

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply to the entire Circular, including, where appropriate, this cover.

Action required:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Cognition Shareholders in relation to the Scheme and the Termination of the Listing," which commences on page 3 of this circular.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney, or other professional advisor immediately.
3. If you have disposed of all your Cognition ordinary shares, please forward this Circular, the attached form of proxy in respect of the Scheme Meeting of Cognition Shareholders (pink) and form of surrender (blue) to the purchaser to whom, or the Broker, CSDP, banker or other agent through whom, the disposal was effected.

Cognition and Caxton do not accept responsibility and will not be held liable for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner of Cognition Shares to notify such Beneficial Owner of the transaction set out in this Circular.



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")

CIRCULAR TO COGNITION SHAREHOLDERS

relating to

- a scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Cognition Board between Cognition and Cognition Shareholders in terms of which, if implemented, Caxton will acquire all of the Scheme Shares from Scheme Participants for the Scheme Consideration of 107 cents per Scheme Share;
- the termination of the listing of the Cognition Shares on the JSE

and incorporating

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act;
- extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and section 164 of the Act dealing with Dissenting Shareholders' appraisal rights;
- the Notice of Scheme Meeting of Cognition Shareholders;
- a form of proxy in respect of the Scheme Meeting of Cognition Shareholders (pink) (for use by Certificated Cognition Shareholders and Dematerialised Cognition Shareholders with own name registration only); and
- a form of surrender for use by Certificated Shareholders and own name Registration Shareholders.

| Sponsor to Cognition and Caxton | Auditors to Cognition | Auditors to Caxton | Attorneys to Cognition and Caxton | Independent Expert to Cognition |
|---|--|---|--|--|
| The logo for AcaciaCap Advisors features a green tree silhouette above the text "AcaciaCap" in a bold, sans-serif font, with "ADVISORS" in a smaller font below it. | The logo for BDO consists of the letters "BDO" in a bold, blue, sans-serif font, with a red horizontal bar underneath. | The logo for Mazars features the word "mazars" in a lowercase, blue, sans-serif font. | The logo for Fluxmans features the word "Fluxmans" in a bold, blue, sans-serif font. | The logo for Exchange Sponsors Projects features a stylized bar chart with three bars of increasing height, above the text "EXCHANGE SPONSORS" in a bold, sans-serif font. |
| AcaciaCap Advisors | BDO South Africa | Mazars | Fluxmans Inc. | Exchange Sponsors Projects |

This Circular is only available in English and appears on the website of the company at www.cgn.co.za. Copies of this Circular may also be obtained during normal business hours from the registered office of Cognition and the offices of AcaciaCap Advisors Proprietary Limited at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of issue hereof until the date of the Scheme Meeting.

Date of issue: Friday, 19 April 2024

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 7 of this Circular apply to this section on Important Legal Notes.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Cognition that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Cognition cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Cognition operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Cognition, made by Cognition as communicated in publicly available documents by the company, all of which estimates and assumptions, although Cognition believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Cognition or not currently considered material by Cognition.

Cognition Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Cognition not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Cognition has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN COGNITION SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Act Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. Cognition Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or other response to the proposals should be made only on the basis of the information in this Circular.

Any Cognition Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

TAKEOVER REGULATION PANEL APPROVAL

The Shareholders should take note that in terms of section 201(3) of the Companies Act the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* to this Corporate Information section.

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| <p>Directors of Cognition</p> <p>PM Jenkins (Non-executive chairman) RCH Fedder (Chief Executive Officer) PA Scholtz (Financial Director) SWL de Kock # M Crisp #β D Lupambo #β A Mwela # S Naude # lead independent</p> <p>#non-executive β independent</p> | <p>Directors of Caxton</p> <p>PM Jenkins (Independent non-executive chairman) TD Moolman (Chief Executive Officer) TJW Holden (Managing Director) (Financial Director) LR Witbooi (Managing Director: Western Cape Operations) ACG Molusi #β JH Phalane #β NA Nemukula #β T Slabbert #β</p> <p>#non-executive β independent</p> |
| <p>Company Secretary and registered office of Cognition</p> <p>Felicia van der Merwe Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg 2196 (PO Box 3386, Pinegowrie 2194)</p> | <p>Company Secretary and registered office of Caxton</p> <p>Jefferine Edwards Caxton House 368 Jan Smuts Avenue Craighall Park Johannesburg 2196 (PO Box 43587, Industria 2042)</p> |
| <p>Date and place of incorporation of Cognition</p> <p>4 July 1997, Pretoria, South Africa</p> | <p>Date and place of incorporation of Caxton</p> <p>3 September 1947, Pretoria, South Africa</p> |
| <p>Sponsor to Cognition and Caxton</p> <p>AcaciaCap Advisors Proprietary Limited Registration number 2006/033725/07 20 Stirrup Lane, Woodmead Office Park Corner Woodmead Drive and Van Reenens Avenue Woodmead 2191 (Suite #439, Private Bag X29, Gallo Manor 2052)</p> | <p>Legal Advisor to Cognition and Caxton</p> <p>Fluxmans Inc. Registration number 2000/024775/21 24 Fricker Road Illovo, 2196 (Private Bag X41, Saxonwold 2132)</p> |
| <p>Independent expert to Cognition</p> <p>Exchange Sponsors Projects Proprietary Limited Registration number 2008/021456/07 44A Boundary Road Inanda 2196 (PO Box 411216, Craighall 2024)</p> | <p>Transfer Secretaries of Cognition and Caxton</p> <p>Computershare Investor Services Proprietary Limited Registration number 2004/003647/07 Rosebank Towers 15 Biermann Avenue Rosebank 2196 (Private Bag X9000, Saxonwold 2132)</p> |
| <p>Auditors to Cognition</p> <p>BDO South Africa Inc. Registration number 1995/002370/21 Practice number 905526 Registered Auditors Chartered Accountants (SA) Wanderers Office Park, 52 Corlett Drive Illovo 2196 (Private Bag X10046, Wierda Valley 2146)</p> | <p>Auditors to Caxton</p> <p>Mazars Registration number 900222 Practice number 779415 Registered Auditors Chartered Accountants (SA) 54 Glenhove Road Melrose Estate 2198</p> |

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| | |
| Form of surrender for use by Certificated Shareholders and own name Registration Shareholders (blue) | Attached |

ACTION REQUIRED BY COGNITION SHAREHOLDERS IN RELATION TO THE SCHEME AND THE TERMINATION OF THE LISTING

The definitions and interpretations commencing on page 7 of this Circular apply to this section on the action required by Cognition Shareholders.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other financial advisor. If you have disposed of all of your Cognition Shares, this Circular should be handed to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

A Scheme Meeting of Cognition Shareholders will be held at 10h00 on Friday, 24 May 2024 in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg to consider and, if deemed fit, to pass the resolutions required to *inter alia* enable Caxton to acquire all the issued Cognition Shares not held by Caxton (save for those held by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Act to lapse, as more fully described in paragraph 4.7 below) in terms of a scheme of arrangement under the Companies Act, and to terminate the listing of the Cognition Shares on the JSE in terms of the Listings Requirements. A notice convening such Scheme Meeting is attached to, and forms part of, this Circular.

Please take careful note of the following provisions regarding the action to be taken by Cognition Shareholders.

1. IF YOU HAVE DEMATERIALIZED YOUR COGNITION SHARES AND DO NOT HAVE OWN NAME REGISTRATION

1.1 Voting at the Scheme Meeting

- 1.1.1 If you do not wish to, or are unable to, attend or appoint a proxy to represent you at the Scheme Meeting and you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and furnish your CSDP or Broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the Custody Agreement between you and your CSDP or Broker.
- 1.1.2 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement between you and your CSDP or Broker.
- 1.1.3 You must **NOT** complete the attached form of proxy in respect of the Scheme Meeting of Cognition Shareholders (*green*).

1.2 Attendance and representation at the Scheme Meeting

- 1.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - 1.2.1.1 attend, speak and vote at the Scheme Meeting; or
 - 1.2.1.2 appoint a proxy to represent you at the Scheme Meeting.Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the Scheme Meeting. You will not be permitted to attend, speak or vote at the Scheme Meeting, or appoint a proxy to represent you at the Scheme Meeting, without the necessary letter of representation being issued to you.

1.3 Surrender of Documents of Title

You must not complete the form of surrender (*blue*).

1.4 Settlement of Scheme Consideration

If the Scheme becomes operative, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Cognition Shares you are

transferring to Caxton on the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1.1 of this Circular, on the date set out in paragraph 4.7.1.2 of this Circular.

2. IF YOU HAVE NOT DEMATERIALIZED YOUR COGNITION SHARES OR IF YOU HAVE DEMATERIALIZED YOUR COGNITION SHARES WITH OWN NAME REGISTRATION

2.1 Voting, attendance and representation at the Scheme Meeting

You may attend, speak and vote at the Scheme Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the Scheme Meeting by completing the attached form of proxy in respect of the Scheme Meeting (pink) in accordance with the instructions contained therein and returning it to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (Private Bag X9000, Saxonwold 2132) or e-mailing to proxy@computershare.co.za to be received by them for administrative purposes by no later than 10h00 on Wednesday, 22 May 2024, alternatively, such form of proxy may be handed to the Chairman of the Scheme Meeting prior to the holding of the vote in respect of the resolution in question.

2.2 Surrender of Documents of Title (this applies only to Certificated Cognition Shareholders and not to own name Dematerialised Cognition Shareholders)

2.2.1 You are required to complete the attached form of surrender (*blue*) in accordance with its instructions and return it, together with the Documents of Title representing all your Certificated Cognition Shares, to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (Private Bag X3000 , Saxonwold 2132), to be received by them by no later than 12h00 on the Scheme Consideration Record Date.

2.2.2 Documents of Title held by Certificated Cognition Shareholders in respect of their Cognition Shares will cease to be of any value, and shall not be good for delivery, from the Operative Date, other than for surrender in terms of the Scheme and/or the Appraisal Rights.

2.3 Settlement of Scheme Consideration

2.3.1 Certificated Cognition Shareholders

2.3.1.1 If the Scheme becomes operative and you have surrendered your Documents of Title to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (Private Bag X3000 , Saxonwold 2132) on or before 12h00 on the Scheme Consideration Record Date, the Scheme Consideration will be credited to you, at your risk, within five Business Days of the Operative Date.

2.3.1.2 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative:

2.3.1.2.1 you should complete the form of surrender (*blue*) in accordance with its instructions and return it, together with your Documents of Title, to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg (Private Bag X3000 , Saxonwold 2132); and

2.3.1.2.2 it should be noted that you will not be able to Dematerialise or deal in your Cognition Shares between the date of surrender of your Documents of Title and the Last Day to Trade or, if the Scheme does not become operative, the date on which your Documents of Title are returned to you pursuant to paragraph 2.3.1.5 below.

2.3.1.3 If the Scheme becomes operative and you surrender your Documents of Title after 12h00 on the Scheme Consideration Record Date, the Transfer Secretaries will only credit the Scheme Consideration to you, at your risk, within five Business Days of receipt of your Documents of Title and form of surrender (*blue*), provided that should you:

2.3.1.3.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, you will still need to surrender your Documents of Title, together with a completed form of surrender (*blue*), to the Transfer Secretaries and the Scheme Consideration will only be credited to you on the date set out in paragraph 4.7.1.1 of this Circular; and

2.3.1.3.2 fail to surrender your Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries within three years after the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, within three years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, the Scheme Consideration due to you will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Cognition, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner.

- 2.3.1.4 Documents of Title surrendered prior to 12h00 on the Scheme Consideration Record Date in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Certificated Cognition Shareholder, pending the Scheme becoming operative.
- 2.3.1.5 Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

2.3.2 Own name Dematerialised Cognition Shareholders

- 2.3.2.1 If you are an own name registered Dematerialised Cognition Shareholder who is, or is deemed (pursuant to paragraph 4.7.1 of this Circular) to be, a Scheme Participant, you will have your account held at your CSDP or Broker credited with the Scheme Consideration and debited with the Cognition Shares you are transferring to Caxton pursuant to the Scheme on the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, on the date contemplated in paragraph 4.7.1 of this Circular.

- 2.3.2.2 You must **not** complete the attached form of surrender (*blue*).

If you wish to Dematerialise your Cognition Shares, please contact your CSDP or Broker. Cognition Shareholders should note that it will take between 1 to 10 Business Days to Dematerialise their Cognition Shares through their CSDP or Broker. Cognition Shareholders that do not have a CSDP or Broker can contact the Transfer Secretaries directly to Dematerialise their Cognition Shares on 011-370-5000.

No Dematerialisation or re-materialisation of Cognition Shares may take place from the Business Day following the Scheme LDT. You do not need to Dematerialise your Cognition Shares to receive the Scheme Consideration.

Cognition Shareholders are advised to consult their professional advisors about their personal tax positions regarding the Scheme.

3. TAKEOVER REGULATION PANEL APPROVAL

Cognition Shareholders should take note that in accordance with section 201(3) of the Companies Act the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 7 of this Circular shall apply to this section.

| | 2024 |
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| Record date for Cognition Shareholders to be recorded in the Register in order to receive this Circular | Friday, 12 April |
| Circular posted to Cognition Shareholders and notice convening the Scheme Meeting released on SENS | Friday, 19 April |
| Notice convening the Scheme Meeting published in the South African press | Monday, 22 April |
| Last day to trade Cognition Shares in order to be recorded in the Register on the Scheme Voting Record Date | Tuesday, 14 May |
| Scheme Voting Record Date being 17h00 | Friday, 17 May |
| Proxy forms to be lodged at Transfer Secretaries by 10h00 | Wednesday, 22 May |
| Last date and time for Cognition Shareholders to give notice to Cognition objecting, in terms of section 164(3) of the Act, to the special resolution approving the Scheme for purposes of the Appraisal Rights by 10h00 | Friday, 24 May |
| Proxy forms not lodged with Transfer Secretaries to be handed to the Chairman of the Scheme Meeting before 10h00 | Friday, 24 May |
| Scheme Meeting of Cognition Shareholders to be held at 10h00 | Friday, 24 May |
| Results of Scheme Meeting and Finalisation Details released on SENS | Friday, 24 May |

ACTION

The following dates assume that neither Court approval nor the review of the Scheme is required and will be confirmed in the finalisation announcement to be released simultaneously with the results of the Scheme Meeting.

