THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 3 of this Circular apply *mutatis mutandis* throughout this Circular.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.

1. If you have disposed of all of your Shares in Cognition, then this Circular, together with the attached notice of General Meeting and form of proxy should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.
2. The General Meeting convened in terms of this Circular will be held at 12:00 on Friday, 7 December 2018 at the registered office of Cognition, Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194.
3. **Certificated Shareholders and Dematerialised Shareholders with "own name" registration, who** are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.

   Dematerialised Shareholders, other than Dematerialised Shareholders with "own name" registration, who:

   - are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the Custody Agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
   - wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend, in the form of a letter of representation.
4. **Cognition does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be concluded thereat.**

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

CIRCULAR TO COGNITION SHAREHOLDERS

regarding

- **the Related Party acquisition by Cognition of the 50.01% shareholding held by CTP in Private Property for a purchase consideration of R127 million, which consideration is to be settled through the issue of 105 833 333 Cognition Shares at 120 cents per Share;**
- **the waiver of the requirement for Caxton to make a mandatory offer to Cognition Shareholders in accordance with section 123(3) of the Companies Act;**
- **the conversion of the authorised ordinary Shares in the share capital of the Company with a par value of R0.001 into authorised ordinary Shares of no par value, and the approval of resultant amendments to the Memorandum of Incorporation of the Company; and**
- **an increase in the authorised ordinary share capital of the Company from 250 000 000 Shares of no par value to 1 250 000 000 Shares of no par value;**

incorporating

- **Revised Listing Particulars;**

and enclosing

- **the Independent Expert Report;**
- **a notice convening the General Meeting; and**
- **a form of proxy for use by Certificated Shareholders of Cognition and "own name" registered Dematerialised Shareholders only.**

Sponsor and Corporate Advisor

Merchantec capital

Auditor and Reporting accountants

Grant Thornton

Independent Expert

nodus

Date of issue: 9 November 2018

Additional copies of this Circular, in its printed format, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Friday, 9 November 2018 up to and including, Friday, 7 December 2018, or on the Company's website at www.cgn.co.za. Copies of this Circular are available in the English language only.

CORPORATE INFORMATION

Company Secretary and registered address of Cognition
S A Kleynhans, BA B.Iuris LLB LLM
Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg, 2194
(PO Box 3386, Pinegowrie, 2123)

Cognition:
Date of incorporation: 4 July 1997
Place of incorporation: South Africa

Sponsor and Corporate Adviser
Merchantec Capital
(Registration number 2008/027362/07)
2nd Floor, North Block
Hyde Park Office Tower
Corner 6th Road and Jan Smuts Avenue
Hyde Park, Johannesburg, 2196
(PO Box 41480, Craighall, 2024)

Auditor and Reporting accountants
Grant Thornton
(Practice number 903485E)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X5, Northlands, 2116)

Independent Expert
Nodus Capital TS Proprietary Limited
(Registration number 2014/226782/07)
Building 2, Commerce Square Office Park
39 Rivonia Road
Sandhurst, 2196
(PO Box 55369, Northlands, 2116)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Company secretary and registered address of Private Property
Shepstone & Wylie
Level 1, 21 Richefond Circle
Ridgeside Office Park
Umhlanga, 4319
(PO Box 20205, Durban North, 4016)

Private Property:
Date of incorporation: 5 April 2012
Place of incorporation: South Africa

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The definitions and interpretations commencing on page 3 of this Circular apply *mutatis mutandis* to these Important Dates and Times.

