based on the guarantee given has therefore been provided for.

Non-controlling interest across the Group is considered to be material (refer to note 17)

8. Investment in associate

The following table lists all of the associates in the group:

Group

Name of company	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021	Carrying amount 2020
LivingFacts Proprietary Limited	47.70 %	47.70 %	2 797 569	2 528 001

Company

Name of company	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021	Carrying amount 2020
LivingFacts Proprietary Limited	47.70 %	47.70 %	2 156 816	2 156 816

The investment in LivingFacts Proprietary Limited is tested for impairment by determining the current value of the future projected cashflow for 5 years, including the calculation of a terminal value after the period using an average growth rate of 6% (2020: 5%), terminal growth rate of 4% (2020: 5%) and a pre-tax discount rate of 29.80% (2020: 24.64%) with the determined recoverable amount being R2 797 569 (2020: R2 528 001).

The summarised financial information in respect of the Group's principle associate is set out below.

Summarised Statement of Profit or Loss and Other Comprehensive Income	LivingFacts Proprietary Limited 2021	LivingFacts Proprietary Limited 2020
Revenue	6 930 466	6 142 830
Profit after taxation from continuing operations	565 131	124 280
Dividend paid by associate	-	400 000

8. **Investment in associate (continued)**

Summarised Statement of Financial Position	**LivingFacts Proprietary Limited**	
	2021	**2020**
Assets		
Non-current	20 448	10 819
Current	2 700 657	1 846 645
Total assets	2 721 105	1 857 464
Liabilities		
Current	878 651	650 745
Total liabilities	878 651	650 745
Total net assets	1 842 454	1 206 719

Associates with different reporting dates

The end of the reporting year of Cognition Holdings Limited is 30 June 2021. The year-end of LivingFacts Proprietary Limited is 28 February 2021. The information above was obtained from the management accounts of LivingFacts Proprietary Limited for 30 June 2021.

	2021	**2020**
Group's share of opening net assets	776 497	907 952
Goodwill - included in initial investment	1 751 504	3 412 128
Share of profit from equity accounted investment	269 568	59 281
Dividend received	-	(190 736)
Impairment of investment	-	(1 660 624)
	2 797 569	**2 528 001**

9. **Lease receivable**

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Minimum lease receipts due				
- within one year	240 000	-	-	-
- in second to fifth year inclusive	160 000	-	-	-
Gross investment in the leases	400 000	-	-	-
Less: Unearned interest income	(23 486)	-	-	-
Present value of minimum lease receipts	**376 514**	**-**	**-**	**-**

The Group leased out surplus office furniture in the year under review. The Group has classified the lease as a finance lease, because the lease is for whole of the remaining life of the asset.

Notes to the Financial Statements (CONTINUED)

10. Deferred tax

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Deferred tax asset (liability)				
Deferred tax liability	(4 014 757)	(5 341 245)	-	-
Deferred tax asset	4 617 192	3 009 564	265 854	178 214
Total net deferred tax asset (liability)	**602 435**	**(2 331 681)**	**265 854**	**178 214**
Reconciliation of deferred tax asset (liability)				
At beginning of year	(2 331 681)	(6 325 105)	178 214	99 409
Property, plant and equipment	(47)	2 474	-	-
Intangible assets	1 139 055	2 293 961	-	-
Provisions	791 495	1 378 767	87 640	78 805
Revenue accrual	(175 673)	75 276	-	-
Business combination	-	(668 397)	-	-
Prepaid expenses	2 305	33 813	-	-
Tax losses available for set off against future taxable income	1 441 557	612 954	-	-
Lease liability	(264 576)	264 576	-	-
	602 435	**(2 331 681)**	**265 854**	**178 214**
Categories of temporary differences				
Property, plant and equipment	(47)	-	-	-
Intangible assets	(5 563 134)	(6 702 189)	-	-
Provisions	3 165 704	2 374 209	265 854	178 214
Revenue accrual	890 472	1 066 145	-	-
Prepaid expenses	(51 804)	(54 109)	-	-
Taxable losses available for set off against future taxable income	2 161 244	719 687	-	-
Lease liability	-	264 576	-	-
	602 435	**(2 331 681)**	**265 854**	**178 214**

11. Loans to group companies

Figures in Rand Company	2021 Book value	2021 Allowance for expected credit loss	2021 Carrying value	2020 Book value	2020 Allowance for expected credit loss	2020 Carrying value
MiVoucher Proprietary Limited *	882 540	(882 540)	-	997 027	(997 027)	-
UNiID Proprietary Limited *	949 152	-	949 152	85 592	-	85 592
Carbonworx Proprietary Limited *	465 901	(465 901)	-	464 341	(464 341)	-
VM Advertising Proprietary Limited *	823 984	(823 984)	-	823 984	(823 984)	-
Cognition Analytics Proprietary Limited *	110 924	(110 924)	-	109 364	(109 364)	-
FoneWorx Namibia Proprietary Limited *	14 931	(14 931)	-	14 931	(14 931)	-
FoneWorx Zambia Proprietary Limited *	59 108	(59 108)	-	59 108	(59 108)	-
FoneWorx Kenya Limited *	1 448 178	(1 448 178)	-	1 448 178	(1 448 178)	-
FoneWorx Global Communications Limited (Nigeria) *	1 761 956	(1 761 956)	-	1 761 956	(1 761 956)	-
	6 516 674	**(5 567 522)**	**949 152**	**5 764 481**	**(5 678 889)**	**85 592**

All the above entities are private companies. Foreign entities are dormant. The loans are recorded in South African Rands as this is the currency in which the transactions are concluded.

All of the above loans are unsecured, interest free and have no fixed repayment terms. The directors consider the carrying amounts of the amounts owing from group companies to approximate their fair value, due to short term nature thereof the effect of discounting is considered immaterial.

- The loans to these companies have been subordinated. They have been assessed on a stage 3 basis and as such a 100% is expected as a credit loss and an allowance be made accordingly.

The Group applies IFRS 9 simplified model of recognising lifetime expected credit losses for loans to Group companies. The expected credit loss is determined on a company by company basis. Except for the loan to UNiID Proprietary Limited the expected credit loss relating to the loans to Group companies is the entire amount of the loan as these Companies do not have significant business activities to repay the loans. UNiID Proprietary Limited is engage with product development and has adequate potential to repay the loan.

The impairment recognised in the current period relating to the provision against the loan amounts to R 91 366 (2020: R 349 910).

12. Inventories

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Property unit	889 463	-	-	-

As at 30 June 2021 the Group had contractual obligations to develop and re-model a property unit which was acquired at a cost of R889 463.The property will be used for publishing videos for marketing purposes. Once the contractual obligations have been fulfilled, the property will be sold.

Notes to the Financial Statements (CONTINUED)

13. Trade and other receivables

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Financial instruments:				
Trade receivables	30 172 007	32 696 475	12 083 706	17 059 457
Expected credit losses	(614 192)	(717 207)	(18 511)	(22 420)
Trade receivables at amortised cost	29 557 815	31 979 268	12 065 195	17 037 037
Deposits	480 106	611 564	-	-
Accrued income	261 150	1 057 017	-	-
Other receivables	151 227	157 973	-	-
Shares loans to directors and staff	4 331 211	4 453 844	4 331 211	4 453 844
Expected credit losses for shares loans to directors and staff	(930 968)	(614 057)	(930 968)	(614 057)
Non-financial instruments:				
VAT	33 366	33 298	-	-
Employee costs in advance	107 750	144 148	-	-
Prepayments	2 677 159	3 534 186	-	-
Total trade and other receivables	**36 668 816**	**41 357 241**	**15 465 438**	**20 876 824**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	Group 2021	Group 2020	Company 2021	Company 2020
At amortised cost	33 850 541	37 645 609	15 465 438	20 876 824
Non-financial instruments	2 818 275	3 711 632	-	-
	36 668 816	**41 357 241**	**15 465 438**	**20 876 824**

Exposure to credit risk

The Group and Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. The expected credit loss is determined on an individual customer basis.

The Group and Company continuously monitors the credit quality of customers. Where available, external credit checks on customers are obtained and used. The Group and Company's policy is to deal only with credit worthy counterparties. The credit terms are 30 and 90 days. The ongoing credit risk is managed through regular review of ageing analysis.