Should votes against or objections to the Scheme be lodged by Dissenting Shareholders as contemplated in paragraph 4 of the Circular, the dates set out below will not be applicable, and a further finalisation announcement will be released in due course.

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| Results of Scheme Meeting and Finalisation details published in the press | Monday, 27 May |
| Last day to trade in order to be entitled to receive the Scheme Consideration | Tuesday, 4 June |
| Cognition Shares suspended on the JSE | Wednesday, 5 June |
| Record date in order to be entitled to receive the Scheme Consideration | Friday, 7 June |
| Expected operative date of the Scheme: TRP issues compliance certificate in terms of the Act | Monday, 10 June |
| Listing of Cognition Shares on the JSE terminated | Tuesday, 11 June |

Notes

1. The above dates and times are subject to such changes as may be agreed to by Cognition and Caxton and approved by the TRP and/or the JSE, if required. If the Scheme Conditions are not met by the expected operative date of 10 June 2024, an updated timetable will be released on SENS and published in the South African press
2. Cognition Shareholders should note that, as trade in Cognition Shares on the JSE is settled through Strate, settlement of trades takes place three Business Days after the date of such trades. Therefore, Cognition Shareholders who acquire Cognition Shares on the JSE after the last day to trade in Cognition Shares in order to be recorded in the Register on the Scheme Voting Record Date will not be entitled to vote at the Scheme Meeting.
3. Cognition Shareholders who wish to exercise their Appraisal Rights are referred to Annexure 5 to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
4. Dematerialised Cognition Shareholders, other than those with own name registration, must provide their CSDP or Broker with their instructions for voting at the Scheme Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements.
5. No dematerialisation or re-materialisation of Cognition Shares may take place from the Business Day following the Scheme LDT.
6. If the Scheme Meeting is adjourned or postponed, forms of proxy submitted for the initial Scheme Meeting will remain valid in respect of any adjournment or postponement of the Scheme Meeting.
7. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.
8. All times referred to in this Circular are references to South African time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

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| “Appraisal Rights” | The rights afforded to Cognition Shareholders in terms of section 164 of the Companies Act as set out in Annexure 5 to this Circular; |
| “Beneficial Owner” | a person on whose behalf any Dematerialised Cognition Share (not held in own name form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement; |
| “Broker” | any person registered as a “ <i>broking member (equities)</i> ” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act; |
| “Business Day” | a day which is not a Saturday, Sunday or official public holiday in South Africa; |
| “Cash Offer” | the Cash Offer in terms of the Scheme, being 107 cents per Scheme Share; |
| “Caxton” | Caxton and CTP Publishers and Printers Limited (registration number 1947/026616/06), a public company incorporated under the laws of South Africa, the holding company of CTP and ultimate holding company of Cognition and listed on the JSE; |
| “cents” | South African cents, in the official currency of South Africa; |
| “Certificated Cognition Share” | a Cognition Ordinary Share that has not been Dematerialised, title to which is evidenced by a Document of Title; |
| “Certificated Cognition Shareholder” | a Cognition Shareholder who holds Certificated Cognition Shares; |
| “Circular” | this circular to Cognition Shareholders, dated Friday, 19 April 2024 together with the annexures hereto, and including the Notice of Scheme Meeting of Cognition Shareholders, the form of proxy (<i>green</i>) in relation to the Scheme Meeting of Cognition Shareholders and the form of surrender (<i>blue</i>); |
| “Cognition” or “the Company” | Cognition Holdings Limited (registration number 1997/010640/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE; |
| “Cognition Board” or “Cognition Directors” | the directors of Cognition as at the Last Practicable Date, whose names are set out on page 1 of this Circular; |
| “Cognition Shareholders” | the holders of Cognition Shares, other than Caxton and CTP; |
| “Cognition Shares” | ordinary shares of no par value in the capital of Cognition; |
| “Common Monetary Area” | South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini; |
| “the Companies Act” | the Companies Act, No. 71 of 2008, as amended from time to time; |
| “the Companies Act Regulation/s” | the Companies Act Regulations, 2011, promulgated under the Companies Act, as amended from time to time; |
| “CSDP” | Central Securities Depository Participant as defined in the Financial Markets Act; |
| “CTP” | CTP Limited, registration number 1971/114223/06, a public company incorporated under the laws of South Africa, a wholly owned subsidiary of Caxton and the intermediate holding company of Cognition; |
| “Custody Agreement” | a custody mandate agreement between a Beneficial Owner and a CSDP or Broker, regulating their relationship in respect of Dematerialised Cognition Shares held on Cognition’s uncertificated securities register administered by a CSDP or Broker on behalf of that Beneficial Owner; |
| “Dematerialise” or “Dematerialised” or “Dematerialisation” | the process by which Certificated Cognition Shares are converted into an electronic format as Dematerialised Cognition Shares and recorded in Cognition’s uncertificated securities register administered by a CSDP; |
| “Dematerialised Cognition Share” | a Cognition Ordinary Share that has been Dematerialised or has been issued in Dematerialised form, and is held on Cognition’s uncertificated securities register administered by a CSDP; |
| “Dematerialised Cognition Shareholder” | a Cognition Shareholder who holds Dematerialised Cognition Shares; |
| “Dissenting Shareholders” | Cognition Shareholders who validly exercise their Appraisal Rights by demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that the Company pay them the fair value for all of their Offer Shares; |

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| “Documents of Title” | certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Offer Shares in question acceptable to the Cognition Board; |
| “Exchange Control Regulations” | the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time; |
| “Finalisation Date” | the date on which all the Scheme Conditions shall have been fulfilled or waived, as the case may be, as set out in paragraph 4.3 of this Circular; |
| “Financial Markets Act” | the Financial Markets Act, No. 19 of 2012, as amended from time to time; |
| “Independent Board” | collectively, Messrs Miles Crisp, Dennis Lupambo and Steven Naude, all of whom are Independent Non-executive Directors of Cognition; |
| “Independent Expert” | Exchange Sponsors Projects Proprietary Limited, registration number 2008/021456/07, a private company incorporated under the laws of South Africa; |
| “JSE” | the Johannesburg Stock Exchange, operated under licence as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012) by JSE Limited, registration number 2005/022939/06, a public company incorporated under the laws of South Africa and listed on the JSE; |
| “Last Practicable Date” | the last practicable date prior to the finalisation of this Circular, being Friday, 12 April 2024; |
| “Listings Requirements” | the Listings Requirements of the JSE in force as at the Last Practicable Date; |
| “Notice of Scheme Meeting” | the Notice of Scheme Meeting of Cognition Shareholders forming part of this Circular; |
| “Offer” | means the offer by Caxton to acquire all of the issued share capital of Cognition not already held by it and CTP by way of the Scheme; |
| “Offer Letter” | the letter lodged by Caxton with the Cognition Board on or about Thursday, 22 February 2024 in terms of which, <i>inter alia</i> , Caxton confirmed its intention to make an offer to acquire all of the issued ordinary shares in Cognition not already held by it and CTP, with commercial effect from 1 January 2024, by way of the Scheme; |
| “Operative Date” | the date on which the Scheme becomes operative, being the first Business Day immediately following the Scheme Consideration Record Date, which operative date is expected to be Thursday, 10 June 2024; |
| “Proposed Transaction” | the transaction pursuant to which Caxton intends to acquire all of the issued Cognition Shares not already held by it and CTP; |
| “Rand” or “R” | South African Rand, the official currency of South Africa; |
| “Register” | Cognition’s securities register, including all uncertificated securities registers; |
| “Scheme” or “Scheme of Arrangement” | the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Cognition Board between Cognition and the Cognition Shareholders, apart from Caxton and CTP, which scheme of arrangement is more fully described in paragraph 4 of this Circular, in terms of which Caxton will, if the Scheme becomes operative, acquire the Scheme Shares held by Scheme Participants for the Scheme Consideration, subject to any modification or amendment to the Scheme agreed to in writing by Caxton and Cognition and, if necessary, the TRP, which modification or amendment may not be detrimental to Scheme Participants; |
| “Scheme Conditions” | the conditions precedent to which the Scheme is subject, as set out in paragraph 4.3 of this Circular; |
| “Scheme Consideration” | the Cash Offer; |
| “Scheme Consideration Record Date” | 17h00 on the 3rd Business Day after the Scheme LDT, being the latest time and date for holders of Cognition Shares to be registered as such in the Register in order to receive the Scheme Consideration, which date and time is expected to be 17h00 on Friday, 7 June 2024; |
| “Scheme LDT” | the last day to trade Cognition Shares on the JSE in order to be registered in the Register on the Scheme Consideration Record Date, which date and time is expected to be 17h00 on Tuesday, 4 June 2024; |
| “Scheme Meeting” | the Scheme Meeting of Cognition Shareholders to be held at 10h00 on Friday, 24 May 2024 at Caxton House, 368 Jan Smuts Avenue, Craighall, Johannesburg to consider and, if deemed fit, approve the Scheme Resolution and any other resolutions proposed in the Notice of Scheme Meeting; |

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| “Scheme Members” | Cognition Shareholders who are entitled to attend and vote at the Scheme Meeting, being those Cognition Shareholders who are registered as such in the Register on the Scheme Voting Record Date; |
| “Scheme Participants” | Cognition Shareholders who are entitled to receive the Scheme Consideration, being those Cognition Shareholders (apart from Caxton and CTP) who are registered as such in the Register on the Scheme Consideration Record Date, Dissenting Shareholders who have not withdrawn their demands made in terms of sections 164(5) to 164(8) of the Companies Act or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse; |
| “Scheme Resolution” | the special resolution, as contemplated in section 115(2) of the Companies Act, in terms of which Cognition Shareholders are required to approve the Scheme; |
| “Scheme Shares” | all Cognition Shares held by Scheme Participants on the Scheme Consideration Record Date; |
| “Scheme Voting Record Date” | the last time and date for Cognition Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the Scheme Meeting (or any adjournment thereof), being 17h00 on Friday, 17 May 2023; |
| “SENS” | the Stock Exchange News Service of the JSE; |
| “South Africa” | the Republic of South Africa; |
| “Strate” | the electronic clearing and settlement system used by the JSE and operated by Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated under the laws of South Africa; |
| “TRP” | the Takeover Regulation Panel established in terms of section 196 of the Companies Act; and |
| “Transfer Secretaries” or “Computershare” | Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa. |



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

CIRCULAR TO COGNITION SHAREHOLDERS

Directors of Cognition

PM Jenkins (Non-executive chairman)
RCH Fedder (Chief Executive Officer)
PA Scholtz (Financial director)
M Crisp * β
SWL de Kock *
D Lupambo * β
A Mwela *
S Naude * lead independent

* *Non-executive*
 β *Independent*

1. INTRODUCTION

- 1.1 Cognition Shareholders are referred to the Firm Intention Announcement released on SENS on Thursday, 14 March 2024 and published in the press on Friday, 15 March 2024, advising of the firm intention of Caxton to make an offer to acquire all the Cognition Shares not already held by it and CTP by way of a scheme of arrangement in terms of section 114 of the Companies Act, on the terms set out in paragraph 4 of this circular.
- 1.2 In the event that the Scheme is implemented:
 - 1.2.1 Caxton will become the registered and beneficial owner of all the issued Cognition Shares (other than Cognition Shares held by Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 below);
 - 1.2.2 Cognition Participants will receive the Scheme Consideration for the Scheme Shares held by them on the Scheme Consideration Record Date; and
 - 1.2.3 the listing of Cognition Shares on the JSE will be terminated.
- 1.3 The Scheme 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 JSE prior to the release of the first cautionary announcement released 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 Letter was 99 cents per share.
- 1.4 For a full understanding of the Proposed Transaction, this Circular should be read in its entirety. The attention of Cognition Shareholders is also drawn to the Offer Letter, which is a document available for inspection in terms of paragraph 25 below.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- 2.1 provide Cognition Shareholders with information regarding the Scheme;
- 2.2 provide Cognition Shareholders with the Independent Expert's report in respect of the Scheme and the termination of the listing of the Cognition Shares on the JSE;
- 2.3 advise Cognition Shareholders of the Independent Board's opinion in respect of the Scheme (as supported by the Independent Expert's report); and
- 2.4 convene the Scheme Meeting to consider and, if deemed fit, approve the resolutions as set out in the Notice of Scheme Meeting, including the resolution relating to the termination of the listing of the Cognition Shares on the JSE.

3. BACKGROUND INFORMATION ON CAXTON AND RATIONALE FOR THE SCHEME

Caxton is the ultimate holding company of Cognition, owning or controlling 173 147 015 Cognition Shares directly and indirectly through CTP.

The disposal in the latter half of 2022 by Cognition of its major asset, being the shares held by it in Private Property South Africa Proprietary Limited, and the limited tradability of the Cognition Shares, effectively remove the reason for maintaining a listing on the JSE.

Caxton has therefore made the Offer to the Cognition Board.

It is not intended that implementation of the Scheme will have any effect on the continued conduct of the existing business of the Company.

4. THE SCHEME

4.1 Rationale for the Scheme

Given the aforementioned factors, the Independent Board believes that it is in the interests of Cognition and Cognition Shareholders that they be given the opportunity to consider the Proposed Transaction.