IMPORTANT DATES AND TIMES

	2018
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 2 November
Circular posted to Shareholders and announced on SENS on	Friday, 9 November
Last day for Shareholders to make representations to the Panel relating to the Waiver	Friday, 23 November
Last day to trade in respect of the General Meeting	Tuesday, 27 November
General Meeting record date	Friday, 30 November
Last day to lodge forms of proxy for the General Meeting by 12:00 on	Wednesday, 5 December
General Meeting to be held at 12:00 on	Friday, 7 December
Results of General Meeting released on SENS on	Friday, 7 December
Results of General Meeting published in the press on	Monday, 10 December
Proposed date for receipt of the Panel's ruling on the Waiver	Monday, 10 December
Proposed date of release on SENS of the Panel's ruling on the Waiver	Monday, 10 December
Last day for Shareholders to request a review of the ruling on the Waiver	Tuesday, 18 December

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS.
2. Additional copies of this Circular in its printed format, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Friday, 9 November 2018 up to and including, Friday, 7 December 2018, or on the Company's website at www.cgn.co.za.
3. Forms of proxy may be handed to the Chairperson of the General Meeting immediately before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless the context otherwise indicates, references to the singular include the plural and *vice versa,* words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

"Acquisition"	the proposed acquisition by Cognition of the Sale Shares from CTP for a total purchase consideration of R127 million, which purchase consideration is to be settled by way of issue of the Consideration Shares;
"Acquisition Agreement"	the written share purchase agreement entered into between Private Property, Cognition and Caxton on 5 October 2018, in terms of which the Acquisition is governed;
"BMi Research"	BMi Research Proprietary Limited (Registration number 2008/004751/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Cognition;
"BMi Sport Group"	BMi Sport Group comprising: - BMi Sport Info Proprietary Limited (Registration number 1990/005476/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Cognition (**"BMI Sport Info"**); - Sponsorvalue Research Services Proprietary Limited (Registration number 2015/452619/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Cognition (**"Sponsorvalue Research Services"**); and - BMi Sponsorwatch Proprietary Limited (Registration number 1999/018733/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Cognition (**"BMI Sponsorwatch**");
"Board" or **"Directors"**	the board of directors of Cognition at the Last Practicable Date whose details are set out in paragraph 9 of this Circular;
"Business Day"	any day other than a Saturday, Sunday or a public holiday in South Africa;
"Caxton"	Caxton and CTP Publishers and Printers Limited (Registration number 1947/026616/06), a public company duly registered and incorporated under the laws of South Africa, listed on the Exchange and which currently holds 34.56% of the Shares in Cognition;
"Caxton Group"	Mr T D Moolman (the ultimate controlling shareholder of Caxton), Caxton and all of the companies which are controlled - which for the avoidance of doubt, is construed in accordance with section 2(2) (as read with 3(2)) of the Companies Act - by Caxton, including CTP and its Subsidiaries;
"Certificated Shareholder"	a Cognition Shareholder who holds Certificated Shares;
"Certificated Share"	a Cognition Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
"Circular"	this bound document, dated Friday, 9 November 2018, including the annexures hereto and incorporating a notice of General Meeting and a form of proxy;
"Cognition" or **"the Company"**	Cognition Holdings Limited (Registration number 1997/010640/06), a public company duly registered and incorporated under the laws of South Africa and listed on the Exchange;
"Cognition Shareholders" or **"Shareholders"**	holders of Cognition Shares;
"Cognition Shares" or **"Shares"**	ordinary shares of R0.001 each in the authorised and issued share capital of Cognition;
"Companies Act"	the Companies Act, 2008 (Act 71 of 2008), as amended;
"Companies Regulations"	the Companies Regulations, 2011 published in terms of the Companies Act;
"Competition Act"	the Competition Act, 1998 (Act 89 of 1998);
"Consideration Shares"	105 833 333 Cognition Shares to be issued to CTP as consideration for the Sale Shares at 120 cents per share;