2021 Group Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Specifically impaired ***	**Total**
Expected credit loss rate	0,30%	4.54%	3.46%	3.84%	9.02%		
Gross carrying amount	21 827 233	2 192 050	2 624 054	3 168 690	135 635	224 345	30 172 007
Lifetime expected credit loss	65 374	99 584	90 922	121 733	12 234	224 345	614 192

2020 Group Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Specifically impaired ***	**Total**
Expected credit loss rate	0.11%	0.60%	2.71%	10.78%	6.07%		
Gross carrying amount	23 954 712	5 301 251	1 319 535	638 834	960 439	521 704	32 696 475
Life expected credit loss	25 809	31 826	35 699	68 856	58 305	496 712	717 207

13. **Trade and other receivables (continued)**

2021 Company Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.1%	0.5%	0.6%	0.7%	0.7%	
Gross carrying amount	10 930 971	33 284	462 350	619 375	37 725	12 083 706
Lifetime expected credit losses	10 931	166	2 774	4 336	304	18 511

2020 Company Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.1%	0.5%	0.6%	0.7%	0.8%	
Gross carrying amount	16 049 260	251 034	395 505	167 630	196 028	17 059 457
Life expected credit loss	16 049	1 255	2 373	1 173	1 570	22 420

The directors consider the carrying amount of trade and other receivables to approximates their fair values, due to the short term nature thereof.

*The Group will specifically impair trade debtors where they have exceeded their payment terms significantly or where there exists significant doubt on the recoverability of the debtor.

Other receivables

Management evaluated the expected credit losses from Other Receivables by evaluating them on a client by client basis and have found that there are no material expected credit losses.

Loans to directors and staff

Loans are secured by the underlying Cognition Holdings shares and by each individual participant. The loans bear interest at the official rate as set by the South African Revenue Services in Table 3 which was for the period under review between 4.5% and 7.75% per annum and no fixed terms of repayment have been set other than the amount owing is required to be settled upon leaving the employ of Cognition Holdings and its subsidiaries. Historically there has been no default on these loans and they carry very little or low credit risk as it is was only extended to selected staff and directors. Management considered the prevailing share price as a measure to determine the estimated credit loss. Should the share price decrease significantly, then that would give rise to increase estimated credit losses.

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Expected Credit Loss Reconciliation				
Opening balance	1 331 264	1 149 801	636 477	355 031
Provision raised on new trade receivables	13 778	717 207	18 511	22 420
Provision raised on shares loans to directors and staff	316 911	288 337	316 911	288 337
Provision reversed on settled trade receivables	(116 793)	(824 081)	(22 420)	(29 311)
Closing balance	**1 545 160**	**1 331 264**	**949 479**	**636 477**

Notes to the Financial Statements (CONTINUED)

14. Cash and cash equivalents

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Cash and cash equivalents consist of:				
Cash on hand	27 328	6 023	-	-
Bank balances	95 853 907	76 012 742	1 053 548	560 269
Third Party Prize Money	13 930 447	9 685 814	-	52 707
	109 811 682	**85 704 579**	**1 053 548**	**612 976**

Third Party Prize Money relates to cash held on behalf of customers as prizes for specific campaigns. These amounts are restricted for use for only these campaigns and not for use by the Group. This amount corresponds Third Party Prize Money liability in the Statement of Financial Position.

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter- party. The banks credit rating ranges from Baa2 to Baa3 which is considered adequate and does not require the recognition of expected credit losses.

15. Stated capital

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Authorised				
1 250 000 000 Ordinary shares of no par value	1 250 000 000	1 250 000 000	1 250 000 000	1 250 000 000
Reconciliation of number of shares issued:				
Reported as at 01 July	229 273 021	243 449 131	229 273 021	243 449 131
Share repurchased	-	(14 176 110)	-	(14 176 110)
	229 273 021	**229 273 021**	**229 273 021**	**229 273 021**
Issued				
229 273 021 shares	159 420 500	159 420 500	159 420 500	159 420 500

16. Equity due to change in ownership

	Group		Company	
Figures in Rand	2021	2020	2021	2020
BMi Sport Group	6 757 481	6 757 481	-	-
BMi Research Proprietary Limited	6 135 464	6 135 464	-	-
	12 892 945	**12 892 945**	**-**	**-**

17. Non-controlling interest

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Private Property South Africa Proprietary Limited	23 549 136	16 833 640	-	-
BMI Research Proprietary Limited	1 185 423	1 057 629	-	-
	24 734 559	**17 891 269**	**-**	**-**

17. Non-controlling interest (continued)

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Non-controlling interest in Private Property South Africa Proprietary Limited				
Principle place of business	RSA	RSA	-	-
Non-controlling interest	49,99%	49.99%	-	-
Revenue	139 993 018	153 917 286	-	-
Profit for the year	18 750 651	11 809 899	-	-
Total comprehensive income	18 750 651	11 809 899	-	-
Profit allocated to non-controlling interest	9 377 201	5 869 119	-	-
Non-current assets	9 324 375	17 189 259	-	-
Current assets	57 409 122	42 997 082	-	-
Non-current liabilities	1 675 612	12 130 680	-	-
Current liabilities	18 180 627	14 381 911	-	-
Net assets	46 877 258	33 673 750	-	-
Net asset attributable to non-controlling interest	**23 443 317**	**16 833 508**	**-**	**-**
Dividend paid	5 621 589	7 205 205	-	-

18. Lease liability

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Minimum lease payments due				
- within one year	-	2 284 925	-	-
- in second to fifth year inclusive	-	8 836 349	-	-
Present value of minimum instalment payments	**-**	**11 121 274**	**-**	**-**
Reconciliation of lease liability				
Balance at beginning of the year	11 121 274	-	-	-
First time adoption of IFRS 16	-	12 951 732	-	-
Cancelled leases	(8 299 650)	-	-	-
Lease payments (excluding finance component)	(2 821 624)	(1 830 458)	-	-
Balance at end of the year	**-**	**11 121 274**	**-**	**-**
Non-current liabilities	-	8 836 349	-	-
Current liabilities	-	2 284 925	-	-
	-	**11 121 274**	**-**	**-**
Lease liability payments				
Lease liability – capital portion paid	**4 507 819**	1 830 458	-	-
Interest paid on lease liability	**625 726**	1 245 846	-	-
	5 133 545	3 076 394	**-**	**-**

Private Property South Africa Proprietary Limited entered into a lease agreement for renting of office space over 5 years starting from July 2019. The lease payments for the property were predetermined and had no variable adjustments and rentals generally escalate at a fixed percentage of 8%. The group decided to discontinue applying IFRS 16 after terminating the lease on 28 February 2021. The group paid R 2 000 000 as lease break termination fees. Refer to note 8.

19. Cash-settled share-based payment liability

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Balance at beginning of the year	1 009 406	1 117 677	-	-
Employee share option scheme - current year charge/(reversal)	666 206	(108 271)	-	-
Balance at end of the year	**1 675 612**	**1 009 406**	**-**	**-**

Private Property provided key employees with a share subscription option, whereby the employees acquired shares at R 1 at grant date. The shares vested to the employees at grant date. Private Property immediately recognised the share capital as they vested.

After an initial employment period of five years (initial employment period), the employees have a right to sell the shares back to the entity (the put option), therefore the Group has an obligation to pay the employees an amount equivalent to (Market value x participant's share ratio) x (subsequent employment period in months/60). The initial employment period for the Private Property CEO is three years from grant date. The subsequent employment period is also three years.

The put option is a cash-settled share-based payment, as the Group has an obligation to pay the employees a certain amount in the future for the buying back of the shares. The cash-settled share-based payment is remeasured annually to fair value.

In terms of the share incentive scheme rules the market value of the shares are determined by using a EBITDA multiple of 6.27 (2020: 6.27) and as such the future value of the liability is driven by the market value of the shares. During the prior year Private Property acquired 176 shares of the 352 shares allocated leaving a balance of 176 shares.

20. Loans from group companies

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Subsidiaries				
FoneWorx Proprietary Limited	-	-	33 577 612	38 228 881
Four Rivers Trading 123 Proprietary Limited	-	-	3 797 324	2 411 444
SurveyOnLine Proprietary Limited	-	-	1 188 260	945 043
	-	**-**	**38 563 196**	**41 585 368**

All the above entities are private companies. The loans are recorded in South African Rands as this is the currency in which the transactions are concluded.

All of the above loans are unsecured, interest free and have no fixed repayment terms. The directors consider the carrying amounts of the amounts owing to group companies to approximate their fair value, due to short term nature thereof.

21. Trade and other payables

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Financial instruments:				
Trade payables	9 726 416	7 132 127	-	-
Accrued employee costs *	8 360 919	3 958 769	-	-
Accruals	5 143 594	7 553 644	3 441 098	7 889 457
Audit and drafting fee accrual	1 746 432	1 854 472	1 162 416	1 162 996
Non-financial instruments:				
Amounts received in advance	6 218 338	7 449 834	-	-
VAT	3 044 850	2 730 598	60 610	25 880
	34 240 549	**30 679 444**	**4 664 124**	**9 078 333**
Amounts received in advance				
Balance at the beginning of the year	7 449 834	7 187 634	-	-
Amounts recognise as revenue	(7 449 834)	(7 187 634)	-	-
Amounts received in advance	6 218 338	7 449 834	-	-
Balance at the end of the year	**6 218 338**	**7 449 834**	**-**	**-**

Revenue relating to these services has not been recognised by the Group. Revenue will only be recognised once the service has been rendered and accounted for in line with the performance obligation and timing measurement as set out in note 22.