4.2 Terms and Conditions of the Scheme

4.2.1 In terms of section 114(1) of the Companies Act, the Cognition Board proposes the Scheme as set out in this paragraph 4 between the Company and the Cognition Shareholders. The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act and will be regulated by the Companies Act, the Companies Act Regulations and the TRP.

4.2.2 In terms of the Scheme, Caxton will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration.

4.2.3 If the Scheme takes effect and becomes operative:

the Scheme Participants shall be deemed to have disposed of their Scheme Shares, free of encumbrances, to Caxton on the Operative Date in exchange for the Scheme Consideration and Caxton shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares as of the Operative Date;

the disposal and transfer by each Scheme Participant of the Scheme Shares held by each such Scheme Participant to Caxton and the acquisition of ownership of these Scheme Shares by Caxton pursuant to the provisions of the Scheme shall be implemented on the Operative Date;

each Scheme Participant shall be deemed to have transferred to Caxton, on the Operative Date, all of the Scheme Shares held by each such Scheme Participant, without any further act or instrument being required;

Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 4;

4.2.4 Each Scheme Participant irrevocably and *in rem suam* authorises Cognition, as principal, with power of substitution, to cause the Scheme Shares disposed of by the Scheme Participants in terms of the Scheme to be transferred to, and registered in the name of, Caxton on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as Cognition in its discretion considers necessary in order to effect that transfer and registration.

4.2.5 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Caxton may otherwise be, or claim to be, entitled against any Scheme Participant.

4.2.6 Cognition, as principal, shall procure that Caxton complies with its obligations under the Scheme, and Cognition alone shall have the right to enforce those obligations (if necessary) against Caxton.

4.2.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against Cognition only. Scheme Participants will be entitled to require Cognition to enforce its rights in terms of the Scheme against Caxton.

4.2.8 The effect of the Scheme, *inter alia*, will be that Caxton will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.

4.2.9 Caxton and Cognition have agreed that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

4.3 Scheme Conditions

4.3.1 The Scheme will be subject to (and will become operative on the Operative Date upon) the fulfillment of the following Scheme Conditions:

4.3.1.1 by not later than 17h00 on 28 June 2024, the approval of the resolutions proposed in the Notice of Scheme Meeting by the requisite majority of Cognition Shareholders is obtained at the Scheme Meeting;

- 4.3.1.2 by not later than 17h00 on 28 June 2024, to the extent required under section 115(3) of the Companies Act, approval of the implementation of the Scheme Resolution by the court is obtained and, if applicable, Cognition not having treated the Scheme Resolution as a nullity;
- 4.3.1.3 as at 17h00 on the second Business Day after the date of conclusion of the Scheme Meeting, Scheme Participants holding more than 15% (fifteen per cent) of the Scheme Shares not having given, in terms of section 164(3) of the Companies Act, valid notice of objection to the Scheme Resolution taken at the Scheme Meeting and those objecting Scheme Participants not having voted against the Scheme Resolution in respect of more than 15% (fifteen per cent) of the Scheme Shares at the Scheme Meeting;
- 4.3.1.4 by not later than 17h00 on 10 June 2024, the expected operative date of the Scheme, the receipt of all regulatory approvals that may be required in connection with the Scheme;
- 4.3.1.5 as at 17h00 on the date on which the last of the conditions in paragraphs 4.3.1.3 to 4.3.1.4 have been fulfilled or, where appropriate, waived, none of the following events shall have occurred in respect of Cognition or Caxton:
 - 4.3.1.5.1 any corporate action, legal proceedings or other procedure or other step (including an application to court, proposal of a resolution or convening of a meeting of shareholders, members, directors or other officers) is taken by any person with a view to:
 - 4.3.1.5.1.1 a moratorium, compromise, composition, business rescue or similar arrangement with any of its creditors;
 - 4.3.1.5.1.2 its winding-up, dissolution or commencement of business rescue proceedings, or for the seeking of relief under any applicable bankruptcy, insolvency, company or similar law, or any such resolution;

it being agreed that this condition shall be regarded as having been fulfilled unless either Cognition or Caxton has informed the other by no later than 17h00 on the date on which the last of the conditions in paragraphs 4.3.1.3 to 4.3.1.4 have been fulfilled or, where appropriate, waived, that it has knowledge that this condition has not been fulfilled; and
- 4.3.1.6 the condition in paragraphs 4.3.1.3 (insofar as it relates to Cognition) is stipulated for the benefit of Caxton and may be waived or relaxed by Caxton in its sole discretion by notice in writing to Cognition prior to the expiry of the time period set out in paragraph 4.3.1.3 (or such extended time period as may be agreed in writing between Caxton and Cognition in accordance with paragraph 4.3.3), provided that if the condition in paragraph 4.3.1.3 is waived and if any Cognition Shareholder exercises its appraisal rights in terms of section 164 of the Companies Act, the costs of any court process and/or any order that is made against Cognition prior to the Scheme being implemented, shall be funded by Caxton on demand made by Cognition. Caxton shall be entitled but not obliged to control the conduct of any such legal process, in consultation with Cognition, and if it does so it shall bear the costs thereof.
- 4.3.2 Save where the remainder of the conditions in paragraph 4.3.1 are of a regulatory nature, they are capable of waiver or relaxation by written agreement between Caxton and Cognition prior to the date upon which such conditions are to be fulfilled (or such extended period as may be agreed in writing between Caxton and Cognition in accordance with paragraph 4.3.3).
- 4.3.3 Caxton and Cognition may by agreement in writing and with the prior approval of the TRP (where required), extend the dates for the fulfilment of any one or more of the conditions in paragraph 4.3.1 and the agreement to extend shall not be unreasonably withheld or delayed if the condition is of a regulatory nature and the delay is occasioned on the part of the regulator and the period of the extension accords with the period of the delay.

4.4 **Scheme Consideration**

Subject to paragraph 4.5, if the Scheme becomes unconditional and is implemented, each Scheme Participant will receive the Scheme Consideration for each Scheme Share held by such Scheme Participant as at the Scheme Consideration Record Date.

4.5 **Settlement of the Scheme Consideration**

- 4.5.1 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 4 to this Circular.
- 4.5.2 Cognition or its agents will administer and effect settlement of the Scheme Consideration to Scheme Participants.
- 4.5.3 If the Scheme becomes operative:
 - 4.5.3.1 Scheme Participants who hold Dematerialised Cognition Shares will have their accounts held at their CSDPs or Brokers credited with the Scheme Consideration and debited with the Scheme Shares they are transferring to Caxton pursuant to the Scheme on the Operative Date or, in the case of Dissenting Shareholders who subsequently become Scheme Participants, pursuant to paragraph 4.7.1, on the date contemplated in paragraph 4.7.1.2; and

- 4.5.3.2 Scheme Participants who hold Certificated Cognition Shares:
- 4.5.3.2.1 who have surrendered their Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries on or before 12h00 on the Scheme Consideration Record Date, will have the Scheme Consideration paid to them, at their risk, within five Business Days of the Operative Date; or
 - 4.5.3.2.2 who surrender their Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries after 12h00 on the Scheme Consideration Record Date, will have the Scheme Consideration paid to them, at their risk, within five Business Days of the Transfer Secretaries receiving their Documents of Title and completed form of surrender (*blue*), unless such Scheme Participants were Dissenting Shareholders who have subsequently become Scheme Participants pursuant to paragraph 4.4.7.1, in which case such Scheme Participants will still need to surrender their Documents of Title, together with a completed form of surrender (*blue*), to the Transfer Secretaries and payment of the Scheme Consideration will only be effected to such Scheme Participants, at their risk, on the date set out in paragraph 4.7.1.2.
- 4.5.3.3 In the event that a Scheme Participant who holds Certificated Cognition Shares fails to surrender its Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries within three years of the Operative Date or, in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 5.7.1.2 of this Circular, within three years of the date on which such Dissenting Shareholder became a Scheme Participant, the Scheme Consideration due to such Scheme Participant will be paid to the benefit of the Guardian's Fund of the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Cognition, in rem suam, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to pay the Scheme Consideration to the benefit of the Guardian's Fund in the aforesaid manner.

4.6 Effect of the Scheme

- 4.6.1 If all of the Scheme Conditions are fulfilled or waived, as the case may be, and the Scheme becomes operative:
- 4.6.1.1 Scheme Participants (whether they voted in favour of the Scheme or not, or failed to vote) shall, with effect from the Operative Date, be deemed to have disposed of their Scheme Shares to Caxton, which will be deemed to have acquired registered and beneficial ownership of the Scheme Shares in exchange for the Scheme Consideration, and Scheme Participants shall no longer be Cognition Shareholders;
 - 4.6.1.2 Scheme Participants shall be deemed to have irrevocably authorised and instructed Cognition to cause the Scheme Shares to be transferred and registered in the name of Caxton on or at any time after the Operative Date and to take all such steps and sign all such documents as may be necessary to procure such transfer and registration; and
 - 4.6.1.3 Scheme Participants shall be deemed to have instructed Cognition as principal, but with the power to appoint agents, to procure that the Scheme Consideration is settled in accordance with the provisions of the Scheme.
- 4.6.2 The effect of the Scheme will be that Caxton will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.
- 4.6.3 The Scheme shall be governed by the laws of South Africa only. Each Cognition Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

4.7 Dissenting Shareholders

- 4.7.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by the Company in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the offer to lapse:
- 4.7.1.1 on or prior to the Scheme LDT, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; and
 - 4.7.1.2 after the Scheme LDT, be deemed to have been a Scheme Participant as at the Operative Date of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder shall take place on the later of (i) the Operative Date, (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, and (iii) if that Dissenting Shareholder is a Certificated Cognition Shareholder, the date which is five Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed form of surrender (*blue*) to the Transfer Secretaries.

4.7.2 The provisions of section 164 of the Companies Act (which set out the Appraisal Rights) are set in Annexure 4 to this Circular.

4.8 Foreign Cognition Shareholders and Exchange Control Regulations

Annexure 3 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

4.9 Resources for settlement of Scheme Consideration

Caxton 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 Companies Act Regulations, Fluxmans Inc. Attorneys has provided to the TRP the necessary irrevocable unconditional confirmation that such cash is held in escrow.

4.10 Restricted jurisdictions

4.10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Circular is deemed to have been provided for information purposes only and neither the Cognition Board nor the Caxton Board accepts any responsibility for any failure by Scheme Participants to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

4.10.2 Scheme Participants who are in doubt as to their position should consult their professional advisors.

5. OFFER LETTER

The Offer Letter is available for inspection at the registered office of Cognition.

6. TERMINATION OF LISTING OF COGNITION SHARES

Following implementation of the Scheme, Cognition will be a wholly owned subsidiary of Caxton and the listing of the Cognition Shares will be terminated on the JSE.

7. INTERESTS OF CAXTON AND CAXTON DIRECTORS IN COGNITION SECURITIES

- 7.1 As at the Last Practicable Date, Caxton and CTP held 173 147 015 Cognition Shares (75,52%).
- 7.2 As at the Last Practicable Date, none of the directors of Caxton or CTP beneficially held any Cognition Shares.
- 7.3 During the six-month period prior to 14 March 2024, Caxton acquired 195 000 Cognition Shares at an average consideration of 99 cents per share.
- 7.4 Caxton and CTP had no dealings in Cognition Shares during the period from 14 March 2024 and ending on the Last Practicable Date.
- 7.5 No Caxton or CTP director had any dealings in Cognition Shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date.

8. INTERESTS OF CAXTON DIRECTORS IN CAXTON SECURITIES

8.1 The direct beneficial interests of Caxton directors in the shares of Caxton as at the Last Practicable Date are set out below:

| Name of director | Number of shares | Percentage of issued share capital |
|------------------|------------------|------------------------------------|
| TD Moolman | 142 998 | 0,04 |
| TJW Holden | - | - |
| PM Jenkins | 8 000 | - |
| J Edwards * | 31 329 | - |

*Company secretary

Save for the purchase by TD Moolman on 13 September 2023 of 50 000 ordinary shares in the Company, there were no changes in directors' shareholdings between the end of the financial year and the date of this circular.

Indirect

At the date of this circular, TD Moolman through his associated family interests held via various controlled intermediate companies ("Moolman"), controls Caxton Holdings Proprietary Limited which holds 46,10% of the issued share capital of the Company (30 June 2022: 46,10%). Moolman controls an additional 5,74% (30 June 2022: 5,72%) of the issued share capital of the Company. Moolman therefore controls a total of 51,84% (30 June 2022: 51,72%) of the issued ordinary shares of the Company.

At the date of this circular, TJW Holden's associated family interests held through an intermediate holding company of Caxton Holdings Proprietary Limited held an indirect 1.67% (30 June 2022: 1.67%) shareholding in the Company.

8.2 Caxton directors (including their associates) had no dealings in Caxton shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date.

9. INTERESTS OF COGNITION AND COGNITION DIRECTORS IN CAXTON SECURITIES

- 9.1 As at the Last Practicable Date, Cognition held no direct or indirect beneficial interests in Caxton. Cognition had no dealings in Caxton shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date.
- 9.2 As at the Last Practicable Date, none of the Cognition Directors held any direct or indirect beneficial interests in Caxton shares. The Cognition Directors had no dealings in Caxton shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date.

10. INTERESTS OF COGNITION DIRECTORS IN COGNITION SHARES

- 10.1 The beneficial interests of the Cognition Directors in Cognition Shares as at the Last Practicable Date are set out below:

| Director | Number of shares | Percentage of issued share capital |
|------------|------------------|------------------------------------|
| PA Scholtz | 485 244 | 0,21 |

- 10.2 Cognition Directors (including their associates) had no dealings in Cognition Shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date.

