



COGNITION HOLDINGS LIMITED

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



CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
("Caxton")

ANNOUNCEMENT OF FIRM INTENTION OFFER BY CAXTON ("the offeror") TO ACQUIRE 100% OF THE ISSUED ORDINARY SHARE CAPITAL OF COGNITION NOT ALREADY HELD BY IT OR ITS ASSOCIATES AND WITHDRAWAL OF RENEWED CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that on 22 February 2024 the board of directors of the company ("the board") received an offer ("the offer") to acquire 100% of the issued ordinary shares of the company not already held by the offeror or its associates ("the offer shares" and "the proposed transaction").

It is intended that the proposed transaction will be implemented by way of a scheme of arrangement in terms of sections 114 and 115 of the Companies Act, 2008 ("the Act" and "the scheme").

The proposed transaction is classified as an affected transaction in terms of section 117 of the Act, and, in accordance with the provisions of Regulation 90 of the Act, the board has appointed a sub-committee of the board, comprising of Messrs. Miles Crisp, Dennis Lupambo and Steven Naude, all of whom are independent non-executive directors ("the independent board"), to oversee the process. The independent board has in turn appointed Exchange Sponsors Projects Proprietary Limited as the expert as required by the Takeover Regulation Panel ("the TRP" and "the expert"). The expert will provide the independent board with advice regarding the proposed transaction and the scheme and make appropriate recommendations to the independent board on behalf of shareholders.

The recommendations of the board and the independent board and the report of the expert will be included in a circular to the shareholders of Cognition containing the terms and conditions governing the proposed transaction and the scheme ("the scheme circular") which will be distributed to shareholders subject to the fulfilment of the conditions set out in paragraph 4 below.

2. OFFER CONSIDERATION

2.1 The consideration in terms of the offer is R1,07 per offer share ("the offer consideration"), payable in cash. The aggregate consideration payable on successful implementation of the scheme will therefore be R60 054 827.

2.2 The offer consideration constitutes a premium of 2,88% over the market price of 104 cents per Cognition Share on 14 November 2023, the last trading day on the Johannesburg Stock Exchange (the JSE) prior to the release of the first cautionary announcement by the Company in respect of a proposed transaction. The highest price paid by Caxton in the six-month period preceding the delivery of the offer was 99 cents per share.

3. INFORMATION REGARDING THE OFFEROR AND RATIONALE FOR THE SCHEME

The offeror and its wholly owned subsidiary, CTP Limited, presently own or control 173 147 015 ordinary shares in the company, constituting 75,52% of its issued share capital.

The recent disposal by the company of its major asset, being a 50,1% interest in Private Property South Africa Proprietary Limited, and the limited tradability of Cognition shares, effectively removes the reason for maintaining a listing on the JSE.

The offeror has therefore made the offer to the board.

In the circumstances, the proposed transaction is in the view of the board worthy of consideration by Cognition shareholders as envisaged in terms of the scheme.

4. CONDITIONS PRECEDENT TO THE SCHEME

The scheme will be subject to the fulfilment of the following conditions precedent by 30 June 2024, or such later date as the offeror and the company may agree to in writing:

- 4.1 approval of the scheme by the requisite majority of Cognition shareholders who are entitled to vote, as contemplated in section 115(2) of the Act, and:
 - to the extent required, the approval and the implementation of such resolution by the court as contemplated in section 115(3)(a) of the Act; and
 - if applicable, the company not treating the aforementioned resolution as a nullity, as contemplated in section 115(5)(b) of the Act; and
- 4.2 Cognition shareholders not having exercised appraisal rights by giving valid demands to this effect to the company, in terms of section 164(7) of the Companies Act, in respect of more than 15% of the offer shares within 30 business days following the scheme meeting, provided that, in the event that any Cognition shareholders give notice objecting to the scheme, as contemplated in section 164(3) of the Act, and those Cognition shareholders vote against the resolution proposed at the scheme meeting to approve the scheme, but do so in respect of not more than 15% of the offer shares, this condition shall be deemed to have been fulfilled at the time of the scheme meeting; and

4.3 the expert having prepared and submitted a fair and reasonable opinion to the independent board; and

4.4 the independent board having resolved to recommend acceptance of the scheme to the Cognition shareholders.

5. SHAREHOLDINGS, ACTING AS PRINCIPAL AND CONCERT PARTIES

The offeror confirms that it presently owns or controls 173 147 015 ordinary shares in the company (75,52% of the issued ordinary share capital), that it is the ultimate proposed purchaser of all the offer shares and is not acting in concert with, or as an agent or broker for, any other party.

6. FUNDING THE OFFER CONSIDERATION

The maximum scheme consideration will be R60 054 827. The offeror has confirmed to the company that sufficient cash resources are available for the payment of the scheme consideration in terms of the scheme, and in compliance with Regulations 111(4) and 111(5) of the Act, Fluxmans Inc. has provided irrevocable unconditional confirmation that such cash is held in escrow at the disposal of the TRP.

7. UNDERTAKINGS

The offeror has received irrevocable undertakings to vote in favour of the scheme and the resolutions to be proposed at the scheme meeting from the following Cognition shareholders:

- Lazio Holding SA, which at the date of this announcement owns or controls 15 218 750 Cognition shares (6,64% of the issued share capital);
- Mr. MA Smith, who at the date of this announcement owns or controls 11 373 436 Cognition shares (4,96% of the issued share capital).

These Cognition shareholders in aggregate represent approximately 47,46% of the offer shares in respect of which votes can be exercised at the scheme meeting.

8. TERMINATION OF THE LISTING OF COGNITION

Should the scheme be implemented as contemplated in this announcement, Cognition will become a wholly owned subsidiary of the offeror and the listing of the company on the JSE will be terminated.

9. SCHEME CIRCULAR

The scheme circular relating to the proposed transaction, incorporating the terms of the scheme, the report of the expert, the notice of the scheme meeting, a form of surrender and a form of proxy will, be distributed to Cognition shareholders on or about 19 April 2024. The salient dates and times in relation to the scheme will be published on the date of posting the scheme circular and will also be contained in the scheme circular.

10. CATEGORISATION OF THE PROPOSED TRANSACTION

The proposed transaction by the offeror is not categorisable in terms of the Listings Requirements of the JSE.

11. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

The cautionary announcement released on 15 November 2023, and subsequently renewed on 27 December 2023, 12 February 2024 and 13 March 2024 is hereby withdrawn.

12. RESPONSIBILITY STATEMENT

The board, the independent board and the offeror accept responsibility for the information contained in this announcement, and certify that, to the best of their respective knowledge and belief, the information is true and, where appropriate, this announcement does not omit anything likely to affect the importance of the information included.

By order of the board

Felicia van der Merwe
Company secretary

Johannesburg
14 March 2024

Sponsor



Auditors



Attorneys



Independent expert