"CSDP"	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual shareholder for the purposes of, and in regard to dematerialisation;
"CTP" or **"the Vendors"**	CTP Limited (Registration number 1971/004223/06), a public company duly registered and incorporated under the laws of South Africa and a wholly-owned Subsidiary of Caxton;
"Custody Agreement"	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised shares;
"Dematerialisation"	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Cognition's Uncertificated Securities Register;
"Dematerialised Shareholder"	a Cognition Shareholder who holds Dematerialised Shares;
"Dematerialised Share"	a Cognition Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Cognition's Uncertificated Securities Register;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title acceptable to Cognition in respect of Cognition Shares;
"Exchange"	the securities exchange operated by the JSE;
"Filing Date"	the date that is 30 calendar days after the Signature Date,
"Financial Markets Act"	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
"FoneWorx"	FoneWorx Proprietary Limited (Registration number 1997/014426/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Cognition;
"General Meeting"	the general meeting of Shareholders of Cognition to be held at 12:00 on Friday, 7 December 2018 at the registered office of Cognition, Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194, which meeting is convened in terms of the notice of General Meeting attached to this Circular;
"Group"	Cognition and its Subsidiaries;
"IFRS"	International Financial Reporting Standards;
"Independent Board"	the Independent Board Members, acting as the "independent board" for purposes of the Companies Act and the Takeover Regulations;
"Independent Board Members"	being the independent Directors, in terms of Takeover Regulations 81 and 108(9), which members are Ashvin Mancha, Roger Pitt and Dennis Lupambo;
"Independent Expert" or **"Nodus Capital"**	Nodus Capital TS Proprietary Limited (Registration number 2014/226782/07), a private company duly incorporated in accordance with the laws of South Africa and appointed to provide the Independent Expert Report;
"Independent Expert Report"	the report prepared by the Independent Expert, providing Cognition Shareholders with the opinion of the Independent Expert, on the Acquisition in accordance with paragraph 10.4(i) of the Listings Requirements, and on the Waiver of Mandatory Offer in accordance with regulation 86(7) of the Companies Regulations;
"Independent Shareholders"	Cognition Shareholders who are independent of Caxton or any related or inter-related person, or person acting in concert with any of them;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed to operate a securities exchange under the Financial Markets Act;
"Last Practicable Date"	Friday, 26 October 2018, being the last practicable date prior to the finalisation of this Circular;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time by the JSE;
"Long Stop Date"	the date that is 150 days from the Signature Date;
"Major Subsidiaries"	Cognition's major Subsidiaries, namely FoneWorx and BMi Research;

"Mandatory Offer"	the potential mandatory offer at 120 cents per Share that would be required to be made by Caxton to the Remaining Shareholders, in terms of section 123 of the Companies Act, to acquire all of the Cognition Shares in issue held by such Remaining Shareholders in the event that, pursuant to the Acquisition and the issue of the Consideration Shares, Caxton acquires a beneficial interest in voting rights in Cognition equal to or more than the Prescribed Percentage;
"Merchantec Capital" or **"Sponsor"**	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;
"Panel"	the Takeover Regulation Panel established in accordance with section 196 of the Companies Act;
"Private Property"	Private Property South Africa Proprietary Limited (Registration number 2012/065291/07), a private company duly registered and incorporated in accordance with the laws of South Africa in which CTP currently owns a 50.01% interest, and the balance of 49.99% is owned by Estate Agent Portal Company Proprietary Limited (12.35%), Property Advertising Joint Venture Proprietary Limited (5.21%), Contributing Estate Agent Portal Company Proprietary Limited Shareholders (8.42%), Betterlife Group Limited (9.50%), OOBA Proprietary Limited (9.50%) and Management (5.01)%;
"Prescribed Percentage"	the percentage prescribed in terms of section 123(5) of the Companies Act, which percentage is 35% of the voting securities of a company;
"Purchase Consideration"	the total consideration payable by Cognition to CTP for the Sale Shares, being R127 million, which purchase consideration is to be settled by way of issue of the Consideration Shares;
"Rand" or **"R"**	South African Rand, the official currency of South Africa;
"Register"	the Cognition securities register, including the Uncertificated Securities Register;
"Related Party"	a related party as defined in the Listings Requirements;
"Remaining Shareholders"	Cognition Shareholders, other than Caxton, those persons related or inter-related to them and those persons acting in concert with any of them;
"Sale Shares"	5 265 ordinary shares in the issued share capital of Private Property which are owned by CTP, which shares constitute 50.01% of the issued share capital of Private Property as at the Signature Date;
"Signature Date"	the date of signature of the Acquisition Agreement by Private Property, Cognition and CTP;
"SENS"	the Stock Exchange News Service of the JSE;
"Shareholders Agreement"	the written shareholders agreement concluded on or about 22 August 2017, as amended, between all the shareholders of Private Property;
"South Africa"	the Republic of South Africa;
"Strate"	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
"Subsidiary"	a subsidiary as defined in the Companies Act;
"Takeover Regulations"	the regulations published in terms of section 120 of the Companies Act which form part of the Companies Regulations;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
"Uncertificated Securities Register"	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
"VAT"	value added tax, levied in terms of the provisions of the Value-Added Tax Act, 1991 (Act 89 of 1991), as amended;
"VWAP"	volume weighted average price; and
"Waiver" or "Waiver of Mandatory Offer"	the proposed waiver by the Independent Shareholders of the right to receive the Mandatory Offer, in terms of Takeover Regulation 86(4), by way of a resolution adopted at the General Meeting.