11. IRREVOCABLE UNDERTAKINGS

Caxton and Cognition have received irrevocable undertakings to approve the Scheme and to vote in favour of the resolutions to be proposed at the Scheme Meeting from the following Cognition shareholders, holding or controlling the number and percentage of the Scheme Shares indicated:

| Name | Number of Scheme Shares | Percentage of Scheme Shares |
|------------------|-------------------------|-----------------------------|
| Lazio Holding SA | 15 218 750 | 27,1 |
| MA Smith | 11 373 436 | 20,3 |
| NAVSUR Limited | 10 463 300 | 18,6 |
| AD Dekker | 1 211 673 | 2,2 |
| PA Scholtz | 485 244 | 0,8 |
| D Sidenberg | 1 450 000 | 2,6 |
| N Morgan | 400 000 | 0,7 |

The undertakings represent in the aggregate approximately 72,3% of the Scheme Shares held by Scheme Members entitled to vote at the Scheme Meeting.

12. INTERESTS AND DEALINGS IN COGNITION SHARES AND CAXTON SHARES BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

There have been no dealings in Cognition Shares and/ or Caxton Shares during the six-month period prior to 14 March 2024 or the period from 14 March 2024 and ending on the Last Practicable Date by the parties set out in paragraph 11 above.

13. REMUNERATION OF COGNITION DIRECTORS

After the implementation of the Scheme, the Cognition Non-executive Directors reflected on page 1 will resign from the Cognition Board and will cease to receive any remuneration from Cognition.

14. COGNITION DIRECTORS' SERVICE CONTRACTS

- 14.1 Cognition has service contracts (oral or written) with the executive directors of the Company, which contracts contain provisions which are normal in agreements of this nature.
- 14.2 The executive and non-executive Cognition Directors are appointed subject to applicable laws (including common law) and the provisions of the Company's memorandum of incorporation. The non-executive Cognition Directors are subject to retirement by rotation and re-election in terms of the Company's memorandum of incorporation.

15. AGREEMENTS IN RELATION TO THE SCHEME

- 15.1 Save for the Offer Letter and the irrevocable undertakings referred to in paragraph 11 above, no agreements have been entered into between Caxton, the Caxton directors (or persons who were directors of Caxton in the past 12 months) and/or Caxton shareholders (or persons who were Caxton Shareholders in the past 12 months) and any of Cognition, the Cognition Directors (or persons who were directors of Cognition in the past 12 months) or Cognition Shareholders (or persons who were Cognition Shareholders in the past 12 months) in relation to the Scheme. The above provisions also apply to CTP and its directors.
- 15.2 Caxton confirms that it is the ultimate prospective purchaser of the Scheme Shares and is acting on its own behalf and not in concert with any third party.

16. FINANCIAL INFORMATION REGARDING COGNITION AND INCORPORATION BY REFERENCE

16.1 Financial information regarding Cognition

The unaudited published results of Cognition for the six-months ended 31 December 2023 are annexed hereto as Annexure 2.

In terms of a TRP ruling dated 19 March 2024 Cognition is exempt from Regulation 106(7)(c)(i) on condition that the extracts of the Financial Statements are included in the circular, the full financial statements are made available to shareholders on request, financial statements are made available at the Cognition premises and the financial statements are available on the Company's website. Included in Annexure 2 are extracts of the Statements of Financial Position, Comprehensive Income, Cash Flows and Changes in Equity for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023. These extracts are from the audited annual financial statements of the Company for the years concerned, all of which are accessible on the website of the Company in accordance with paragraph 16.2.

16.2 Incorporation by reference

The financial information set out in the table below is incorporated in Annexure 2 to this Circular by reference, and can be accessed on the website of the Company at www.cgn.co.za. It is also available for inspection by Cognition Shareholders and/or prospective investors, free of charge, at the registered office of the Company, during business hours between Friday, 19 April and Friday, 24 May 2024:

| <i>Item</i> |
|---|
| Audited financial statements of Cognition for the three financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 |
| Circular to the shareholders of Cognition relating to the disposal of Private Property South Africa Proprietary Limited dated 14 October 2022 |

17. THE VIEW OF THE INDEPENDENT BOARD ON THE SCHEME

17.1 In accordance with the Companies Act Regulations, the Cognition Board has appointed the Independent Board, comprising Messrs. Miles Crisp, Dennis Lupambo and Steve Naude. The Independent Board has appointed the Independent Expert to compile a report on the Scheme. The Cognition Board has provided all relevant information on Cognition requested by the Independent Expert in order to compile the report.

17.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration as contemplated in Companies Act Regulation 110(3)(b). The Independent Board has formed a view of the range of the Scheme Consideration for Cognition Shares, which accords with the range contained in the Independent Expert's report, ranging between 100,9 and 103,2 cents per share, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Act Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

17.3 The Independent Board, having taken into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Cognition Shareholders and, accordingly, recommend that Scheme Members vote in favour of the Scheme at the Scheme Meeting.

18. REPORT OF THE INDEPENDENT EXPERT

18.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and Companies Act Regulation 90 is set out in Annexure 1 to this Circular.

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

19. INTENDED ACTION OF COGNITION DIRECTORS

All the Cognition Directors who beneficially own Cognition Shares intend to vote in favour of the Scheme at the Scheme Meeting.

20. FOREIGN COGNITION SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

Information regarding Foreign Cognition Shareholders and Exchange Control Regulations is set out in Annexure 3 to this Circular.

21. TAX IMPLICATIONS FOR COGNITION SHAREHOLDERS

The tax treatment of Scheme Participants is dependent on their individual circumstances and on the tax jurisdiction applicable to such Scheme Participants. It is recommended that the Scheme Participants seek appropriate advice in this regard.

22. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular which relates to Cognition and confirms that, to the best of its knowledge and belief, such information which relates to Cognition is true and the Circular does not omit anything likely to affect the accuracy of such information.

23. CAXTON BOARD RESPONSIBILITY STATEMENT

The board of Caxton accepts responsibility for the information contained in this Circular which relates to Caxton and confirms that, to the best of its knowledge and belief, such information which relates to Caxton is true and the Circular does not omit anything likely to affect the accuracy of such information.

24. TAKEOVER REGULATION PANEL APPROVAL

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

25. ADVISORS' CONSENTS

The parties referred to in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

26. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by the Cognition Shareholders at the registered offices of Cognition from the date of posting of this Circular until the end of the Operative Date, or available by e-mail request to the Company Secretary of Cognition at felicia@ctp.co.za:

- 26.1 the audited annual financial statements of Cognition for the three financial years ended 30 June 2021, 30 June 2022 and 30 Jun 2023;
- 26.2 the consent letters referred to in paragraph 25 of this Circular;
- 26.3 a signed copy of this Circular;
- 26.4 the signed report of the Independent Expert;
- 26.5 the memorandum of incorporation of Cognition;
- 26.6 the irrevocable letters of undertaking by the shareholders of Cognition referred to in paragraph 11 of this Circular;
- 26.7 the Offer Letter;
- 26.8 the service contracts with executive directors where these are in writing; and
- 26.9 the letter of approval of this circular issued by the TRP.

SIGNED at Johannesburg on behalf of the board of directors of Cognition on 19 April 2024

S NAUDE

Chairperson of the Independent Board

SIGNED at Johannesburg on behalf of the board of directors of Caxton on 19 April 2024

TD MOOLMAN

Chief Executive Officer

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME

The Independent Board of Directors
 Cognition Holdings Limited
 Caxton House
 368 Jan Smuts Avenue
 Craighall Park
JOHANNESBURG

10 April 2024

Dear Sirs

REPORT OF THE INDEPENDENT EXPERT IN RESPECT OF THE PROPOSED SCHEME OF ARRANGMENT BY COGNITION HOLDINGS LIMITED (“COGNITION” OR THE “COMPANY”) TO ITS SHAREHOLDERS OTHER THAN THE SHARES HELD BY CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED (“CAXTON”), IN TERMS OF SECTION 114 OF THE COMPANIES ACT, AS READ WITH REGULATIONS 90 AND 110 OF THE COMPANIES REGULATIONS

Introduction and proposed transaction

In the firm intention announcement made by Cognition & Caxton and CTP Publishers and Printers Limited (“Caxton”) on the Stock Exchange News Service (“**SENS**”) of the exchange operated by the Johannesburg Stock Exchange Limited (the “**JSE**”) on 14 March 2024 (the “**Firm Intention Announcement**”), holders of ordinary no par value shares in the issued share capital of Cognition (the “**Shares**”) (“**Cognition Shareholders**”) were advised that the board of directors of Caxton (“**Board**”) has resolved to make an offer to all shareholders other than 173 147 015 shares held by Caxton and its associates, to acquire their shares by way of a scheme of arrangement in accordance with section 114(1)(e) of the Companies Act, 2008 (Act 71 of 2008) as amended (“**Act**”), for a cash consideration of R1.07 per share (“**Scheme Consideration**”), subject to certain conditions, being a maximum of 56 126 006 shares for a total maximum Scheme consideration of R60 054 826.40. (“**the Scheme**”) (“**Scheme Shares**”).

Fair and reasonable opinion required in terms of the Act

The Scheme is an affected transaction as defined in section 117(1)(c) of the Act. In terms of Sections 114(2) of the Act, as read with Regulations 90 and 110 of the Companies Regulations, 2011 (“**Companies Regulations**”), the independent board of Cognition (the “**Cognition Independent Board**”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Act and Regulations 90 and 110 of the Companies Regulations (the “**Fair and Reasonable Opinion**” or “**Opinion**”).

Exchange Sponsors Projects (Pty) Ltd (“**Exchange Sponsors**”) has been appointed as the independent expert by the Cognition Independent Board to assess the Scheme and advise on whether the terms and conditions of the Scheme are fair and reasonable to Cognition Shareholders, as required in terms of section 114 of the Act and Regulation 90 of the Companies Regulations.

Copies of sections 115 and 164 of the Act are included in **Annexure 4** of the circular to Shareholders, dated 19 April 2024 (the “**Circular**”).

Responsibility

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

Definition of the terms “fair” and “reasonable” applicable in the context of the transaction

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be said to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

A Scheme may be said to be fair to shareholders if the Scheme consideration is equal to or greater than the fair value of a Scheme share, or unfair if the Scheme consideration is less than the fair value of a Scheme share. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, a Scheme with a consideration per Scheme regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of a transaction is generally based on qualitative considerations surrounding the transaction. Therefore, even though the consideration to be paid in respect of a Scheme may be lower than the market value, the Scheme may be considered reasonable after considering other significant qualitative factors. In terms of Regulation 110(9) of the Companies Regulations, a Scheme with a Scheme consideration per regulated company security above the Scheme regulated company’s traded security price at the time the Scheme consideration per security was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable.

Details and sources of information

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

- The Firm Intention Announcement;
- the terms and conditions of the Scheme, as set out in the Circular;
- unaudited consolidated interim results for Cognition for the period ended 31 December 2023;
- management accounts of Cognition (Company only) for the six months ended 31 December 2023;
- management accounts of FoneWorx for the six months ended 31 December 2023;
- management accounts of BMi Research for the six months ended 31 December 2023;
- management accounts of Adcheck for the six months ended 31 December 2023;
- management accounts of Living Facts for the six months ended 31 December 2023;
- audited financial statements for Cognition Holdings Limited for the years ended 30 June 2023 and 30 June 2022;
- audited financial statements for FoneWorx for the years ended 30 June 2023 and 30 June 2022;
- audited financial statements for BMi for the years ended 30 June 2023 and 30 June 2022;
- audited financial statements for Adcheck for the years ended 30 June 2023 and 30 June 2022;
- audited financial statements for Living Facts for the years ended 30 June 2023 and 30 June 2022;
- five-year forecast of Cognition for the period ended 31 December 2028;
- five-year forecast of FoneWorx for the period ended 31 December 2028;
- five-year forecast of BMi Research for the period ended 31 December 2028;
- five-year forecast of Adcheck for the period ended 31 December 2028;
- five-year forecast of Living Facts for the period ended 31 December 2028;
- share trading statistics for Cognition for period ended 23 February 2024 as supplied by the JSE;
- discussions with the Cognition directors and management and/or their advisors regarding the de-listing;
- discussions with the Cognition directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the industry in which Cognition operates in general; and
- publicly available information relating to Cognition that we deemed to be relevant, including Cognition announcements and media articles.

Procedures

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

- reviewed the terms and conditions of the Firm Intention Announcement;
- analysed and reviewed all relevant financial information as set out above;
- performed such other studies and analyses as we deemed appropriate and have considered our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industry in which Cognition operates;
- held discussions with Cognition directors and management regarding the past and current business operations, regulatory requirements, financial conditions and prospects of Cognition, and such other matters as we have deemed relevant to our inquiry;
- determined the fair value of Cognition by performing a valuation by valuing each of the different business units using the Discounted cash flow method, and adding the central cash holding, reduced by any company liabilities
- evaluated the relative risks associated with Cognition and the industry in which it operates;
- considered the long-term prospects of the Cognition;
- reviewed certain publicly available information relating to the Cognition and the industries in which it operates that we deemed to be relevant, including announcements and media articles; and
- where relevant, representations made by Cognition directors and management were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Cognition operates, and to analyse external factors that could influence the business of Cognition.

Valuation Approach

In evaluating the Scheme, we have performed a valuation of Cognition by valuing each of the different business units using the Discounted cash flow method, and adding the Cognition central cash holding, reduced by any company liabilities. Various other valuation methodologies were considered but deemed not suitable for the valuation of the different business units.

Details of the valuation approach are as follows:

Cognition owns 100% of FoneWorx and has been valued by us performing a DCF valuation of FoneWorx based on management's five-year forecast for the years ending 31 December 2028.

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

From these discounted cashflows the enterprise value for FoneWorx was calculated and adjusted for cash, cash equivalents and borrowings to calculate the equity value.