- Employee leave accrual has been reclassified from a provision to an accrual within trade and other payables.

22. Revenue

Revenue from contracts with customers

The Group derives revenue from offering multiple services to customers.

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services. All invoices are due and payable within payment on presentation of invoice between 30 and 90 days except for a single multinational that has arrange longer payment terms. Therefore, the Group has elected to apply the practical expedient as there are no significant financing components.

Revenue is derived from fees charged to customers for the following service offerings:

- Online Platform Services
- Research Services
- Communication Service Revenue
- Campaign service development
- Supplementary Services

Notes to the Financial Statements (CONTINUED)

22. Revenue (continued)

The Group does not encounter any revenue reversal due to returns, refunds, rebates and other similar obligations. An analysis of the Group's revenue streams are as follows:

Revenue stream	Performance obligation	Timing measurement	Judgement
Online Platform Services	The Group has various platforms that are used by its clients to enhance and promote their service to a large consumer base.	Access to the online platform is based on a monthly fee that is recognised by the Group over time on a straight line basis. Platform services are invoiced on a prepaid basis or within the month that the service is rendered. Transaction-based services that are offered on the online platform are recognised when the transaction takes place at a point in time and invoiced when the service is rendered or within the month that the service is rendered.	Platform service delivery is largely automated as is the related billing. Judgement is therefore not involved to estimate the amount or timing of the revenue recognised.
Research Services	Qualitative and quantitative research services.	Continued data collection, collation and research analytics into monthly reports are recognised over time and invoiced in the month that the service is rendered. Where a research project spans more than one month, revenue is recognised upon achievement of the benchmarks set within the project. Depending on the agreement a percentage of the invoicing takes place upon commissioning of the project and the remaining balance as the benchmarks are achieved. All invoicing that has not been recognised as revenue yet is recognised and disclosed as amounts received in advance within trade and other payables.	No judgement involved with regards to the timing and amount of ongoing data collection, collation and research analytics services. Management applies judgement to estimate benchmarks as follows: Work completed over estimate work required to complete the service The cost incurred at a period end over the total estimated cost to complete the service. This is applied on an individual project basis.
Communication Service Revenue	Provision of communication services such as SMS, USSD, IVR, Whatsapp, App push and Fax services to users.	Revenue is recognised at a point in time when the transaction takes place. Invoicing takes place within the same month as the service is rendered.	No judgement is involved with regards to the timing and amount as these services are automated.

22. **Revenue (continued)**

Revenue stream	Performance obligation	Timing measurement	Judgement
Campaign service development	This represents fees for setting up and managing digital services used for business and marketing purposes.	The setup of a service is recognised at the point in time when the service is provisioned and is invoiced within the same month. Revenue related to the management of services is invoiced within the month that the recognition takes place and is recognised by the Group over time.	Management applies judgement to determine if the service is setup and provisioned. No judgement involved with regards to the timing and amount of management fees.
Supplementary Services	Other revenue earned by the group on services that are supplementary to the services above.	Other revenue relates to the sale of supplementary services that are recognised at a point in time.	No judgement involved relating to the timing and amount of supplementary services.

Revenue from contracts with customers	**2021**	**2020**	**2021**	**2020**
Rendering of services	386 411 691	429 763 430	159 634 602	178 797 314
Less: Agency revenue	(155 849 160)	(166 597 848)	(147 202 682)	(162 939 243)
	230 562 531	**263 165 582**	**12 431 920**	**15 858 071**

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Disaggregation of revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Rendering of services				
Africa revenue	719 962	5 713 117	-	-
South Africa revenue	229 842 569	257 452 465	12 431 920	15 858 071
	230 562 531	**263 165 582**	**12 431 920**	**15 858 071**
Timing of revenue recognition				
Over time				
Online Platform Services	140 993 018	149 343 808	-	-
Research Services	37 097 414	45 750 561	-	-
Campaign Services	11 136 119	6 830 467	-	-
	189 226 551	**201 924 836**	**-**	**-**
At a point in time				
Online Platform Services	14 340 806	15 533 020	12 431 920	15 858 071
Communication Services	10 874 449	17 650 528	-	-
Campaign Services	14 042 840	23 771 875	-	-
Supplementary Services	2 077 885	4 285 323	-	-
	41 335 980	**61 240 746**	**12 431 920**	**15 858 071**
Total revenue from contracts with customers	**230 562 531**	**263 165 582**	**12 431 920**	**15 858 071**

22. Revenue (continued)

Agency revenue

The Group offers services that is classified as agency revenue in terms of IFRS 15 and as such the Group discloses these services separately in the note for enhanced disclosure purposes.

Online platform services, research services and certain supplementary services are accounted for in the Knowledge Management segment with the remaining revenue accounted for in the Active Data Exchange Services segment.

23. Other operating gains (losses)

		Group		Company	
Figures in Rand		2021	2020	2021	2020
Gains on disposals					
Property, plant and equipment	3	749 371	53 891	-	-
Foreign exchange losses					
Net foreign exchange loss		(39 426)	(532 801)	-	-
Total other operating gains (losses)		**709 945**	**(478 910)**	**-**	**-**

24. Operating profit (loss)

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Operating profit (loss) for the year is stated after charging the following, amongst others:				
Employee costs				
Salaries, wages, bonuses and other benefits	92 221 390	106 348 655	353 100	255 358
Leases				
Short term leases				
Premises	281 942	1 240 606	-	-
Low value leases				
Equipment	108 735	60 453	-	-
Total operating lease charges	**390 677**	**1 301 059**	**-**	**-**
Depreciation and amortisation				
Depreciation of right-of-use assets	1 850 247	2 775 371	-	-
Depreciation of property, plant and equipment	1 663 357	2 343 268	-	-
Amortisation of intangible assets	9 031 432	9 782 362	-	-
Total depreciation and amortisation	**12 545 036**	**14 901 001**	**-**	**-**
Other				
Insurance	1 372 864	1 255 971	-	-
Annual fees relating to listing on JSE	521 929	564 169	521 929	581 762
Legal fees	254 624	2 796 273	-	-
Telecommunication charges	3 057 695	2 274 715	-	-
Advertising	41 316 758	42 160 192	-	-

25. Director's emoluments

Executive 2021	Emoluments	Non-executive Director Emoluments	Travel allowance	Bonus	Total	Paid by Caxton and CTP Group
G Groenewaldt***	2 210 300	-	-	-	2 210 300	-
MA Smith***	3 101 300	-	-	-	3 101 300	-
PA Scholtz***	1 994 900	-	120 000	-	2 114 900	-
A Mwela***	2 874 242	-	-	433 333	3 307 575	-
SA Kleynhans^***	1 114 200	-	-	20 000	1 134 200	-
P Jenkins*1	-	-	-	-	-	1 300 370
M du Plessis1	-	-	-	-	-	1 397 885
A G Mancha*	-	141 800	-	-	141 800	-
R Pitt*	-	152 300	-	-	152 300	-
D Lupambo*	-	60 000	-	-	60 000	-
G Mooney**	-	-	-	-	-	-
T Ahier**	-	-	-	-	-	-
	11 294 942	**354 100**	**120 000**	**453 333**	**12 222 375**	**2 698 255**

2020	Emoluments	Non-executive Director Emoluments	Travel allowance	Bonus	Total	Paid by Caxton and CTP Group
G Groenewaldt***	2 332 100	-	-	200 000	2 532 100	-
MA Smith***	3 378 750	-	-	280 000	3 658 750	-
PA Scholtz***	2 089 000	-	120 000	200 000	2 409 000	-
A G Mancha*	-	128 508	-	-	128 508	-
R Pitt*	-	126 850	-	-	126 850	-
A Mwela1 (appointed 15 June 2020)	-	-	-	-	-	-
SA Kleynhans^***	1 075 290	-	-	100 000	1 175 290	-
D Lupambo*	-	-	-			
G Mooney**	-	-	-	-	-	-
P Jenkins*1	-	-	-	-	-	-
M du Plessis1	-	-	-	-	-	1 814 000
P Greyling1 (deceased 13 April 2020)	-	-	-	-	-	6 989 000
	8 875 140	**255 358**	**120 000**	**780 000**	**10 030 508**	**8 803 000**

* Independent Non-Executive Directors.