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

Directors
Executive
M A Smith (Chief Executive Officer)
P A Scholtz (Financial Director)
G Groenewaldt

Non-executive
A G Mancha^ (Chairman)
T B C Ahier
M S du Plessis^
P G Greyling^#
P M Jenkins^#
D C Lupambo^
G M Mooney^
R M H Pitt^

^Independent

Director of Cognition and Caxton

CIRCULAR TO COGNITION SHAREHOLDERS

1. INTRODUCTION

On 8 October 2018, it was announced on SENS that Cognition had entered into a share purchase agreement with CTP in relation to Private Property in terms of which Cognition will acquire the 50.01% shareholding held by CTP in Private Property, comprising 5 265 Private Property shares for a total purchase consideration of R127 million, which consideration is to be settled by way of issue of 105 833 333 Cognition Shares at 120 cents per Share as detailed in paragraph 3.3 below.

CTP is a wholly-owned Subsidiary of Caxton, which is a material (34.56%) Shareholder of Cognition. Both Caxton and Cognition are listed on the Main Board of the securities exchange operated by the JSE, with P G Greyling and P M Jenkins being common directors to both entities.

Pursuant to the proposed Acquisition, CTP will, together with Caxton, become the controlling shareholder of Cognition by virtue of the issue of the Consideration Shares and accordingly, Cognition will become part of the Caxton Group. Although Private Property will become directly controlled by Cognition, it will remain part of the Caxton Group with no ultimate change of control vis-à-vis either CTP or Caxton.

In terms of the Shareholders Agreement, CTP is entitled to transfer its shares in Private Property to a company controlled by it, without observing any pre-emptive rights, provided that, in the case of the proposed Acquisition (i) the board of Private Property has approved the transfer of the Sale Shares; (ii) Cognition binds itself to the Shareholders Agreement; (iii) CTP remains bound by the provisions of the Shareholders Agreement and warrants that Cognition will perform its obligations under the Shareholders Agreement; and (iv) CTP retains control of Cognition.

As Caxton is a material Shareholder of the Company, it is considered to be a 'Related Party' in terms of paragraphs 10.1(b)(i) of the Listings Requirements. Accordingly, the proposed Acquisition - which constitutes a 'Related Party Transaction' in terms of the Listings Requirements – is subject to approval by the majority of Independent Shareholders present or represented at the General Meeting and voting.

Furthermore, in terms of paragraph 10.4(f) of the Listings Requirements, Cognition is required to obtain an opinion on the Acquisition by an Independent Expert (which Independent Expert Report is included as Annexure 3 to this Circular), and the Board is required to include a statement in this Circular confirming whether the Acquisition is fair to Shareholders. The statement of the Board is included in paragraph 18 below.