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

- Own internal system that managers and sets up the digital marketing services;
- Own internal systems integrate into larger social media platforms;
- Fully integrated system with all the cell phone networks and that provide USSD and SMS services;
- Adequate scale to offer value for money services.

The key external value drivers for the business of FoneWorx are as follows:

- Long established business with experienced management;
- Multiple large customers and numerous advertising agencies;
- Long term contracts with customers;
- Close relationship with major clients and trusted third party payment provider.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR:4.1%;
- Discount rate: 22.5%.
- Cognition owns 100% of BMi Research and it has been valued by us performing a DCF valuation of BMi Research based on management's five-year forecast for the years ending 31 December 2028.

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

From these discounted cashflows the enterprise value for BMi Research was calculated and adjusted for cash, cash equivalents and borrowings to calculate the equity value.

The key internal value drivers for the business of BMi Research are as follows:

- Large field force that can collect thousands of product pricing information throughout South Africa, across multiple stores;
- Uses Webscraping to collect web pricing information;
- Large historical pricing information to assist in providing insightful research based reports.

The key external value drivers for the business of BMi Research are as follows:

- Senior staff compliment with many years of experience;
- Good reputation within the industry;
- Ability to provide customers with publicly available competitive information on pricing.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR:6.3%;
- Discount rate: 22.5%.
- Cognition owns 61.5% of Adcheck and it has been valued by us performing a DCF valuation of BMi Research based on management's five-year forecast for the years ending 31 December 2028.

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

From these discounted cashflows the enterprise value for Adcheck was calculated and adjusted for cash, cash equivalents and borrowings to calculate the equity value.

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

- Focus on all advertising mediums including print, digital, radio and TV broadcast;
- Low cost business.

The key external value drivers for the business of Adcheck are as follows:

- Experienced management team;
- Executives are part owners of the business;
- Substantial portion of revenue is monthly recurring.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR:4.8%;
- Discount rate: 24.5%.
- Cognition owns 47.7% of Living Facts and it has been valued by us performing a DCF valuation of Living Facts based on management's five-year forecast for the years ending 31 December 2028.

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

From these discounted cashflows the enterprise value for Living Facts was calculated and adjusted for cash, cash equivalents and borrowings to calculate the equity value.

The key internal value drivers for the business of Living Facts are as follows:

- Systems , process and experience within the industry;
- Low cost business.

The key external value drivers for the business of Living Facts are as follows:

- Experienced management team;
- Executives are part owners of the business.

The critical DCF valuation assumptions were:

- Terminal growth rate: 4%;
- 5-year Revenue CAGR:12.5%;
- Discount rate: 24.5%.

Assumptions

We arrived at our Opinion based on the following assumptions:

- current economic, regulatory and market conditions will not change materially;
- Cognition is not involved in any other material legal proceedings other than what has been disclosed in the Circular;
- there are no known undisclosed contingencies that could have a material effect on the value of Cognition;
- the Scheme will not give rise to any undisclosed tax liabilities;
- that reliance can be placed on the historic and forecast financial information of Cognition as set out above; and
- reliance on the assumptions in the information available made by Cognition's representatives, during the course of forming this Opinion.

Opinion

We determined a value range per Scheme Share of between 100,9 cent and 103,2 cent per Scheme Share, with a most likely value of 101,9 cent per Scheme Share.

Exchange Sponsors has considered the terms and conditions of the Scheme and, based upon and subject to the conditions set out herein, we are of the opinion that the Scheme is fair to Cognition Shareholders due to the Scheme Consideration being above the value range.

In considering the reasonableness of the Scheme we have reviewed the recent share price movements of Cognition shares which are as follows:

| | Cognition share price (cents) | Scheme Consideration (cents) | Premium % |
|---|--|---|----------------------|
| 14 November 2023 – trading day before Cautionary Announcement | 104,0 | 107,0 | 2,9% |
| 30-day trading volume weighted average price up to 14 November 2023 | 97,3 | 107,0 | 10,0% |
| 90-day trading volume weighted average price up to 14 November 2023 | 96,0 | 107,0 | 11,5% |

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Scheme are reasonable to Cognition shareholders.

Conclusion

Based on the results of our procedures performed, our valuation work detailed above and subject to the conditions set out herein, we are of the opinion that the Scheme is fair and reasonable to Cognition Shareholders.

Limiting conditions

This Opinion is provided to the Cognition Independent Board in connection with and for the purposes of the Scheme, for the purpose of assisting the Cognition Independent Board in forming and expressing an opinion for the benefit of the Cognition shareholders.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with Cognition management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Scheme.

Our opinion is necessarily based upon the information available to us up to 5 April 2024, including financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Scheme have been fulfilled or obtained. Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm this Opinion based on such developments.

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

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

Independence, competence and fees

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

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

Furthermore, we confirm that our professional fees of R200 000.00, payable in cash, are not contingent upon the success of the Scheme.

Consent

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

Yours faithfully

Marius Meyer CA (SA)
Director

Exchange Sponsors
44a Boundary Road
Inanda
2196

ANNEXURE A | COPY OF SECTION 114 OF THE ACT

“114. Proposals for scheme of arrangement

- (1) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the company and holders of any class of its securities, by way of, among other things—
- a) a consolidation of securities of different classes;
 - b) a division of securities into different classes;
 - c) an expropriation of securities from the holders;
 - d) exchanging any of its securities for other securities;
 - e) a re-acquisition by the company of its securities; or
 - f) a combination of the methods contemplated in this subsection.

[Sub-s. (1) substituted by s. 70 (a) of Act No. 3 of 2011.]

- (2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):
- a) The person to be retained must be—
 - i. qualified, and have the competence and experience necessary to—
 - (aa) understand the type of arrangement proposed;
 - (bb) evaluate the consequences of the arrangement; and
 - (cc) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the company; and
 - ii. able to express opinions, exercise judgment and make decisions impartially.
 - b) The person to be retained must not—
 - i. have any other relationship with the company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;
 - ii. have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or
 - iii. be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii).

[Sub-s. (2) amended by s. 70 (b) of Act No. 3 of 2011.]

- (3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum—
- a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
 - b) identify every type and class of holders of the company's securities affected by the proposed arrangement;
 - c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
 - d) evaluate any material adverse effects of the proposed arrangement against—
 - i. (the compensation that any of those persons will receive in terms of that arrangement; and
 - ii. any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;
 - e) state any material interest of any director of the company or trustee for security holders;

[Para. (e) substituted by s. 70 (c) of Act No. 3 of 2011.]

- f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and
 - g) include a copy of sections 115 and 164.
- (4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.

[Sub-s. (4) inserted by s. 70 (d) of Act No. 3 of 2011.]

FINANCIAL INFORMATION REGARDING COGNITION

SECTION 1 - UNAUDITED INTERIM RESULTS OF COGNITION FOR THE SIX-MONTHS ENDED 31 DECEMBER 2023

COMMENTARY ON INTERIM RESULTS

for the six months ended 31 December 2023

Overview

Cognition continued to streamline its operations and reduce overhead costs, collaborating closely with its controlling shareholder, Caxton & CTP Limited Publishers and Printers ("Caxton"), to optimise operational efficiencies and explore opportunities within Caxton and its clientele.

Research and Insights – Customised research and insights partner, focusing on product pricing, B2B and consumer research, market sizing and advertising monitoring.

Revenue within this Business Unit struggled as the market slowed down, resulting in a 10% reduction compared to the same period in the previous year. However, prospects for the forthcoming period have improved significantly with several high-value research projects awarded to the business unit. These projects are expected to offset the poor sales performance of the past period. The business unit was able to keep its cost structure relatively low during the period to offset the decline in revenue, resulting in the unit remaining profitable.

Campaign and Data Management Service - Collaborates with brands and agencies that want to connect, engage with, and understand their customers using the relevant market technology.

Increased migration by large multinational brands to consolidate their marketing to centralised international hubs continues to be a challenge for the business unit, resulting in a decline in the volume and value of campaigns that have contributed to the 15% decrease in the business unit's revenue. To counter the trend the unit focused on enhancing its offering to South African based retailers to include loyalty and customer retention strategies with seamless integration with popular social media platforms. This has significantly enhanced the business unit prospects for the foreseeable future and aligns with the offering that the Cognition is aiming to deliver to Caxton's clientele.

Channel Incentives and Loyalty - Channel Incentives enable brands to reward resellers and sales agents that market and sell its products to end consumers. In addition, the Channel Incentives platform simplifies the claiming of incentives and assists with the product training process, leading to increased sales and product knowledge.

This business unit has experienced a notable recovery as its revenue increased by over 30% compared to the same period in the previous year. This is attributed to a strategic shift in the units offered to its clients, migrating away from traditional channel incentives. It now provides a comprehensive suite of services with improved availability, significantly faster payout turnaround times, and streamlined interactions. This increase in revenue has resulted in a substantial increase in Agency Services Payments, which increased from R59.8 million to R103.2 million when compared to the same period last year, increasing revenue but also in accounts receivable that increased substantially from R30million at the beginning of the period to R54 million at the reporting date.

Prospects

Although Cognition does have significant cash resources, the challenging economic environment and the rise of globalisation does impact on its ability to expand its operations and capitalise from its existing operational base. In response, we are focusing on improving our systems and product offerings through innovation while curtailing costs where possible.

The board of directors is currently in formal discussions with Caxton, which may result in an offer by Caxton to acquire those shares in Cognition not already held by Caxton, and consequently the delisting of Cognition from the Johannesburg Stock Exchange and it is currently trading under cautionary.

Financial Review

Revenue for the interim period was R37.3 million, which is 8.6% lower than the comparative previous period, with a decline in the gross profit margin from an average of 74% down to 70%, resulting in a reduced gross profit of R26.1 million compared to R30,1 million for the comparative period.

During the period, Cognition maintained its cost base at the same level as in previous years, with total staff and operating expenditure being R26.6 million compared to R26.4 million in the comparative prior period, and it benefited from its cash resources and the high-interest environment that netted R9.2 million in the period under review with the net result that it was able to report Profit before tax of R8.8 million compared with the comparative R6.3 million in the previous period.

The Group concluded the disposal of one of its subsidiaries that housed its head office, Cognition House. This transaction has resulted in additional capital gains taxation within the period, even though the sale did net a marginal financial gain.

In the prior comparable period, the sale of Private Property that was concluded, resulted in a once off profit realised from the disposal of the investment. The earning per share for this period has therefore declined to 1.61 from 27.87 cents per share, however, the comparative earnings for continuing operation were 1.66 cents in the previous comparative period.

Headline earning per share was 2.48 cents per share compared to total headline earnings in the previous period of 0.67 cents per share, although compared to headline earnings from continuing operations, it was 1.65 cents per share in the corresponding period.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Change | Unaudited as at 31 December 2023 R'000 | Unaudited as at 31 December 2022 R'000 | Audited as at 30 June 2023 R'000 |
|---|--------|--|--|--|
| ASSETS | | | | |
| Non-current assets | 6.0% | 8 941 | 8 435 | 9 190 |
| Property, plant and equipment | 59.6% | 1 309 | 820 | 1 287 |
| Goodwill | 0.0% | 1 888 | 1 888 | 1 888 |
| Intangible assets | -45.7% | 717 | 1 320 | 995 |
| Investment in associates | 9.8% | 3 399 | 3 095 | 2 990 |
| Deferred tax asset | 24.1% | 1 628 | 1 312 | 2 030 |
| Current assets | 6.5% | 261 001 | 245 051 | 245 280 |
| Inventory | -35.0% | 39 | 60 | 24 |
| Current tax receivable | -88.3% | 124 | 1 059 | 264 |
| Trade and other receivables | 76.2% | 54 036 | 30 669 | 30 347 |
| Cash and cash equivalents | -3.0% | 206 802 | 213 263 | 214 645 |
| Non-current assets held for sale | | - | 11 881 | 11 804 |
| Total assets | 1.7% | 269 942 | 265 367 | 266 274 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | 4.0% | 241 776 | 232 568 | 238 524 |
| Stated Capital | 0.0% | 159 420 | 159 420 | 159 420 |
| Retained income | 11.9% | 87 411 | 78 118 | 83 717 |
| Change in ownership | 0.0% | (6 135) | (6 135) | (6 135) |
| Attributable to the equity holders of the parent | 4.0% | 240 696 | 231 403 | 237 002 |
| Non-Controlling interests | -7.3% | 1 080 | 1 165 | 1 522 |
| Current liabilities | -14.1% | 28 166 | 32 799 | 27 750 |
| Trade and other payables | 20.7% | 15 107 | 12 513 | 17 265 |
| Current tax payable | -58.8% | 1 421 | 3 447 | 175 |
| Unclaimed dividends | 0.0% | 233 | 233 | 233 |
| Third Party Prize money | -31.3% | 11 405 | 16 606 | 10 077 |
| Total equity and liabilities | 1.72% | 269 942 | 265 367 | 266 274 |
| Net asset value per share (cents) | 4.0% | 104.98 | 100.93 | 103.37 |
| Net tangible asset value per share (cents) | 4.3% | 103.85 | 99.53 | 102.11 |
| Number of shares in issue | 0.00% | 229 273 021 | 229 273 021 | 229 273 021 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | Unaudited six months ended 31 December 2023 R'000 | Unaudited six months ended 31 December 2022 R'000 | Audited year ended 30 June 2023 R'000 |
|---|---------|--|--|--|
| Continuing Operations | | | | |
| Revenue | -8.6% | 37 370 | 40 895 | 79 205 |
| Cost of Sales | 4.7% | (11 242) | (10 742) | (20 646) |
| Gross profit | -13.3% | 26 128 | 30 153 | 58 559 |
| Other operating income | 47.2% | 187 | 127 | 128 |
| Other operating gains / (losses) 100% | | 63 | - | (99) |
| Staff costs | 2.3% | (19 726) | (19 286) | (40 056) |
| Other operating expenses | -2.9% | (6 893) | (7 102) | (13 730) |
| Depreciation and amortisation expense | -8.1% | (613) | (667) | (1 321) |
| Operating (loss) / profit | -126.5% | (854) | 3 225 | 3 481 |
| Investment income | 216.1% | 9 204 | 2 912 | 11 173 |
| Income from equity accounted Investment | 92.9% | 409 | 212 | 107 |
| Profit before tax | 38.0% | 8 759 | 6 349 | 14 761 |
| Income tax expense | 153.0% | (4 814) | (1 903) | (5 097) |
| Profit for the period | -11.3% | 3 945 | 4 446 | 9 664 |
| Total comprehensive income / from continuing operations | -11.3% | 3 945 | 4 446 | 9 664 |
| Profit from discontinued operations | -100.0% | - | 58 365 | 59 103 |
| Net profit after Tax | -93.7% | 3 945 | 62 811 | 68 767 |
| Attributed to: | | | | |
| Owners of Cognition Holdings Limited | -94.2% | 3 694 | 63 897 | 69 495 |
| Continuing operations | -3.1% | 3 694 | 3 810 | 9 039 |
| Discontinued operations | -100.0% | - | 60 087 | 60 456 |
| Non- controlling interest | -123.1% | 251 | (1 086) | (728) |
| Continuing operations | -60.5% | 251 | 636 | 625 |
| Discontinued operations | | - | (1 722) | (1 353) |
| | -93.7% | 3 945 | 62 811 | 68 767 |