^ Prescribed Officer

** These directors do not receive remuneration from companies in the Group.

*** These salaries are an expense of a Cognition Holdings Limited subsidiary. These are the only prescribed officers in the Group.

1 These directors were remunerated by companies within the Caxton and CTP Group and not by the Cognition Group.

Notes to the Financial Statements (CONTINUED)

26. Investment income

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Dividend income				
Subsidiaries local	-	-	3 074 444	26 996 814
Interest income				
Bank and other cash	2 862 038	5 287 977	204 387	344 645
Total investment income	**2 862 038**	**5 287 977**	**3 278 831**	**27 341 459**

27. Finance costs

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Bank overdraft	36 765	27 662	-	-
SARS	30	1 400	-	-
Imputed interest reversal on financial liabilities	1 405	81 561	-	-
Lease liability	625 726	1 246 171	-	-
Total finance costs	**663 926**	**1 356 794**	**-**	**-**

28. Taxation

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Major components of the tax expense				
Current				
Local income tax - current period	10 610 363	9 267 172	789 782	1 286 071
Local income tax - recognised in current tax for prior periods	(103 877)	(260 570)	(92 370)	(260 570)
	10 506 486	**9 006 602**	**697 412**	**1 025 501**
Deferred				
Originating and reversing temporary differences	(3 004 127)	(3 993 425)	(87 641)	(78 805)
	7 502 359	**5 013 177**	**609 771**	**946 696**
Reconciliation of the tax expense				
Reconciliation between accounting profit (loss) and tax expense.				
Accounting profit (loss)	18 956 704	(7 284 540)	(2 851 559)	5 745 220
Tax at the applicable tax rate of 28% (2020: 28%)	5 307 877	(2 039 671)	(798 437)	1 608 662
Tax effect of adjustments on taxable income				
Not in the production of income	1 056 354	679 645	559 770	781 913
Local Income tax - recognised in current tax for prior periods	-	(260 570)	(92 370)	(260 570)
Impairment of investment	-	505 052	1 827 235	6 277 824
Impairment of intercompany loans	-	-	(25 583)	97 975
Income from associate	(75 479)	(59 278)	-	-
Dividends received	-	-	(860 844)	(7 559 108)
Impairment of goodwill	1 213 607	6 188 000	-	-
	7 502 359	**5 013 178**	**609 771**	**946 696**

28. Taxation (continued)

Gross estimated tax losses of certain subsidiaries at 30 June 2021, available for offset against future taxable income amounted to R880 767 (2020: R703 394). A deferred tax asset has not been raised in respect of these losses due to the uncertainty around those subsidiaries' ability to generate future taxable profits against which the deferred tax asset may be utilised. Had a deferred tax asset been raised it would have amounted to R246 615 (2020: R196 950).

The build-up reserves held by the Group can be distributed to its shareholders by a dividend that will be subject to dividend tax of 20% unless the shareholder is exempt from local dividend tax.

29. Cash generated from operations

	Group		Company	
Figures in Rand	2021	2020	2021	Restated* 2020
Profit (loss) before taxation	18 956 704	(7 284 540)	(2 851 559)	5 745 220
Adjustments for:				
Depreciation and amortisation	12 545 036	14 901 001	-	-
Profit on disposal of property, plant and equipment	(749 371)	(53 891)	-	-
Income from equity accounted investments	(269 568)	(59 278)	-	-
Dividend income	-	-	(3 074 444)	(26 996 814)
Interest income	(2 862 038)	(5 287 977)	(204 387)	(344 645)
Finance costs	663 926	1 356 794	-	-
Impairment of goodwill	4 334 312	22 100 000	-	-
Impairment of investment	-	-	6 526 241	22 420 800
Modification loss of right-of-use asset	1 712 659	-	-	-
Impairment of investment	-	1 660 624	-	-
Change in provisions	-	78 286	-	-
Cash-settled share-based payment expense/(reversal)	666 206	(108 271)	-	-
Changes in working capital:				
Inventories	(889 463)	-	-	-
Trade and other receivables	4 688 425	9 259 606	5 411 386	(1 061 635)
Trade and other payables	3 631 116	(10 122 462)	154 659 552	125 964 626
Third party prize money liability	4 219 416	(3 149 509)	(52 707)	50 707
	46 647 360	**23 290 383**	**160 414 082**	**125 778 259**

* - refer to note 39 for details regarding the restatement

30. Tax paid

	Group		Company	
Figures in Rand	2021	2020	2021	2020
Balance at beginning of the year	(816 998)	316 745	261 596	153 219
Current tax for the year recognised in profit or loss	(10 506 486)	(9 006 602)	(697 412)	(1 025 501)
Balance at end of the year	220 948	816 998	142 967	(261 596)
	(11 102 536)	**(7 872 859)**	**(292 849)**	**(1 133 878)**

Notes to the Financial Statements (CONTINUED)

31. Dividends paid

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Balance at beginning of the year	(232 706)	(209 874)	(232 706)	(209 874)
Dividends	-	(22 669 850)	-	(22 936 302)
Dividends paid by subsidiary to non-controlling interest	(2 547 145)	(3 601 882)	-	-
Balance at end of the year	232 706	232 706	232 706	232 706
	(2 547 145)	**(26 248 900)**	**-**	**(22 913 470)**

32. Commitments

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Lease commitments				
Minimum lease payments due				
- within one year	130 016	144 555	-	-
- in second to fifth year inclusive	-	114 793	-	-
	130 016	**259 348**	**-**	**-**

33. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2021

	Opening balance	Cancelled leases	Finance cost	Cash flows	Closing balance
Lease liability	11 121 274	(6 613 455)	625 726	(5 133 545)	-

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	Adoption of IFRS 16	Finance cost	Cash flows	Closing balance
Lease liability	-	12 951 732	1 246 171	(3 076 629)	11 121 274

Reconciliation of liabilities arising from financing activities - Company - 2021

	Opening balance	Cash payments (repayments)	Cash receipts (proceeds)	Non-cash	Closing balance
Loans from group companies	41 585 368	(177 420 643)	15 324 711	159 073 760	38 563 196

Reconciliation of liabilities arising from financing activities - Company - 2020

	Opening balance	Cash payments (repayments)	Cash receipts (proceeds)	Non-cash	Closing balance
Loans from group companies	23 674 922	(174 134 465)	69 520 871	122 524 040	41 585 368

34. Related parties

Related parties are those that control or have significant influence over the Group and Company, including major investors and key management personnel and parties that are significantly controlled or influenced by the Group or Company, including subsidiaries.

Related-party relationships where control exists are:

Related party	Nature of relationship
FoneWorx Proprietary Limited	Subsidiary
Four Rivers Trading 123 Proprietary Limited	Subsidiary
UNiID Proprietary Limited	Subsidiary
MiVoucher Proprietary Limited	Subsidiary
SurveyOnLine Proprietary Limited	Subsidiary
Cognition Analytics Proprietary Limited	Subsidiary
Carbonworx Proprietary Limited	Subsidiary
VM Advertising Proprietary Limited	Subsidiary
FoneWorx Kenya Limited	Subsidiary
FoneWorx Global Communications Limited	Subsidiary
FoneWorx Zambia Limited	Subsidiary
BMI Sponsorwatch Proprietary Limited	Subsidiary
BMI Sports Info Proprietary Limited	Subsidiary
Sponsor Value Research Services Proprietary Limited	Subsidiary
FoneWorx Namibia Proprietary Limited	Subsidiary
BMi Research Proprietary Limited	Subsidiary
Adcheck Proprietary Limited	Subsidiary
Private Property South Africa Proprietary Limited	Subsidiary
Living Facts Proprietary Limited	Associate
Fusion Agency Solutions Proprietary Limited	Subsidiary
Caxton and CTP Publishers and Printers Limited	Ultimate Holding Company
CTP Limited	Significant shareholder

Directors of Cognition Holdings Limited

Mark Allan Smith

Pieter Albertus Scholtz

Graham Groenewaldt

Ashvin Mancha

Gaurang Mooney

Paul Jenkins

Roger Pitt

Marc du Plessis

Amasi Mwela

Dennis Lupambo

Trevor Ahier

Related party balances and transactions Directors

Directors' emoluments are set out in note 25. There are no other key management personnel.

34. Related parties (continued)

Investments and loans

Related party investments and loans of the holding company are reflected in the following notes 7, 8, 11 & 20.

Dividends

Dividends were received from FoneWorx Proprietary Limited amounting to RNIL (2020: R22 936 302) and Private Property South Africa Proprietary Limited R3 074 444 (2020: R3 869 775) and LivingFacts Proprietary Limited of RNIL (2020: R190 736).