As a Related Party, Caxton and its associates are precluded from voting on the Acquisition. However, as Shareholders in Cognition, they may be considered and taken into account in determining a quorum for the purposes of the General Meeting.

As the issue of the Consideration Shares exceeds 30% of the voting power of all the Shares held by Shareholders immediately prior to such issue, a special resolution in terms of section 41(3) of the Companies Act is required to be approved by Shareholders to effect the Acquisition.

Furthermore, the issue and allotment of the Consideration Shares to CTP would result in Caxton directly and indirectly being able to exercise at least 35% of all the voting rights attached to the Cognition Shares, thereby triggering a Mandatory Offer as contemplated in section 123(3) of the Companies Act, unless same is waived by Independent Shareholders by way of an ordinary resolution in accordance with the Companies Regulations.

As the issue of the Consideration Shares will also result in Cognition's share capital increasing by more than 50%, revised listing particulars are required to be issued in terms of the Listings Requirements.

The purpose of this Circular is to provide Cognition Shareholders with the relevant information relating to, *inter alia*, the Acquisition and the Waiver of Mandatory Offer, and to give notice of the General Meeting in order for Cognition Shareholders to consider and, if deemed fit, to pass, *inter alia*, the resolutions necessary to approve the Acquisition, the Waiver of Mandatory Offer and in accordance with the Listings Requirements and the Companies Act. A notice convening such meeting is attached to, and forms part of, this Circular.

2. NATURE OF THE BUSINESS OF THE COGNITION GROUP

The Company was incorporated in South Africa on 4 July 1997 and was converted to a public company on 30 March 1999.

On 22 April 1999, the Company was listed on the Venture Capital Market of the JSE under the name 'Interconnective Solutions Limited'. On 18 December 2006, the Company changed its name from 'Interconnective Solutions Limited' to 'FoneWorx Holdings Limited', in order to more accurately reflect the Company's marketing strategy and to align the listed name with the main trade name of FoneWorx Proprietary Limited, which was well-known in the marketplace. On 13 June 2007, FoneWorx transferred its listing to the JSE's Alternative Exchange (**"AltX"**) in order to enhance the profile of the listed entity.

Following the Company's successful application to the JSE in September 2014, on 3 November 2014 the transfer of its listing from AltX to to the Technology Hardware and Equipment sector of the Main Board of the JSE became effective.

On 19 January 2015, the Company changed its name once again from 'FoneWorx Holdings Limited' to 'Cognition Holdings Limited'.

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

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

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

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

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

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

These three primary strategic drivers are commercialised into the market via: Active Data Exchange Services and Knowledge Creation and Management and, serviced by FoneWorx, BMi Sport Group and BMi Research.

Cognition acquired 63% of the BMi Sport Group in March 2015 and subsequently, with effect from 1 February 2017 acquired the remaining 37% that it did not own.

Cognition acquired 35% of the issued shares in BMi Research in July 2014 and in August 2015, the Company acquired a further 4.70% of the issued shares in BMi Research from an exiting minority shareholder. Cognition subsequently acquired the remaining 60.30% of the shares in BMi Research that it did not own with effect from 1 July 2015.

There have been no material changes in the business(es) of the Cognition Group, during the past five years.

3. THE ACQUISITION

3.1 Nature of Private Property

Private Property, which is one of South Africa's largest property portals, has been in operation since 1998. The company holds a significant market share in the South African property market and, in recent years, has grown revenues in excess of 30%.

3.2 The rationale for the acquisition

The Acquisition presents an opportunity to create a company that is better positioned to exploit the digital economy. Cognition will have further opportunities to acquire appropriate Caxton digital platforms and other owner-managed digital assets from third parties, which together with existing operational divisions, will result in Cognition becoming a growth-focused investment holding company within the digital sphere.