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Stated Capital R'000 | Change in ownership R'000 | Retained Income R'000 | Attributable to Equity Holders R'000 | Non- Controlling Interest R'000 | Total Equity R'000 |
|--|----------------------------|---------------------------------|-----------------------------|---|--|--------------------------|
| Audited balance at 1 July 2022 | 159 420 | (6 135) | 14 221 | 167 506 | 26 546 | 194 052 |
| Changes in equity | | | | | | |
| Total comprehensive profit for the period | - | - | 63 897 | 63 897 | (1 086) | 62 811 |
| Disposal of subsidiary | - | - | - | - | (23 987) | (23 987) |
| Dividends | | | | | (308) | (308) |
| Unaudited balance at 31 December 2022 | 159 420 | (6 135) | 78 118 | 231 403 | 1 165 | 232 568 |
| Total comprehensive profit for the period | - | - | 5 599 | 5 599 | 357 | 5 956 |
| Audited balance at 30 June 2023 | 159 420 | (6 135) | 83 717 | 237 002 | 1 522 | 238 524 |
| Total comprehensive profit for the period | - | - | 3 694 | 3 694 | 251 | 3 945 |
| Dividends | - | - | - | - | (693) | (693) |
| Unaudited balance at 31 December 2023 | 159 420 | (6 135) | 87 411 | 240 696 | 1 080 | 241 776 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | | Unaudited six months ended 31 December 2023 R'000 | Unaudited six months ended 31 December 2022 R'000 | Audited year ended 30 June 2023 R'000 |
|--|----------|--|--|--|
| Cash flow from operating activities | -557.6% | (18 644) | 4 074 | 7 491 |
| Net cash generated from operations | -1574.9% | (24 822) | 1 683 | 1 746 |
| Investment income | 135.6% | 9 204 | 3 907 | 12 170 |
| Dividend from associate | | - | 239 | 239 |
| Normal tax paid | 72.4% | (3 026) | (1 755) | (6 664) |
| Cash flow from investing activities | -88.0% | 11 494 | 95 601 | 93 566 |
| Purchase of property, plant and equipment | -46.7% | (332) | (623) | (1 586) |
| Proceeds on disposal of property, plant and equipment | -100.0% | - | 1,391 | 137 |
| Purchase of intangible asset | -100.0% | - | (1,623) | (1 713) |
| Lease receivable | | - | - | 90 |
| Disposal of subsidiary | -87.7% | 11,826 | 96,456 | 96 638 |
| Cash flow from financing activities | | (693) | (308) | (308) |
| Dividends paid | 125.0% | (693) | (308) | (308) |
| Net (decrease) / increase in cash and cash equivalents | -107.9% | (7 843) | 99 367 | 100 749 |
| Cash and cash equivalents at beginning of the period | 88.5% | 214 645 | 113 896 | 113 896 |
| Cash and cash equivalents at end of period | -3.0% | 206 802 | 213 263 | 214 645 |

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

BASIS OF PREPARATION

The unaudited condensed consolidated interim results for the six months ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Companies Act applicable to condensed financial statements and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contain information required by IAS 34 - Interim Financial Reporting. The accounting policies applied in preparation of these condensed consolidated interim results are consistent with those applied in the previous annual financial statements.

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

These financial statements have been compiled under the supervision of the Financial Director, Pieter Scholtz CA(SA)

The unaudited condensed consolidated interim results for the six months ended 31 December 2023 have not been reviewed by the Group’s auditor.

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 with payment on presentation of invoice between 30 and 90 days except for a single multinational that has arranged longer payment terms not exceeding 120 days. 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

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. | 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 required 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 is required 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 compared to the estimated 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 stream | Performance obligation | Timing measurement | Judgement |
|-------------------------------|---|---|---|
| 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 required with regards to the timing and amount as these services are automated. |
| Campaign service development | 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 required with regards to the timing and amount of management fees. |
| Supplementary Services | Other revenue earned by the Group on services supplementary to the services above. | Other revenue relates to the sale of supplementary services that are recognised at a point in time. | No judgement required relating to the timing and amount of supplementary services. |

| | Unaudited six months ended 31 December 2023 R'000 | Unaudited six months ended 31 December 2022 R'000 | | Audited year ended 30 June 2023 R'000 | |
|--|--|--|-------------------------|--|-------------------------|
| | Continuing operations | Continuing operations | Discontinued operations | Continuing operations | Discontinued operations |
| Continuing operations | | | | | |
| Revenue from contracts with customers | | | | | |
| Rendering of services | 140 627 | 100 740 | 60 811 | 189 920 | 60 811 |
| Less: Agency revenue | (103 257) | (59 845) | - | (110 715) | - |
| | 37 370 | 40 895 | 60 811 | 79 205 | 60 811 |
| Disaggregation of revenue from contracts with customers | | | | | |
| The group disaggregates revenue from customers as follows: | | | | | |
| Rendering of service | | | | | |
| Africa revenue | - | - | - | 485 | - |
| South African revenue | 37 370 | 40 895 | 60 811 | 78 720 | 60 811 |
| | 37,370 | 40 895 | 60 811 | 79,205 | 60 811 |
| Timing of revenue recognition | | | | | |
| Over time | | | | | |
| Online Platform Services | - | - | 60 811 | - | 60 811 |
| Research Services | 17 110 | 18 455 | - | 36 466 | - |
| Campaign services | 5 076 | 5 890 | - | 10 586 | - |
| | 22 186 | 24 345 | 60 811 | 47 052 | 60 811 |
| At a point in time | | | | | |
| Online Platform Services | 6 101 | 4 589 | - | 10 823 | - |
| Communication Services | 1 741 | 2 544 | - | 5 469 | - |
| Campaign services | 6 011 | 8 351 | - | 13 751 | - |
| Supplementary Services | 1 331 | 1 066 | - | 2 110 | - |
| | 15 184 | 16 550 | - | 32 153 | - |
| Revenue from contracts with customers - continuing operations | 37 370 | 40 895 | 60 811 | 79 205 | 60 811 |

The Group offers services that are 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.

NOTES TO CASH FLOW STATEMENT

| | Unaudited six months ended 31 December 2023 R'000 | Unaudited six months ended 31 December 2022 R'000 | Audited year ended 30 June 2023 R'000 |
|---|--|--|--|
| A RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS | | | |
| Profit before taxation | 8 759 | 69 199 | 77 612 |
| From continuing operations | 8 759 | 6 347 | 14 761 |
| From discontinued operations | - | 62 852 | 62 851 |
| Adjustments for: | (9 063) | (65 252) | (72 607) |
| Depreciation and Amortisation | 613 | 3 000 | 3 654 |
| (Profit) on disposal of business | (63) | (66 759) | (66 759) |
| (Profit) / Loss on disposal of property, plant and equipment | - | (29) | 121 |
| Income from associates | (409) | (212) | (107) |
| Impairment of intangible assets | - | 2 655 | 2 655 |
| Investment income | (9 204) | (3 907) | (12 171) |
| Operating profit before working capital changes | | | |
| Working capital changes | (24 518) | (2 264) | (3 259) |
| Inventories | (15) | (77) | (42) |
| Trade and other receivables | (23 768) | 1 815 | 2 330 |
| Third party prize money | 1 328 | (450) | 1 432 |
| Trade and other payables | (2 063) | (3 552) | (6 979) |
| Cash generated from operations | (24 822) | 1 683 | 1 746 |
| Tax paid | | | |
| Balance at the beginning of year | 89 | 2 101 | 2 101 |
| Current tax for the year | (4 412) | (6 244) | (8 675) |
| Balance at end of the year | 1 297 | 2 388 | (89) |
| | (3 026) | (1 755) | (6 663) |

SEGMENTAL REPORTING

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

Active Data Exchange Services

Knowledge Creation and Management

| | Unaudited six months ended 31 December 2023 | Unaudited six months ended 31 December 2022 | | Audited year ended 30 June 2023 | |
|--|---|---|-------------------------|---------------------------------|-------------------------|
| | R'000 Continuing operations | Continuing operations | Discontinued operations | Continuing operations | Discontinued operations |
| Gross Revenue | 140 627 | 100 740 | 60 811 | 189 920 | 60 811 |
| Active Data Exchange Services | 16 883 | 19 276 | - | 37 444 | - |
| Knowledge Creation and Management | 123 744 | 81 464 | 60 811 | 152 476 | 60 811 |
| Revenue Generated as agency service | (103 257) | (59 845) | - | (110 715) | - |
| Active Data Exchange Services | (2 723) | (2 323) | - | (3 543) | - |
| Knowledge Creation and Management | (100 534) | (57 522) | - | (107 172) | - |
| Revenue | 37 370 | 40 895 | 60 811 | 79 205 | 60 811 |
| Active Data Exchange Services | 14 160 | 16 953 | - | 33 901 | - |
| Knowledge Creation and Management | 23 210 | 23 942 | 60 811 | 45 304 | 60 811 |
| Cost of sales | (11 242) | (10 742) | (1 794) | (20 646) | (1 794) |
| Active Data Exchange Services | (2 981) | (3 398) | - | (6 726) | - |
| Knowledge Creation and Management | (8 261) | (7 344) | (1 794) | (13 920) | (1 794) |
| Gross profit | 26 128 | 30 153 | 59 017 | 58 559 | 59 017 |
| Active Data Exchange Services | 11 179 | 13 555 | - | 27 175 | - |
| Knowledge Creation and Management | 14 949 | 16 598 | 59 017 | 31 384 | 59 017 |

The reconciliation of Gross Profit to Profit before Taxation is provided in the Statement of Comprehensive Income. The CODM reviews these income and expense items on a Group basis and not per individual segment. All assets and liabilities are reviewed on a Group basis by the CODM.

Reconciliation between earnings and headline earnings

| | | Unaudited six months ended 31 December 2023 | Unaudited six months ended 31 December 2022 | Audited year ended 30 June 2023 |
|--|---------------|---|---|---|
| Earnings per share (cents) | -94.2% | 1.61 | 27.87 | 30.31 |
| Earnings - continuing operations (cents) | -3.1% | 1.61 | 1.66 | 3.94 |
| Discontinued operations (cents) | | - | 26.21 | 26.37 |
| Headline earnings per share (cents) | 272.7% | 2.48 | 0.67 | 3.15 |
| Headline earnings - continuing operations (cents) | 50.1% | 2.48 | 1.65 | 3.98 |
| Headline (loss) - discontinued operations (cents) | | - | (0.99) | (0.83) |
| Diluted earnings per share (cents) | -94.2% | 1.61 | 27.87 | 30.31 |
| Diluted earnings - continuing operations (cents) | -3.1% | 1.61 | 1.66 | 3.94 |
| Diluted - discontinued operations (cents) | | - | 26.21 | 26.37 |
| The calculation of the earnings per share for the Group is based on the following: | | | | |
| Earnings per share (R'000) | | 3 694 | 63 897 | 69 495 |
| Earnings - continuing operations (R'000) | | 3 694 | 3 810 | 9 039 |
| Earnings - discontinued operations ('000) | | - | 60 087 | 60 456 |
| Reconciliation between earnings and headline earnings | | | | |
| Continuing operations | | | | |
| Profit attributable to ordinary shareholders of parent related to continuing operations | | 3 694 | 3 810 | 9 039 |
| Profit on disposal of subsidiary | | (63) | - | - |
| Tax effect on the disposal of the subsidiary | | 2 056 | | |
| After tax effect on (loss) / profit on disposal of property, plant and equipment: | | - | (21) | 88 |
| Net Headline earnings continuing operations | | 5 687 | 3 789 | 9 127 |
| Discontinued operations | | | | |
| Profit attributable to ordinary shareholders of parent relating to discontinued operations | | - | 60 087 | 60 456 |
| (Profit) on disposal of subsidiary | | - | (66 759) | (66 759) |
| Tax related to the disposal of the business | | | 3 440 | 3 440 |
| Impairment of intangible assets (After tax and non-controlling interest) | | - | 969 | 969 |
| Net Headline (loss) discontinued operations | | - | (2 263) | (1 894) |
| Total Net Headline earnings per share | | 5 687 | 1 526 | 7 233 |
| Weighted average number of shares in issue | | 229 273 021 | 229 273 021 | 229 273 021 |
| Diluted weighted average number of shares in issue | | 229 273 021 | 229 273 021 | 229 273 021 |

There were no instruments issued during the current period that have a dilutive impact.