Revenue and debtors

Transactional purchases paid to FoneWorx Proprietary Limited amounting to R134 440 931 (2020: R141 339 638).

35. Earnings/(loss) per share

	2021	2020
Earnings/(loss) per share	0.90 cents	(7.90)cents
The calculation of earnings per share is based on a profit of R2 063 910 attributable to equity holders of the parent (2020: loss of R18 371 869) and a weighted average of 229 273 021 (2020: 232 501 927) ordinary shares in issue during the year		
Headline earnings per share	3.03 cents	2.33 cents
The calculation of headline earnings per share is based on profits of R6 937 769 attributable to equity holders of the parent (2020: R5 427 257) and a weighted average of 229 273 021 (2020: 232 501 927) ordinary shares in issue during the year		

	2021		2020	
Reconciliation between earnings and headline earnings	**Gross**	**Net**	**Gross**	**Net**
Profit attributable to ordinary shareholders of parent	-	2 063 910	-	(18 371 869)
Loss on disposal of property, plant and equipment	749 371	539 547	53 591	38 502
Impairment of goodwill	4 334 312	4 334 312	22 100 000	22 100 000
Impairment of investment in associate	-	-	1 660 624	1 660 624
Headline earnings		**6 937 769**		**5 427 257**

	2021	2020
Diluted earnings/(loss) per share	0.90 cents	(7.90)cents

The calculation of diluted earnings per share is based on a profit of R2 063 910 (2020: loss of R18 371 869) and a weighted average of 229 273 021 (2020: 232 501 927) ordinary shares issued during the year,

The Group has no instruments that can potentially dilute shares.

Reconciliation between earnings and diluted earnings per share:

	2021	2020
Weighted average number of shares used in the calculation of earnings per share	229 273 021	232 501 927

36. Dividends per share

	2021	2020
Dividends per share	-cents	10.00 cents

The calculation of dividends per share is based on dividends of RNIL attributable to equity holders of the parent (2020: R22 936 302) and a weighted average of 229 273 021 (2020: 229 363 021) ordinary shares in issue during the year.

37. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2021	Notes	Amortised cost	Leases	Total
Lease receivable	9	376 514	-	376 514
Trade and other receivables	13	33 589 391	261 150	33 850 541
Cash and cash equivalents	14	109 811 682	-	109 811 682
		144 777 587	**261 150**	**144 038 737**

Group - 2020	Notes	Amortised cost	Leases	Total
Trade and other receivables	13	36 588 592	1 057 017	37 645 609
Cash and cash equivalents	14	85 704 579	-	85 704 579
		122 293 171	**1 057 017**	**123 350 188**

Company - 2021

	Notes	Amortised cost	Total
Loans to group companies	11	949 152	949 152
Trade and other receivables	13	15 465 438	15 465 438
Cash and cash equivalents	14	1 053 548	1 053 548
		17 468 138	**17 468 138**

Company - 2020

	Notes	Amortised cost	Total
Loans to group companies	11	85 592	85 592
Trade and other receivables	13	20 876 824	20 876 824
Cash and cash equivalents	14	612 976	612 976
		21 575 392	**21 575 392**

The carrying values of the assets and liabilities approximate fair value.

Categories of financial liabilities

Group - 2021

	Note	Amortised cost	Total
Trade and other payables	21	22 645 356	22 645 356
Dividend payable		232 706	232 706
Third party prize money		13 905 230	13 905 230
		36 783 292	**36 783 292**

Group - 2020

	Note	Amortised cost	Total
Trade and other payables	21	18 436 962	18 436 962
Dividend payable		232 706	232 706
Third party prize money		9 685 814	9 685 814
		28 355 482	**28 355 482**

37. Financial instruments and risk management (continued)

Company - 2021

	Notes	Amortised cost	Total
Trade and other payables	21	4 603 514	4 603 514
Loans from group companies	20	38 563 196	38 563 196
Dividend payable		232 706	232 706
		43 399 416	**43 399 416**

Company - 2020

	Notes	Amortised cost	Total
Trade and other payables	21	9 052 453	9 052 453
Loans from group companies	20	41 585 368	41 585 368
Dividend payable		232 706	232 706
Third party prize money		52 707	52 707
		50 923 234	**50 923 234**

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Debt is managed on a project by project basis by the board, and is only used to acquire high value, long term assets.

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and premium, reserves and retained income as disclosed in notes 15 and 16, respectively. The Group has no externally imposed capital requirements.

Financial risk management

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The directors believe that these companies are all able to finance their debt adequately.

The total loans to group companies amounts to R949 152 (2020: R85 592). Financial assets exposed to credit risk at year end were as follows:

Group		2021 Gross carrying amount	2021 Credit loss allowance	2021 Amortised cost	2020 Gross carrying amount	2020 Credit loss allowance	2020 Amortised cost
Lease receivable	9	376 514	-	376 514	-	-	-
Trade and other receivables	13	35 395 701	(1 545 160)	33 850 541	39 824 183	(1 331 264)	38 492 919
Cash and cash equivalents	14	109 811 682	-	109 811 682	85 704 579	-	85 704 579
		145 583 897	**(1 545 160)**	**144 038 737**	**125 528 762**	**(1 331 264)**	**124 197 498**

37. Financial instruments and risk management (continued)

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loans to group companies	11	6 516 674	(5 567 522)	949 152	5 744 481	(5 658 889)	85 592
Trade and other receivables	13	16 414 917	(949 479)	15 465 438	21 513 301	(636 477)	20 876 824
Cash and cash equivalents	14	1 053 548	-	1 053 548	612 976	-	612 976
		23 985 139	**(6 517 001)**	**17 468 138**	**27 870 758**	**(6 295 366)**	**21 575 392**

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Group - 2021		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	22 645 356	22 645 356	22 645 356
Dividend payable		232 706	232 706	232 706
Third party prize money		13 905 230	13 905 230	13 905 230
		36 783 292	**36 783 292**	**36 783 292**

Group - 2020		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	18 436 962	18 436 962	18 436 962
Dividend payable		232 706	232 706	232 706
Third party prize money		9 685 814	9 685 814	9 685 814
		28 355 482	**28 355 482**	**28 355 482**

37. Financial instruments and risk management (continued)

Company - 2021		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	4 603 514	4 603 514	4 603 514
Loans from group companies	20	38 563 196	38 563 196	38 563 196
Dividend payable		232 706	232 706	232 706
		43 399 416	**43 399 416**	**43 399 416**

Company - 2020		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	9 052 453	9 052 453	9 052 453
Loans from group companies	20	41 585 368	41 585 368	41 585 368
Dividend payable		232 706	232 706	232 706
Third party prize money		52 707	52 707	52 707
		50 923 234	**50 923 234**	**50 923 234**

Interest rate risk

Fluctuating interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested in a manner to achieve returns while minimising risks.

The Group's exposure to interest rates on financial assets are R109.8 million (2020: R85.7 million) and financial liabilities are RNil (2020: RNil).

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on exposure to interest rates at the reporting date.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year under review would have increased by R977 931 (2020: R708 678).

If interest rates had been 100 basis points lower and all other variables were held constant, the Group's profit for the year under review would have decreased by R977 931 (2020: R708 678).

The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in cash and cash equivalents reserves.

38. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. These chief operating decision-makers ("the CODM") have been identified as the executive committee members who make strategic decisions. The CODM have organised the operatings of the Group based on its brands and this has resulted in the creation of the following reportable segments:

Active Data Exchange Services - a unified messaging system that integrates and delivers a suite of messaging services through a single hosted platform.

Knowledge Creation and Management - Building permission-based marketing strategies to enhance singular customer profiles, with deep granularity in line with privacy legislation. Using technology to establish a "new asset class" by collecting data, adding content and meaning to create information and providing insights, inferences and experiences to culminate in knowledge.

The Knowledge creation and management segment houses the research assets of the Group being BMI Sport Info Group and BMi Research Group. The Goodwill related to these assets have been impaired as disclosed in note 5.

Gross Revenue	**2021**	**2020**
Active Data Exchange Services	39 223 047	53 789 282
Knowledge Creation and Management	347 188 643	375 974 148
	386 411 690	**429 763 430**
Revenue generated as agency services		
Active Data Exchange Services	(2 094 153)	(2 500 205)
Knowledge Creation and Management	(153 755 007)	(164 097 643)
	(155 849 160)	**(166 597 848)**
Revenue		
Active Data Exchange Services	37 128 895	51 289 077
Knowledge Creation and Management	193 433 636	211 876 505
	230 562 531	**263 165 582**
Cost of services		
Active Data Exchange Services	(9 864 693)	(18 968 319)
Knowledge Creation and Management	(22 018 679)	(30 215 772)
	(31 883 372)	**(49 184 091)**
Gross Profit		
Active Data Exchange Services	27 264 202	32 320 758
Knowledge Creation and Management	171 414 957	181 660 733
	198 679 159	**213 981 491**

The accounting policies applied to the operating segments are the same as those described in the basis of preparation paragraph above. Active Data Exchange Services are provided within South Africa as well as in 38 African countries ("Africa Sales"). Within the period under review 1.94% (2020: 11.14%) of its revenue can be attributed to Africa Sales. The Group allocates revenue to each country based on the relevant domicile of the client. All of the Group's assets are located in South Africa, therefore no geographical segment is provided.

