

## PROPOSED DISPOSAL OF PROPERTY

### 1. INTRODUCTION

Shareholders are advised that the Company has entered into an agreement dated 26 June 2023 with Luma Proprietary Limited ("the Purchaser") in terms of which it will, subject to the conditions precedent referred to in paragraph 5 below, dispose of 100% of the issued share capital of its subsidiary Four Rivers Trading 123 Proprietary Limited ("Four Rivers", "the Sale Shares" and "the Disposal").

The sole asset of Four Rivers is the property known as Cognition House, situated at the corner of Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg.

Full details of the Disposal are set out in this announcement.

### 2. RATIONALE FOR THE DISPOSAL

Cognition is a subsidiary of Caxton and CTP Publishers and Printers Limited ("Caxton"). On the basis that it is possible to reduce costs arising from shared infrastructure it is no longer necessary to house its own server environment on independent premises and maintain a large office. Cognition's infrastructure is hosted within Caxton facilities and all current Johannesburg-based employees of the Company will be accommodated at Caxton House in Jan Smuts Avenue, Craighall Park, Johannesburg with concomitant cost savings.

### 3. DETAILS OF THE DISPOSAL

- 3.1 Cognition will dispose of the Shares to the Purchaser for an amount of R11 875 000, payable in cash on delivery of the share certificates and other relevant documentation relating to the Sale Shares to the Purchaser.
- 3.2 The effective date of the Disposal is expected to be on or about 1 September 2023.
- 3.3 The agreement governing the Disposal contains limited warranties that are usually found in agreements regarding transactions of this nature.
- 3.4 The Disposal proceeds will be added to the Company's existing cash reserves, pending decisions as to the effective utilisation of such funds.

### 4. CATEGORISATION OF THE DISPOSAL

The Disposal is categorised as a Category 2 transaction in terms of the Johannesburg Stock Exchange Listings Requirements and does not require shareholder approval, but only the issue of this detailed announcement.

### 5. CONDITIONS PRECEDENT

The Disposal is subject to the following conditions precedent:

- 5.1 the payment of a deposit of R1 250 000 on or before 3 July 2023;
- 5.2 the successful completion of a due diligence by the purchaser within 21 days of the signature date of the agreement;
- 5.3 that, within 30 days of the signature date of the agreement the Purchaser can obtain a loan for not less than R8 750 000 (Eight million seven hundred and fifty thousand rand) upon usual bank terms and conditions against the security of a first mortgage over the property.

### 6. FINANCIAL INFORMATION

As at 30 June 2022, being the last financial year end of Four Rivers, its net asset value was R14.50 million. A sworn valuation prepared at the request of the Company on 31 March 2023 by Quadrant Properties Proprietary Limited, a registered property valuer, valued the property at R12 million. The Purchaser will be liable for any transfer duties and the sales commission arising from the Disposal.

### 7. RESPONSIBILITY STATEMENT

The board of directors of the Company accepts responsibility for the information contained in this announcement, and certifies that, to the best of its knowledge and belief, the information is true and, where appropriate, this announcement does not omit anything likely to affect the importance of the information included.

By order of the board.

Johannesburg

27 June 2023

Sponsor