TAXATION

| | Unaudited six months ended 31 December 2023 R'000 | Unaudited six months ended 31 December 2022 R'000 | Audited year ended 30 June 2023 R'000 |
|--|--|--|--|
| Local income tax - Current period | 2 216 | 1 897 | 5,136 |
| Capital Gains tax - Current period | 2 056 | 3 440 | 3,440 |
| Local income tax - Recognised in the current tax for prior periods | 140 | - | (65) |
| Deferred tax movement | 402 | 1,051 | 334 |
| | 4,814 | 6,388 | 8,845 |
| Reconciliation between applicable tax rate and average effective tax rate | | | |
| Accounting profit | 8 759 | 69 199 | 77 612 |
| Accounting profit - continuing operations | 8 759 | 6 348 | 14 761 |
| Accounting profit - discontinued operations | - | 62 851 | 62 851 |
| Tax at applicable rate | 2 365 | 18 684 | 20 955 |
| Non-deductible expenses - Not in the production of income | 327 | 1 362 | 1 571 |
| Local income tax - recognised in current tax for prior periods | 475 | 984 | 1 011 |
| (Profit) / loss on disposal of investment | 2 056 | (14 585) | (14 585) |
| Income from associates | (409) | (57) | (107) |
| | 4 814 | 6 388 | 8 845 |

SALE OF SUBSIDIARY

During the period under review, the Group concluded the disposed of all of its interest in Four River Trading 123 Proprietary Limited whose sole asset is Cognition House which used to be the Head Office of the Company. The Group no longer required large premises as Cognition's infrastructure is now being hosted within Caxton facilities and all current Johannesburg-based employees of the Company are accommodated at Caxton House in Jan Smuts Avenue, Craighall Park.

The carrying value of the assets sold were as follows:

| | R'000 |
|----------------------------------|--------|
| Fixed assets | 11 780 |
| Trade and other receivables | 78 |
| Cash and Cash Equivalent | 4 |
| Trade and other payables | (95) |
| Total identifiable asset value | 11 766 |
| Consideration received | 11 830 |
| Profit on disposal of subsidiary | 63 |

GOING CONCERN

Management's consideration for going concern includes all factors applicable to the Group. Management is therefore satisfied that the going concern basis has been correctly applied and this report has been prepared on the basis of accounting policies applicable to a going concern.

DIVIDEND POLICY

The Board resolved not to declare an interim dividend as it is currently evaluating how to deliver returns to its shareholders in the most effective way possible.

DIRECTORATE

There were no changes to the Directorate of the Company during the period under review.

SUBSEQUENT EVENTS

The Board is not aware of any material events that have occurred between the end of the interim period and the date of this report.

APPRECIATION

We would like to thank our customers, partners, dealers, staff and other service providers for their continued support, loyalty and dedication.

For and on behalf of the Board

Paul Jenkins

Chairman

Johannesburg

16 February 2024

Rob Fedder

Chief Executive Officer

Pieter Scholtz

Financial Director

Business and Registered Office:

Cognition House

4th Floor, Caxton House, 368 Jan Smuts Avenue, Craighall, 2196

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Telephone +27-11-293-0000

Fax 086-610-1000

Directors: Paul Jenkins^{#*} - Chairman, Rob Fedder – CEO, Pieter Scholtz - Financial Director, Miles Crisp^{#*}, Dennis Lupambo^{#*}, Steve Naudé^{#*}, Amasi Mwela[#], Servaas de Kock[#]

Non-executive * Independent

Company Secretary: **Felicia van der Merwe CA(SA)**

Auditor: **BDO South Africa Incorporated**

Transfer Secretaries: **Computershare Investor Services Proprietary Limited**

Sponsor: **AcaciaCap Advisors Proprietary Limited**

SECTION 2 – EXTRACTS OF STATEMENTS OF FINANCIAL POSITION, PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME, CHANGES IN EQUITY AND CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2021, 30 JUNE 2022 AND 30 JUNE 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Figures in Rands | Audited as at 30 June 2023 | Audited as at 30 June 2022 | Audited as at 30 June 2021 |
|--|-------------------------------|-------------------------------|-------------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 1 286 795 | 2 099 990 | 13 784 011 |
| Goodwill | 1 888 394 | 55 645 257 | 97 245 626 |
| Intangible assets | 995 506 | 17 287 467 | 31 128 379 |
| Investment in associates | 2 990 155 | 3 121 648 | 2 797 569 |
| Lease receivable | - | - | 376 514 |
| Deferred tax asset | 2 029 630 | 3 456 899 | 4 617 192 |
| | 9 190 480 | 81 611 261 | 149 949 291 |
| Current Assets | | | |
| Inventories | 24 037 | 60 493 | 889 463 |
| Trade and other receivables | 30 346 498 | 40 921 145 | 436 668 816 |
| Lease receivable | - | 117 588 | - |
| Current tax receivable | 264 153 | 2 258 467 | 854 207 |
| Cash and cash equivalents | 214 645 283 | 113 896 119 | 109 811 682 |
| | 245 279 971 | 157 253 812 | 148 224 168 |
| Non-current assets held for sale | 11 804 312 | 11 880 638 | - |
| Total Assets | 266 274 763 | 250 745 711 | 298 173 459 |
| Equity and Liabilities | | | |
| Equity | | | |
| Stated capital | 159 420 500 | 159 420 500 | 159 420 500 |
| Change in ownership | (6 135 484) | (6 135 484) | (12 892 945) |
| Retained income | 83 717 207 | 14 221 402 | 71 767 336 |
| | 237 002 223 | 167 506 418 | 218 294 891 |
| Non-controlling interest | 1 522 507 | 26 546 243 | 24 734 559 |
| | 238 524 730 | 194 052 661 | 243 029 450 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Deferred tax liability | - | 1 323 431 | 4 014 757 |
| Cash-settled share-based payment liability | - | - | 1 675 612 |
| | - | 1 323 431 | 5 690 369 |
| Current Liabilities | | | |
| Trade and other payables | 17 265 190 | 37 923 050 | 34 240 549 |
| Current tax payable | 174 725 | 157 258 | 1 075 155 |
| Dividend payable | 232 706 | 232 706 | 232 706 |
| Third party prize money | 10 077 412 | 17 056 605 | 13 905 230 |
| | 27 750 033 | 55 369 619 | 49 453 640 |
| Total Liabilities | 27 750 033 | 56 693 050 | 55 144 009 |
| Total Equity and Liabilities | 266 274 763 | 250 745 711 | 298 173 459 |
| Net asset value per share (cents) | 103.37 | 73.06 | 95.21 |
| Net tangible asset value per share (cents) | 102.11 | 41.25 | 39.22 |
| Shares in issue | 229 273 021 | 229 273 021 | 229 273 021 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Figures in Rands | Audited for the year ended 30 June 2023 | Audited for the year ended 30 June 2022* | Audited for the year ended 30 June 2021 |
|---|---|--|---|
| Continuing operations | | | |
| Revenue | 79 204 753 | 91 684 205 | 230 562 531 |
| Cost of services | (20 646 452) | (27 909 343) | (31 883 372) |
| Gross profit | 58 558 301 | 63 774 862 | 198 679 159 |
| Other operating income | 127 643 | 210 233 | 579 384 |
| Other operating losses | (99 181) | (28 184) | 709 945 |
| Modification loss of right-of-use assets | - | - | (1 712 659) |
| Other operating expenses | (13 730 269) | (20 394 045) | (72 666 067) |
| Depreciation and amortisation expense | (1 319 786) | (3 293 186) | (12 545 036) |
| Staff costs | (40 055 614) | (43 091 942) | (92 221 390) |
| Impairment on intangible assets | - | (8 222 394) | (4 334 312) |
| Loss on disposal of subsidiaries | - | (3 365 838) | - |
| Operating profit (loss) | 3 481 094 | (14 410 494) | 16 489 024 |
| Investment income | 11 173 203 | 1 728 731 | 2 862 038 |
| Finance costs | (222) | - | (663 926) |
| Income from equity accounted investments | 106 928 | 800 920 | 269 568 |
| Profit (loss) before taxation | 14 761 003 | (11 880 843) | (18 956 704) |
| Taxation | (5 096 846) | 1 704 891 | (7 502 359) |
| Profit (loss) from continuing operations | 9 664 157 | (10 175 952) | 11 454 345 |
| Discontinued operations | | | |
| Profit (loss) from discontinued operations | 59 103 304 | (35 317 455) | - |
| Total comprehensive income (loss) for the year | 68 767 461 | (45 493 407) | 11 454 345 |
| Profit (loss) attributable to: | | | |
| Owners of the parent: | | | |
| From continuing operations | 9 039 239 | (10 388 749) | 2 063 910 |
| From discontinued operations | 60 456 566 | (40 399 724) | - |
| | 69 495 805 | (50 788 473) | 2 063 910 |
| Non-controlling interest | | | |
| Continuing operations | 624 918 | 212 797 | 9 390 435 |
| Discontinued operations | (1 353 262) | 5 082 269 | - |
| | (728 344) | 5 295 066 | 9 390 435 |
| Total Comprehensive income (loss) attributed to: | | | |
| Owners of the parent | 69 495 805 | (50 788 473) | 2 063 910 |
| Non-controlling interest | (728 344) | 5 295 066 | 9 390 435 |
| | 68 767 461 | (45 493 407) | 11 454 345 |
| Basic and diluted earnings (loss) per share (cents) | 30.31 | (22.15) | 0.90 |
| Weight Average Shares in Issue | 229 273 021 | 229 273 021 | 229 273 021 |
| Fully Diluted Shares in Issue | 229 273 021 | 229 273 021 | 229 273 021 |
| *Restated for discontinued operations | | | |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Figures in Rands | Stated capital | Equity due to change in ownership | Retained income | Total attributable to equity holders of the group | Non-controlling interest | Total equity |
|---------------------------------------|--------------------|-----------------------------------|-------------------|---|--------------------------|--------------------|
| Balance at July 2020 | 159 420 500 | (12 892 945) | 69 703 426 | 216 230 981 | 17 891 269 | 234 122 250 |
| Total comprehensive loss for the year | - | - | 2 063 910 | 2 063 910 | 9 390 435 | 11 454 345 |
| Dividends | - | - | - | - | (2 547 145) | (2 547 145) |
| Balance at 1 July 2021 | 159 420 500 | (12 892 945) | 71 767 336 | 218 294 891 | 24 734 559 | 243 029 450 |
| Total comprehensive loss for the year | - | - | (50 788 473) | (50 788 473) | 5 295 066 | (45 493 407) |
| Total comprehensive loss for the year | - | - | (50 788 473) | (50 788 473) | 5 295 066 | (45 493 407) |
| Dividends | - | - | - | - | (3 483 382) | (3 483 382) |
| Balance at 1 July 2022 | 159 420 500 | (6 135 484) | 14 221 402 | 167 506 418 | 26 546 243 | 194 052 661 |
| Total comprehensive loss for the year | - | - | 69 495 805 | 69 495 805 | (728 344) | 68 767 461 |
| Disposal of subsidiary | - | - | - | - | (23 987 394) | (23 987 394) |
| Dividends | - | - | - | - | (307 998) | (307 998) |
| Balance at 30 June 2023 | 159 420 500 | (6 135 484) | 83 717 207 | 237 002 223 | 1 522 507 | 238 524 730 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| Figures in Rands | Audited for the year ended 30 June 2023 | Audited for the year ended 30 June 2022 | Audited for the year ended 30 June 2021 |
|---|---|---|---|
| Cash flows from operating activities | | - | - |
| Cash generated from operations | 1 746 705 | 15 457 125 | 46 647 360 |
| Interest income | 12 170 697 | 3 758 624 | 2 862 038 |
| Finance costs | (222) | (113 457) | (663 926) |
| Dividend from associate | 238 421 | 476 841 | - |
| Tax paid | (6 663 923) | (5 177 062) | (11 102 536) |
| Net cash from operating activities | 7 491 678 | 14 402 071 | 37 742 936 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (1 586 231) | (1 554 339) | (967 091) |
| Sale of property, plant and equipment | 135 516 | 29 002 | 2 075 615 |
| Disposal through business combination | 96 638 427 | (2 816 262) | - |
| Purchase of intangible assets | (1 712 395) | (2 751 579) | (7 521 663) |
| Sale of intangible asset | 371 | - | 208 784 |
| Lease receivable | 89 796 | 258 926 | (376 514) |
| Net cash from investing activities | 93 565 484 | (6 834 252) | (6 580 869) |
| Cash flows from financing activities | | | |
| Dividends paid | (307 998) | (3 483 382) | (2 547 145) |
| Lease liability – Capital portion paid | - | - | (4 507 819) |
| Net cash from financing activities | (307 998) | (3 483 382) | (7 054 964) |
| Total cash and cash equivalents movement for the year | 100 749 164 | 4 084 437 | 24 107 103 |
| Cash and cash equivalents at the beginning of the year | 113 896 119 | 109 811 682 | 85 704 579 |
| Total cash and cash equivalents at end of the year | 214 645 283 | 113 896 119 | 109 811 682 |

FOREIGN COGNITION SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

1. FOREIGN COGNITION SHAREHOLDERS

The Scheme may be affected by the laws of the relevant jurisdiction of a Foreign Cognition Shareholder. A Foreign Cognition Shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Cognition Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

The Scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

Any Cognition Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants. Scheme Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

2.1 Residents of the Common Monetary Area

In the case of:

- 2.1.1 Own-name Scheme Participants holding Cognition Shares whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, payment of the Scheme Consideration will be effected in accordance with their existing arrangements; or
- 2.1.2 Scheme Participants whose Cognition Shares are held by CSDPs or Brokers on their behalf as nominees and whose registered addresses in the sub-Register managed by CSDPs or Brokers are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration will reflect in the account nominated for the relevant Scheme Participant by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2.2 Emigrants from the Common Monetary Area

- 2.2.1 The Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 2.2.2 The Scheme Consideration due to an own-name Offer Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Scheme Participant's blocked assets in accordance with his instructions, against delivery of the relevant Documents of Title.
- 2.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the Scheme Consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position, and the Scheme Consideration may, on application, be externalised free of the levy.
- 2.2.4 The authorised dealer releasing the relevant documents of title in terms of the Scheme must countersign the form of surrender (*blue*) thereby indicating that the Scheme Consideration will be placed directly in its control.
- 2.2.5 The attached form of surrender (*blue*) makes provision for the details of the authorised dealer concerned to be provided.