Both segments share the use of the Group's assets and liabilities as well as the same operating environment and therefore the Group is not in a position to report on the Assets and Liabilities of each segment nor analyse the operating expenditure separately.

39. Restatement of prior year figures

Company

Previously the Company disclosed the movement between inter-company loans on a net basis by combining the cash elements and non-cash elements of the loans in the Statement of Cash Flows. The previous year was restated to split out the cash repayment, cash proceeds and non-cash elements in the Statement of Cash Flows.

Statement of Cash Flows	Prior year as reported	Restatement	Prior year restated
Cash generated from operations	3 254 219	122 524 040	125 778 259
Repayment of loans from group companies	-	(174 134 465)	(174 134 465)
Proceeds from loans from group companies	17 910 446	51 610 425	69 520 871
Cash generated from operations			
Changes in Working capital:			
Trade and other payables	3 440 586	122 524 040	125 964 626

40. Securities and guarantees

First Rand Bank has issued the following guarantees on behalf of the Group:

- Virtual Payment Solutions Proprietary Limited - R50 000 (2020: R50 000).

41. Events after the reporting period

Subsequent to the accounting date and the date of this report management concluded an agreement in terms of which the Company's entire shareholding in the BMi Sport Group was sold to the management of the BMi Sport Group. BMi Sport Group was severely impacted by COVID-19 due to many live sports events being cancelled and an overall decrease in sponsorships. There is also no clear indication if or when the industry will recover to pre-COVID-19 conditions. This resulted in the Board concluding that the BMi Sport Group no longer added value to the long-term strategy of the Group. However, the Board wished the business to continue albeit in a scaled down form and as such it resolved to sell the Group to its current management.

42. Going concern

In determining the going concern of the Group, the Board carefully considered the impact that COVID-19 will have on each company in the Group within the short-to-medium-term as well as the long-term sustainability. The Group is fortunate that most of its services can be offered remotely and the Group has adequate facilities to ensure that staff that have to operate from it premises can do so with adequate health measures and social distancing in place. All the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with limited debt. The holding Company, being Cognition Holdings Limited, has a net current liability position at year end but has full control over significant subsidiaries such as FoneWorx and BMi Research that provides sufficient funds to eliminate the net current liability position. The Board has formally considered the going concern assertion for the year going forward and is of the opinion that it is appropriate.

Notice of Annual General Meeting

Cognition Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1997/010640/06)
Share code: CGN ISIN: ZAE000197042
("Cognition" or "the Company")

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the 23rd Annual General Meeting ("Annual General Meeting") of shareholders of Cognition will be held entirely via a remote interactive electronic platform, Microsoft Teams, at 10:00 on Friday, 26 November 2021 for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter. Cognition will be assisted by Computershare Investor Services Proprietary Limited ("the Company's Transfer Secretaries") who will also act as scrutineers.

Salient Dates

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, (Act 71 of 2008), as amended ("Companies Act"), the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 19 November 2021. Accordingly, the last day to trade Cognition shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 16 November 2021.

Shareholders are requested to lodge Proxy Forms by 10:00 on Wednesday, 24 November 2021.

Shareholders or their duly authorised proxies who wish to participate in the Annual General Meeting, must register to do so by lodging a completed Electronic Participation Application Form by 10:00 on Wednesday, 24 November 2021.

The purpose of the AGM is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions proposed herein. In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the Directors' Report, AFS, the Audit and Risk Committee Report, and the Social, Ethics and Sustainability Committee Report at the AGM.

Notice of Annual General Meeting (CONTINUED)

Meeting Agenda:

1. To receive, consider and adopt the following reports:

   - The audited AFS;
   - The Audit and Risk Committee Report;
   - The Social and Ethics Committee Report (read with the Sustainability Report);
   - The Remuneration Committees Report; and
   - The Remuneration Policy and Implementation Report, for approval.

   A copy of the complete AFS will be presented at the AGM. The Directors' Report and the Audit and Risk Committee Report are set out on pages 45 to 51 of the AFS for the year ended 30 June 2021, which can be accessed on the Company's website at https://www.cgn.co.za/pages/display/annual_results. The Social and Ethics Committee Report and the Sustainability Report which are set out on pages 28 and 32 to 37, the Remuneration Committees Report, and the Implementation Report are set out on pages 38 to 41 of the IAR.

2. To re-elect Roger Pitt who, in terms of article 25 of the Company's Memorandum of Incorporation, retires by rotation at the Annual General Meeting but, being eligible to do so, offers himself for re-election.

3. To re-elect Gaurang Mooney who, in terms of article 25 of the Company's Memorandum of Incorporation, retires by rotation at the Annual General Meeting but, being eligible to do so, offers himself for re-election.

4. To appoint Steven Naudé as an Independent Non-Executive Director to the Board of Cognition.

   Steven is a qualified chartered accountant who, in addition to a Bachelor of Commerce from the University of the Witwatersrand has an MBA from the Chicago Booth Graduate School of Business and is a member of the South African Institute of Chartered Accountants as well as the Institute of Directors.

   Steven has over 40 years experience in the corporate finance sector in both domestic and cross border markets over a variety of industry sectors and size. He was previously head of corporate finance at Standard Bank London and prior to that BOE Investment Bank in South Africa. He has served on the board of directors of a number of companies both private and public and has advised both private and publicly listed companies in respect of specific transactions.

5. To confirm the appointment of Miles Crisp as an Independent Non-Executive Director to the Board of Cognition.

6. To confirm the appointment of Servaas de Kock as a Non-Executive Director to the Board of Cognition.

   The Board expresses no opinion on the appointments of directors standing for re-election and/or election.

   Steven Naudé is proposed for election by two shareholders in terms section 65(3) of the Companies Act.

   It is recommended that shareholders consider these resolutions, and the abbreviated curriculum vitae of each individual, for purposes of voting on the relevant resolutions as they deem fit.

   The abbreviated curriculum vitae in respect of each director appears on pages 3 to 5 of the Annual Report to which this notice is attached.

   Mr Mancha retires by rotation and has notified the Board that he will not offer himself for re-election.

7. To re-appoint Roger Pitt as a member and chairman of the Company's Audit and Risk Committee.

8. To re-appoint Gaurang Mooney as a member of the Company's Audit and Risk Committee.

9. To re-appoint Dennis Lupambo as a member of the Company's Audit and Risk Committee.

10. To appoint Miles Crisp as a member of the Company's Audit and Risk Committee.

11. To appoint Steven Naudé as a member of the Company's Audit and Risk Committee.

An abbreviated curriculum vitae in respect of each member and proposed member of the Audit and Risk Committee appears on pages 3 to 5 of the Annual Report to which this notice is attached.

12. To confirm the re-appointment of BDO South Africa Incorporated as independent auditor of the Company with Mrs Kathryn Luck being the individual registered auditor who has undertaken the audit of the Company for the ensuing financial year and to authorise the directors to determine the auditor's remuneration.

The minimum percentage of voting rights required for each of the resolutions set out in item numbers 1 to 12 above to be adopted is more than 60% (sixty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the Annual General Meeting.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

13. ORDINARY RESOLUTION NUMBER 1

Approval of remuneration policy

Non-binding advisory endorsement of the company's remuneration policy and implementation report

Shareholders are required to consider and vote on the resolutions as set out below, in the manner required by the Listings Requirements of JSE Limited ("JSE Listings Requirements") as read with King IV.

Ordinary resolution 13.1 - Endorsement of the Company's remuneration policy

"**Resolved that** the remuneration policy as set out on pages 39 to 41 of the Annual Report to which this notice is attached, be and is hereby endorsed through a non-binding advisory vote, as recommended in terms of King IV".

Ordinary resolution 13.2 - Endorsement of the Company's implementation report

"**Resolved that** the implementation report of the Company, as set out on page 41 of the Annual Report to which this notice is attached, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of King IV".

Reason for advisory endorsement

In terms of King IV and the JSE Listings Requirements, the Company's remuneration policy and implementation report should be tabled to shareholders for separate non-binding advisory votes at the Annual General Meeting. Failure to pass this resolution will not have legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing the Company's remuneration policy and implementation report.