The strategy is to blend investments that offer innovative technology platforms with digital opportunities to build models that are flexible, fast, collaborative and creative.

These innovative platforms will collectively facilitate enhanced business to business (**"B2B"**) relationships and customer engagement (**"B2C"**) to promote personalisation for relevant and meaningful experiences in line with privacy regulations and maximise data currency.

The rationale behind this strategy is thus to provide creative scope for each investment to be fully empowered and operate independently, whilst leveraging opportunities within the investment portfolio of the Cognition Group, thereby maximising shareholder value.

3.3 Purchase Consideration

The Consideration Shares will be issued to CTP on the fifth business day following the date on which the last of the Suspensive Conditions is fulfilled or waived.

3.4 Suspensive Conditions, Effective Date and other salient terms of the Acquisition

The Acquisition is subject to the Suspensive Conditions that:

3.4.1 on or before the Long Stop Date, the approvals, if any, required by the Competition Commision, for the implementation of the Acquisition shall have been granted, either unconditionally or subject to such conditions as have been approved in writing by Cognition;

3.4.2 as of 17:00 (South African time) on the Filing Date, the Seller shall have made all filings, if any, required under the Competition Act for the implementation of the Acquisition, and shall have provided Cognition with written confirmation thereof;

3.4.3 on or before the 50th Business Day after the Signature Date, Cognition shall have obtained a special resolution of its Shareholders approving the Acquisition, solely to the extent required under the Companies Act and the Listings Requirements;

3.4.4 on or before the Long Stop Date, CTP shall have obtained a board resolution of Private Property approving the transfer of the Sale Shares to Cognition;

3.4.5 on or before the Long Stop Date, CTP and Cognition shall have signed a deed of adherence to the Shareholders Agreement;

3.4.6 on or before the Long Stop Date, the Panel shall have exempted Cognition and Private Property from compliance with their obligations (including any obligation of Cognition to make any offer) in terms of Part B and Part C of Chapter 5 of the Companies Act and the Takeover Regulations in respect of the sale of the Sale Shares;

3.4.7 on or before the Long Stop Date, Cognition Shareholders (excluding the Caxton Group) shall have approved the transactions contemplated in the Acquisition Agreement and shall have waived any entitlement to any minority offer by the Caxton Group; and

3.4.8 on or before the Long Stop Date, the Panel shall have exempted the Caxton Group from compliance with their obligations (including any obligation of the Caxton Group to make any offer) in terms of Part B and Part C of Chapter 5 of the Companies Act and the Takeover Regulations in respect of the acquisition of the Consideration Shares.

The effective date of the Acquisition is 1 January 2019.

The Acquisition Agreement contains warranties which are usual for transactions of this nature.

3.5 Vendors

The details of the Vendors as at the Last Practicable Date are set out in Annexure 8 to this Circular.

4. WAIVER OF MANDATORY OFFER

Caxton currently holds 34.56% of the issued share capital of Cognition.

The proposed Acquisition, if implemented, would as a consequence of the issue of the Consideration Shares, result in Caxton directly and indirectly acquiring more than 35% or more of the issued share capital of the Company, being the Prescribed Percentage in terms of section 123(5) of the Companies Act. In such event, in terms of section 123 of the Companies Act, Caxton would be obliged to make a mandatory offer to Cognition Shareholders at a price of 120 cents per Share, being the price of the Consideration Shares. Shareholders may waive their right to the Mandatory Offer in accordance with Takeover Regulation 86(4).

Accordingly, Independent Shareholders will be requested to waive their right to receive the Mandatory Offer by way of an ordinary resolution to be proposed at the General Meeting. The resolution must be approved by the independent holders of more than 50% of the general voting rights of all the issued Shares, present and voting or represented by proxy.

Caxton and any other non-independent Shareholders will not be able to vote on this resolution.