2.3 All other non-residents of the Common Monetary Area

- 2.3.1 The Scheme Consideration due to an own-name Scheme Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Scheme Participant. It will be incumbent on the Scheme Participant concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration against delivery of the relevant Documents of Title.
- 2.3.2 The form of surrender (*blue*) attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.3.1 above, the Scheme Consideration will be held in trust by Cognition for the Scheme Participants concerned pending receipt of the necessary information or instruction.

WORDING OF SECTION 115 AND SECTION 164 OF THE ACT

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

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

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

Section 164: Dissenting shareholders appraisal rights

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

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

- (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may—
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (ab) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring—
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (ab) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case—
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder’s rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months—
- (a) the company may apply to a court for an order varying the company’s obligations in terms of the relevant subsection; and
 - (b) the court may make an order that—
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder’s rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent—
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”



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

NOTICE OF SCHEME MEETING OF SCHEME MEMBERS

NOTICE IS HEREBY GIVEN that a Scheme Meeting of Scheme Members will be held at **10h00** on **Friday, 24 May 2024** at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg.

Purpose

The purpose of the Scheme Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this notice of scheme meeting.

Note:

- *The definitions and interpretations commencing on page 7 of the circular to which this notice of scheme meeting is attached ("**the Circular**"), apply mutatis mutandis to this notice and to the resolutions set out below.*
- *For a special resolution to be approved by Scheme Members, it must be supported by at least 75% of the voting rights exercised on the resolution. For an ordinary resolution to be approved by Scheme Members, it must be supported by more than 50% of the voting rights exercised on the resolution.*
- *Quorum requirement for the Scheme Meeting: sufficient persons being present in person or by proxy who are entitled to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the resolutions.*
- *The date on which Scheme Members must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 12 April 2024.*

SPECIAL RESOLUTION NUMBER 1 – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"RESOLVED THAT the Scheme in terms of section 114 of the Companies Act proposed by the Cognition Board between the Company and the Scheme Members in terms of which Caxton will, if such Scheme becomes operative, acquire all the issued Cognition Shares not held by Caxton and CTP (save for those Cognition Shares currently held by Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 of the Circular) for the Scheme Consideration for each Scheme Share disposed of in terms of the Scheme and the subsequent termination of the listing of the Cognition Shares on the JSE, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act".

Reason for and effect

Scheme Members are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

ORDINARY RESOLUTION NUMBER 1 – Authority granted to a director or Company Secretary

"RESOLVED THAT, subject to Special Resolution Number 1 being approved by the requisite majority of Scheme Members, any one director or the Company secretary of the Company be and is hereby authorised to do all such things and to sign all such documents as may be required to implement the Scheme and the delisting of Cognition from the JSE."

Reason for and effect

The reason for and effect of Ordinary Resolution Number 1 is that, after the implementation of the Scheme, the Cognition Shares will be delisted from the JSE and any one director or the Company secretary is hereby authorised to do all such things and to sign all such documents as may be required to implement the Scheme and the delisting of Cognition from the JSE

VOTING AND PROXIES

The date on which Scheme Members must be recorded in the Register for purposes of being entitled to attend and vote at the Scheme Meeting, is Friday, 17 May 2024. The last day to trade in order to be entitled to attend and vote at the Scheme Meeting is Tuesday, 14 May 2024.

Section 63(1) of the Act requires that Scheme Meeting participants provide satisfactory identification. Accordingly, Scheme Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Scheme Meeting and must accordingly bring a copy of their identity document, passport or drivers' licence to the Scheme Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, Scheme Meeting participants should contact the Transfer Secretaries for guidance.

A Scheme Member entitled to attend, speak and vote at the Scheme Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of Certificated Scheme Members and Dematerialised Scheme Members with own name registration, a form of proxy (*green*) is attached hereto. Completion of a form of proxy will not preclude such Scheme Member from attending and voting (in preference to that shareholder's proxy) at the Scheme Meeting.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries of the Company at the address given below for administrative purposes by not later than 48 hours before the commencement of the Scheme Meeting (or any adjournment of such Scheme Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such forms of proxy may be handed to the Chairman of the Scheme Meeting immediately prior to the commencement of the Scheme Meeting.

Dematerialised Scheme Members without own name registration who wish to attend the Scheme Meeting in person should request their CSDP or Broker to provide them with the necessary Letter of Representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Scheme Members without own name registration who do not wish to attend but wish to be represented at the Scheme Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Scheme Members without own name registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1.

Within 10 business days after the Company has adopted Special Resolution Number 1, the Company must send a notice that Special Resolution Number 1 has been adopted to each Cognition Shareholder who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against Special Resolution Number 1.

A Cognition Shareholder may, within 20 business days after receiving the Company's aforementioned notice of the adoption of Special Resolution Number 1, demand that the Company pay the Cognition Shareholder the fair value for all of the Scheme Shares held by that person if:

- the Cognition Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution Number 1; and
- the Cognition Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The provisions of section 164 of the Companies Act are set out in Annexure 4 to the Circular.

SIGNED at Johannesburg on behalf of the board of directors of the Company on 19 April 2024.

By order of the board

F van der Merwe
Company secretary

Registered Office
Caxton House
368 Jan Smuts Avenue
Craighall Park
JOHANNESBURG 2196
(PO Box 3386, Pinegowrie 2194)

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
JOHANNESBURG 2196
(Private Bag X9000, Saxonwold 2132)



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

FORM OF PROXY IN RESPECT OF THE SCHEME MEETING – ONLY FOR USE BY CERTIFICATED SCHEME MEMBERS AND DEMATERIALISED SCHEME MEMBERS WITH OWN NAME REGISTRATION

For use by Scheme Members at the Scheme Meeting convened in terms of the Companies Act to be held at 10h00 on Friday, 24 May 2024 at Caxton House, 368 Jan Smuts Avenue, Craighall, Johannesburg or any adjourned or postponed meeting.

The definitions and interpretations commencing on page 7 of the circular to which this form of proxy is attached ("the Circular") apply mutatis mutandis to this form of proxy.

If you are a Dematerialised Cognition Scheme Member without own name registration you must not complete this form of proxy but must instruct your CSDP or Broker as to how you wish to vote. This must be done in terms of the Custody Agreement between you and your CSDP or Broker.

I/We (Please **PRINT** names in full)

of (address)

Telephone number:

E-mail address:

Cell phone number:

being the holder(s) of _____ Certified Scheme Shares or Dematerialised Scheme Shares with own name registration do hereby appoint (see notes 1 and 2):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the Chairman of the Scheme Meeting

as my/our proxy to attend, speak and vote for me/us at the Scheme Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s), in accordance with the following instruction (see notes):

| | For | Against | Abstain |
|---|-----|---------|---------|
| Special Resolution Number 1 Approval of scheme of arrangement between Cognition and Scheme Members and delisting of Cognition Shares from the JSE | | | |
| Ordinary Resolution Number 1 Authority granted to implement the Scheme and the delisting of Cognition | | | |

* One vote per Scheme Share held by Scheme Members. Scheme Members must insert the relevant number of votes they wish to vote in the appropriate box provided.

Signed at: _____ on _____ 2024

Signature

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A shareholder of a company 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 Cognition Shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.*
- *A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.*
- *A proxy may delegate his 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.*
- *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 relevant company.*
- *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.*
- *If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:*
 - *the relevant shareholder; or*
 - *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Scheme Member is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Cognition Shareholder to attend, speak and vote in place of that Scheme Member at the Scheme Meeting).
2. A Scheme Member may insert the name of a proxy or the names of two alternative proxies of the Scheme Member's choice in the space/s provided with or without deleting "the Chairman of the Scheme Meeting" but the Scheme Member must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Scheme Member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the Scheme Meeting if the chairman is the authorised proxy, to vote in favour of the Scheme, or any other proxy to vote or abstain from voting at the Scheme Meeting as he/she deems fit, in respect of all the Scheme Member's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2001 (Private Bag X9000, Saxonwold 2132), or e-mailed to proxy@computershare.co.za or be received by them for administrative purposes by no later than 48 hours before the

commencement of the Scheme Meeting (or any adjournment of the Scheme Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such form of proxy may be handed to the Chairman of the Scheme Meeting prior to the commencement of the Scheme Meeting.

5. The completion and lodging of this form of proxy will not preclude the relevant Scheme Member from attending the Scheme Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Scheme Member wish to do so.
6. The chairman of the Scheme Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of Cognition.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Cognition or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Cognition or the Transfer Secretaries or waived by the chairman of the Scheme Meeting.
10. Where Scheme Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Scheme Member must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Cognition or the Transfer Secretaries.
12. Dematerialised Scheme Members who do not own Scheme Shares in own name dematerialised form and who wish to attend the Scheme Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the Scheme Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Scheme Member and his/her CSDP or Broker.
13. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the Scheme Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the Scheme Meeting, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Scheme Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Scheme Member.
16. In terms of section 58 of the Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the Scheme Meeting or any adjournment of such Scheme Meeting.



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

FORM OF SURRENDER FOR USE BY CERTIFICATED SCHEME PARTICIPANTS IN RELATION TO THE SCHEME

*The definitions and interpretations commencing on page 7 of the circular to which this form of surrender, transfer and acceptance is attached ("**the Circular**"), apply mutatis mutandis to this form of surrender, transfer and acceptance.*

This form should be read in conjunction with the Circular.

Instructions:

1. A separate form of surrender is required for each Certificated Scheme Participant. Certificated Scheme Participants must complete this form in **BLOCK CAPITALS**.
2. Part A must be completed by all Certificated Scheme Participants who return this form as it **relates to the surrender of Documents of Title**.
3. Part B must be completed by Certificated Scheme Participants **who are emigrants from or non-residents of** the Common Monetary Area (see note 2).

Please also read the notes overleaf.

To: The Transfer Secretaries

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
(Private Bag X3000 , Saxonwold 2132)

Dear Sirs

PART A –Surrender of Documents of Title

Scheme Participants who wish to anticipate the Scheme becoming operative and expedite settlement of the Scheme Consideration should complete Part A and return this form to the Transfer Secretaries together with their document(s) of title by no later than 12h00 on the Scheme Consideration Record Date.

Scheme Participants who are emigrants from or non-residents of the Common Monetary Area should also complete Part B.

Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

I/We hereby surrender the enclosed share certificate/s, certified transfer deed/s and/or other Documents of Title, details of which have been completed below, in respect of my/our holding of Scheme Shares.

Surname or Name of corporate body

First names (in full)

Title

Address to which the Scheme Consideration should be sent (if different from registered address):

Address

Postal code

Country

Telephone

Cellular telephone number

Share certificate/s and/or other Document(s) of Title to be surrendered

| Name of registered holder (separate form for each holder) | Certificate number(s) (in numerical order) | Number of Scheme Shares covered by each certificate |
|--|---|--|
| | | |
| | | |
| | | |
| Total | | |

| | |
|---|--|
| Signature of Certificated Scheme Member | Stamp and address of agent lodging this form |
| Assisted by me (if applicable) | |
| State full name and capacity | |
| Date 2024 | |
| Telephone number (Home) | |
| Telephone number (Work) | |
| Cell phone number | |

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B

1. To be completed only by Certificated Scheme Members who are emigrants from the Common Monetary Area.

The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

Name and address of authorised dealer in South Africa or substitute instruction

Account number

2. To be completed only by all other non-resident Certificated Scheme Members who wish to provide a substitute address.

Payment of the Scheme Consideration will be effected in terms of existing arrangements with the Transfer Secretaries, unless written instructions to the contrary are received and alternative instructions are provided as envisaged below:

Alternative instructions

3. If no nomination is made in terms of 1 above, the Scheme Consideration will be held in trust by the Transfer Secretaries.

Notes:

1. Emigrants from the Common Monetary Area must complete Part B.
2. All other non-residents of the Common Monetary Area must complete Part B if they wish the Scheme Consideration to be sent to an address other than their address in the Register.
3. If Part B is not properly completed, the Scheme Consideration (in the case of emigrants) will be held in trust by the Transfer Secretaries pending receipt of the necessary nomination or instruction.
4. The Scheme Consideration will not be paid to Certificated Scheme Members unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretaries.
5. If a Certificated Scheme Member produces evidence to the satisfaction of Cognition and Caxton that Documents of Title in respect of Scheme Shares have been lost or destroyed, Cognition may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by Cognition and Caxton or may in their discretion waive such indemnity.
6. If this form of surrender is not signed by the Certificated Scheme Member, the Certificated Scheme Member will be deemed to have irrevocably appointed the company secretary of Cognition to implement that Scheme Member's obligations under the Scheme on his/her behalf.
7. Persons who have acquired Cognition Shares after the date of posting of the Circular to which this form of surrender is attached, can obtain copies of the form of surrender and the Circular from Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196.
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form of surrender must be signed in full and should not merely be initialled.
10. If this form of surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by Cognition or the Transfer Secretaries).
11. Where the Certificated Scheme Member is a company or a close corporation, unless it has already been registered with Cognition or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender must be submitted if so requested by Cognition.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where Scheme Shares are held jointly, all joint holders are required to sign this form of surrender.