Shareholders are accordingly requested to endorse the Company's remuneration policy and implementation report as set out on pages 39 to 41 of the Annual Report to which this notice is attached.

14. ORDINARY RESOLUTION NUMBER 2

Approval to issue ordinary shares, and to sell treasury shares, for cash

"**Resolved that** the directors of Cognition and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to –

- allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,
- for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and its subsidiaries and the JSE Listings Requirements from time to time.

Ordinary resolution 2 is subject to the following:

- this general authority will be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the securities which are the subject of a general issue for cash may not exceed 30% (thirty percent) of the number of listed securities, excluding treasury shares, as at the date of this notice, being 68 781 906 securities. Any securities issued under this authorisation will be deducted from the aforementioned 68 781 906 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio;
- in determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the securities;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing being the issue and the parties subscribing for the securities and in respect of options and convertible securities, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of profit and loss and other comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting documents (if any), of the intended use of the funds will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue; and
- whenever the Company wishes to use repurchased shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, ordinary resolution number 2 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting.

15. SPECIAL RESOLUTION NUMBER 1

General approval to acquire shares

"**Resolved**, by way of a general approval that Cognition and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and its subsidiaries and the JSE Listings Requirements, as amended from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- this general authority shall only be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf.
- the acquisition of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test ("test") and that since the test was done there have been no material changes to the financial position of the Group;
- the Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- an announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted ("initial number"), and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Explanatory note

The purpose of this special resolution number 1 is to obtain an authority for, and to authorise, the Company and the Company's subsidiaries, by way of a general authority, to acquire the Company's issued ordinary shares.

It is the intention of the directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

15.1 Other disclosures in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are contained in the Annual Report of which this notice forms part:

- major shareholders of the Company – page 49; and
- stated capital of the Company – page 88

15.2 Material change

There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of this notice.

15.3 Directors' responsibility statement

The directors, whose names are given on pages 3 to 5 of the Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 1 that have been omitted which would make any statement in relation to special resolution number 1 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 1.

15.4 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months thereafter:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

16. SPECIAL RESOLUTION NUMBER 2

Financial assistance for subscription of securities

"**Resolved that**, as a special resolution, in terms of section 44 of the Companies Act, the shareholders of Cognition hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 2, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related Company, provided that –

(a) the Board, from time to time, determine (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided; and

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 2 unless the Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanatory note

The purpose of this special resolution number 2 is to grant the Board the authority to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by the Company or a related or inter-related Company.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

17. SPECIAL RESOLUTION NUMBER 3

Loans or other financial assistance to directors

"**Resolved that**, as a special resolution, in terms of section 45 of the Companies Act, the shareholders of Cognition hereby approves of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation or to a member of any such related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member provided that –

(a) the Board, from time to time, determine (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided, and

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanatory note

The purpose of this special resolution number 3 is to grant the Board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

Notice given to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance in respect of special resolution number 3:

(a) By the time that this notice of Annual General Meeting is delivered to shareholders of the Company, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, at any time and from time to time during the period of two years commencing on the date on which special resolution number 3 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related Company, or to a related or inter-related Company or corporation, or to a member of any such related or inter-related corporation, or to a person related to any such Company, corporation, director, prescribed officer or a member;

(b) the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 3 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act; and

(c) inasmuch as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

18. SPECIAL RESOLUTION NUMBER 4

Approval of non-executive Director's remuneration

"**Resolved that,** in terms of the provisions of sections 66(9) of the Companies Act the annual remuneration payable to the independent non-executive directors of Cognition for their services as directors of the Company for the calendar year ending 2022, be and is hereby approved as follows:

Proposed retainer fee per month in ZAR for the year ending 2022	Proposed meeting fee in ZAR for the year ending 2022	Expected total fee in ZAR for the year ending 2022
R5 750+	R15 200*	R129 800+ / R60 800*

+ - payable to the Lead Independent Director and the Chairman of the Audit and Risk Committee

* - fee for attendance of both the Board and Audit Committee Meeting

Explanatory note

In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

19. ORDINARY RESOLUTION NUMBER 3

Signature of documents

"**Resolved that** each director of Cognition be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 60% (sixty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

20. Other business

To transact such other business as may be transacted at the Annual General Meeting of the Company.

Electronic participation arrangements

The Company's Memorandum of Incorporation authorises the conduct of shareholders' meetings entirely by electronic communication as does section 63(2)(a) of the Companies Act. In light of the measures put in place by the South African Government in response to the COVID-19 pandemic, the Board has decided that the Annual General Meeting will only be accessible through a remote interactive electronic platform as detailed below.

Shareholders or their duly appointed proxies who wish to participate in the Annual General Meeting are required to complete the Electronic Participation Application Form available immediately after the proxy form on page 123 and email same to the Company's Transfer Secretaries at proxy@computershare.co.za and to Cognition at cedgar@cgn.co.za as soon as possible, but in any event by no later than 10:00 on Wednesday, 24 November 2021.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the Annual General Meeting. An official identification document issued by the South African Department of Home Affairs, a driving license or a valid passport will be accepted as sufficient identification.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the Annual General Meeting. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Microsoft Teams meeting invitation required to access the Annual General Meeting.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the Annual General Meeting are requested by no later than 09:55 on Friday, 26 November 2021 to join the lobby of the meeting by clicking on the "Join Microsoft Teams Meeting" link to be provided by Cognition's Company Secretary, whose admission to the meeting will be controlled by the Company Secretary.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the account of the Company's Transfer Secretaries or Cognition who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and /or voting at the Annual General Meeting.

Notice of Annual General Meeting (CONTINUED)

Voting and Proxies

Voting will be via a poll; every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

A shareholder entitled to participate and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to electronically participate, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

The electronic platform (Microsoft Teams) to be utilised to host the Annual General Meeting does not provide for electronic voting during the meeting.

Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the Annual General Meeting, by completing the Form of Proxy (found on page 117 to 118) and lodging this form with the Company's Transfer Secretaries by no later than 10:00 on Wednesday, 24 November 2021 by:

- delivery to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; or
- email to proxy@computershare.co.za.

Any forms of proxy not submitted by this time can still be lodged by email to proxy@computershare.co.za prior to the commencement of the Annual General Meeting.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the Annual General Meeting.

Shareholders who indicate in the Electronic Participation Application Form that they wish to vote during the electronic meeting, will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Dematerialised shareholders without 'own name' registration

Dematerialised shareholders, other than those with 'own name' registration, who wish to participate in the Annual General Meeting, should instruct their CSDP or Broker to issue them with the necessary letter of representation to participate in the Annual General Meeting, in the manner stipulated in the relevant custody agreement. The letter of representation will need to be submitted together with the completed Electronic Participation Application Form to the Company's Transfer Secretaries and to Cognition in the manner and within the timeframe described above under the section titled "Electronic Participation Arrangements".

If these shareholders do not wish to participate in the Annual General Meeting in person, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Certificated shareholders and dematerialised shareholders with 'own name' registration

Those Certificated Shareholders and Dematerialised Shareholders with 'own name' registration, who wish to participate in the Annual General Meeting (either in person or represented by proxy), must submit a completed Electronic Participation Application Form to the Company's Transfer Secretaries and to Cognition in the manner and within the timeframe described above under the section titled "Electronic Participation Arrangements".

Questions

Shareholders are encouraged to submit, via email, any questions in advance of the Annual General Meeting to the Company Secretary at skleynhans@cgn.co.za. These questions will be addressed at the Annual General Meeting and will be responded to via email thereafter.

By order of the Board

Stefan Anton Kleynhans
Company Secretary

29 October 2021

Johannesburg

Form of Proxy

Cognition Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1997/010640/06)
Share code: CGN ISIN: ZAE000197042
("Cognition" or "the Company")

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration,

at the 23rd Annual General Meeting of shareholders of the Company to be held, entirely electronically at 10:00 on Friday, 26 November 2021 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

The Board requests that completed forms of proxy are received at the office of the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2001 (Private Bag X9000, Saxonwold, 2132), or via email to proxy@computershare.co.za by 10:00 on Wednesday, 24 November 2021. Any forms of proxy not lodged by this time may still be lodged by email to proxy@computershare.co.za prior to the commencement of the Annual General Meeting.

These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder:

Name of registered shareholder:

Address

Email:

Telephone work ( ) Telephone home ( ) Cell:

being the holder/custodian of ordinary shares in the Company, hereby appoint (see note):

1. or failing him / her,

2. or failing him / her,

3. the Chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

Form of Proxy (CONTINUED)

		Number of ordinary shares		
		For	Against	Abstain
1.	To receive, consider and adopt the following reports: Annual Financial Statements of the Company and Group for the financial year ended 30 June 2021 The Audit and Risk Committee Report The Social and Ethics Committee Report (read with the Sustainability Report) The Remuneration Committees Report The Remuneration Policy and Implementation Report			
2.	To re-elect Roger Pitt to the Board of Cognition			
3.	To re-elect Gaurang Mooney to the Board of Cognition			
4.	To appoint Steven Naudé as an Independent Non-Executive Director to the Board of Cognition.			
5.	To confirm the appointment of Miles Crisp as an Independent Non-Executive Director to the Board of Cognition			
6.	To confirm the appointment of Servaas de Kock as a Non-Executive Director to the Board of Cognition			
7.	To re-appoint Roger Pitt as a member and Chairman of the Company's Audit and Risk Committee.			
8.	To re-appoint Gaurang Mooney as a member of the Company's Audit and Risk Committee.			
9.	To re-appoint Dennis Lupambo as a member of the Company's Audit and Risk Committee.			
10.	To appoint Miles Crisp as a member of the Company's Audit and Risk Committee.			
11.	To appoint Steven Naudé as a member of the Company's Audit and Risk Committee.			
12.	To confirm the re-appointment of BDO South Africa Incorporated as independent auditor of the Company with Mrs Kathryn Luck being the individual registered auditor who has undertaken the audit of the Company for the ensuing financial year and to authorise the directors to determine the auditor's remuneration.			
13.	**Ordinary resolution number 1** Non-binding advisory endorsement of the Company's remuneration policy and implementation report			
13.1	**Ordinary resolution number 1.1** Endorsement of the Company's remuneration policy			
13.2	**Ordinary resolution number 1.2** Endorsement of the Company's implementation report			
14.	**Ordinary resolution number 2** Approval to issue ordinary shares, and to sell treasury shares, for cash			
15.	**Special resolution number 1** General approval to acquire shares			
16.	**Special resolution number 2** Financial assistance for subscription of securities			
17.	**Special resolution number 3** Loans or other financial assistance to directors			
18.	**Special resolution number 4** Approval of non-executive director's remuneration			
19.	**Ordinary resolution number 3** Signature of documents			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the Company.

Signed at ______________________________ on ______________________________ 2021

Signature ______________________________

Notes to Proxy

1. Summary of Rights contained in section 58 of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act")

   In terms of section 58 of the Companies Act:-

   - a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
   - a proxy may delegate his or her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
   - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
   - irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
   - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and
   - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 7).

2. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".

3. Shareholders who have dematerialised their shares through a CSDP or broker without "own name" registration and wish to attend the Annual General Meeting must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Should the CSDP or broker not have provided the Company with the details of the beneficial shareholding at the specific request by the Company, such shares may be disallowed to vote at the Annual General Meeting.

4. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the meeting.

5. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.

6. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 (forty eight) hours before the commencement of the Annual General Meeting.

Notes to Proxy (CONTINUED)

7. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
8. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
9. A shareholder's authorisation to the proxy including the Chairperson of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's Transfer Secretaries or waived by the Chairperson of the Annual General Meeting.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
13. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
14. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services Proprietary Limited 15 Biermann Avenue, Rosebank, 2196	Computershare Investor Services Proprietary Limited Private Bag X9000, Saxonwold, 2132

    to be received by no later than 10:00 on Wednesday, 24 November 2021 (or 48 (forty-eight) hours before any adjournment of the Annual General Meeting which date, if necessary, will be announced on SENS).

    Any form or proxy not delivered to the transfer secretaries by 10:00 on Wednesday, 24 November 2021 may still be emailed to proxy@computershare.co.za immediately before the appointed proxy exercises any of the shareholder's votes at the Annual General Meeting.

15. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.

Notes to Proxy (CONTINUED)

- Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
  - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.
  - A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
  - The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
  - The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. 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 (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
  - If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
  - Attention is also drawn to the "Notes to proxy".
  - The completion of a form of proxy does not preclude any shareholder from attending the Annual General Meeting.

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

Cognition Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1997/010640/06)
Share code: CGN ISIN: ZAE000197042
("Cognition" or "the Company")

ANNUAL GENERAL MEETING – 26 NOVEMBER 2021 ("AGM')

Capitalised terms which are not defined herein shall bear the meanings assigned in the notice of Annual General Meeting (the "AGM Notice") to which this form is attached and forms part.

Instructions

Shareholders or their proxies, have the right, as provided for in the Company's Memorandum of Incorporation and the Companies Act, to participate in the AGM by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the AGM must complete this application form and email it (together with the relevant supporting documents referred to below) to the Company's Transfer Secretaries at proxy@computershare.co.za and to the Company at cedgar@cgn.co.za as soon as possible, but in any event by no later than 10:00 on Wednesday, 24 November 2021.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the email address of each verified shareholder or their duly appointed proxy (each, "a **Participant**") to enable the Company to forward the Participant a Microsoft Teams meeting invitation required to access the AGM.

Cognition will send each Participant a Microsoft Teams meeting invitation with a link to "Join the Microsoft Teams Meeting" on Friday, 26 November 2021 to enable Participants to link up and participate electronically in the AGM. This link will be sent to the email address nominated by the Participant in the table below.

Please note

The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the Form of Proxy (found on pages 117 to 118) and lodging the completed proxy form together with this Electronic Participation Application Form with the Company's Transfer Secretaries.

Participants who indicate in this form that they wish to vote during the electronic meeting, will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or Cognition who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in and /or voting at the AGM.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the AGM or any interruption in the ability of the Participant to participate in the AGM via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

Information required for participation by electronic communication at the AGM

Full name of shareholder:

Identity or registration number of shareholder:

Full name of authorised representative (if applicable):

Identity number of authorised representative:

Email address:
*Note: this email address will be used by the Company to share the Microsoft Teams meeting invitation required to access the AGM electronically

Cell phone number:

Telephone number, including dialling codes:

*Note: The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the proxy form found on pages 117 to 118.

Indicate (by marking with an 'X') whether:

☐ votes will be submitted by proxy (in which case, please **enclose** the duly completed proxy form with this form); or

☐ the Participant wishes to exercise votes during the AGM. If this option is selected, the Company's Transfer Secretaries will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in Cognition's AGM.

Signed at on 2021

Signed:

Documents required to be attached to this application form

16. In order to exercise their voting rights at the AGM, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the AGM, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the AGM, a copy of which proxy form follows Annexure A of the AGM notice.
17. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the AGM, must be attached to this application.
18. A certified copy of the valid identity document/passport/ of the person attending the AGM by electronic participation, including any person acting in a representative capacity, must be attached to this application.
19. Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.

Shareholder Diary

Financial year end	30 June 2021
Annual report and financial statements	29 October 2021
Annual general meeting	26 November 2021
Half-year report	March 2022

DIRECTORS AND ADMINISTRATION

Company registration number

1997/010640/06

JSE share code

CGN

Holding Company

Caxton and CTP Printing and Publishing Limited

Website

http://www.cognitionholdings.co.za

Directors

Executive

Mark Allan Smith BA LLB – Chief Executive Officer

Pieter Albertus Scholtz CA(SA) – Financial Director

Graham Groenewaldt – Sales Director

Non-executive

Paul Jenkins* BCom, LLB - Chairman

Ashvin Govan Mancha* BProc – Deputy-Chairman and Lead Independent Director

Gaurang Mooney* BA (Botswana)

Marc du Plessis BCom (Commercial Accounting)[1]

Roger Pitt* BCom (Hons)(Acc), CA(SA)

Trevor Bruce Cabot Ahier* BSc (Civil Engineering) LLB[2]

Dennis Lupambo* BSc (Electrical Engineering)

Miles Crisp BCom CTA, CA(SA)*[3]

Servaas de Kock BCom[3]

Amasi Mwela BCom MBA

(* Independent)

([1] Until 2 September 2021, [2] Until 5 August 2021, [3] From 2 September 2021)

Business address and registered office

Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194
PO Box 3386, Pinegowrie, 2123

Telephone +27 11 293 0000
Fax2Email 086 610 1000

Transfer secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers,
15 Bierman Avenue,
Rosebank, 2196

Private Bag X9000,
Saxonwold,
2132

Telephone +27 11 370 7700,
Fax +27 11 688 7716

Website www.computershare.com

Auditors

BDO South Africa Incorporated

Attorneys

Martini-Patlansky Attorneys

Richards Attorneys

Fluxmans Incorporated

Werksmans

Bankers

First National Bank Limited

Investec Bank Limited

Company Secretary

S A Kleynhans BA, B.Iuris. LLB, LLM (Banking Law), LLM (Corporate Law) ACIS

PO Box 3386,
Pinegowrie,
2123

Sponsor

Merchantec Capital