The Panel has advised that it is willing to consider the application to grant an exemption from the obligation to make the Mandatory Offer if the majority of Independent Shareholders waive their entitlement to receive the Mandatory Offer from Caxton, in accordance with Takeover Regulation 86(4).

Any Shareholder of Cognition who wishes to make representations relating to the exemption shall have 10 Business Days from the date of distribution of this Circular to make such representations to the Panel before the ruling is considered. Representations should be made in writing and delivered by hand, posted or faxed to:

If delivered by hand or courier:	**If posted:**	**If faxed:**
The Executive Director	The Executive Director	The Executive Director
Takeover Regulation Panel	Takeover Regulation Panel	Takeover Regulation Panel
1st Floor, Block 2	1st Floor, Block 2	+27 86 274 9056
Freestone Park	Freestone Park	
135 Patricia Road	135 Patricia Road	
Atholl, Johannesburg, 2196	Atholl, Johannesburg, 2196	

and should reach the Panel by no later than the close of business on Friday, 23 November 2018 in order to be considered.

If any representations are made to the Panel within the permitted timeframe, the Panel will consider the merits thereof before making a ruling.

Included in the Circular is the notice of General Meeting and the resolution for the Waiver of Mandatory Offer for Shareholders to consider, and if deemed fit, to approve at the General Meeting.

The report prepared by the Independent Expert, providing Cognition Shareholders with the opinion of the Independent Expert on the Waiver of Mandatory Offer in accordance with Takeover Regulation 86(7) of the Companies Regulations is set out in Annexure 3 to this Circular.

5. CONSOLIDATED PRO FORMA FINANCIAL EFFECTS

The consolidated *pro forma* financial effects have been prepared to illustrate the impact of the Acquisition on the reported financial information of Cognition for the 12 months ended 30 June 2018, had the Acquisition occurred on 1 July 2017 for statement of comprehensive income purposes and as at 30 June 2018 for statement of financial position purposes.

The *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the annual financial statements of Cognition for the year ended 30 June 2018.

The *pro forma* financial effects, which are the responsibility of the Directors, are provided for illustrative purposes only and, because of their *pro forma* nature may not fairly present Cognition’s financial position, changes in equity, results of operations or cash flow.

	Before	*Pro forma* after the Acquisition and the issue of the Consideration Shares	% Change
Basic earnings per Share (cents)	14.90	12.67	(15.0)
Headline earnings per Share (cents)	14.88	12.66	(14.9)
Net asset value per Share (cents)	109.08	113.49	4.0
Tangible net asset value per Share (cents)	76.96	49.83	(35.3)
Weighted average number of Shares in issue (000s)	137 615 798	243 449 131	76.9
Total number of shares in issue (000s) (net of Treasury Shares)	137 615 798	243 449 131	76.9

Notes:

1. The amounts in the "Before" column relate to the financial statements of Cognition for the 12 months ended 30 June 2018.

2. The amounts in the "*Pro forma* after the Acquisition and the issue of the Consideration Shares" column reflect the financial effects of the Acquisition and the Issue of the Consideration Shares on Cognition as if they had occurred on 1 July 2017 for statement of comprehensive income purposes and on 30 June 2018 for statement of financial position purposes.

3. For detailed notes, refer to Annexure 1 to this Circular.

6. SHARE CAPITAL OF COGNITION AND PROPOSED AMENDMENTS TO THE MEMORANDUM OF INCORPORATION OF THE COMPANY

6.1 Authorised and issued share capital

The current authorised and issued share capital of Cognition is set out in the table below.

Authorised	**R**
250 000 000 ordinary Shares of R0.001 each	-
Issued	
137 615 798 ordinary Shares of R0.001 each	137 616
Share Premium	55 972 835
Stated capital	**56 110 451**

Treasury Shares: Nil.

6.2 Proposed Conversion of the Company's Shares

The current authorised and issued share capital of the Company comprises ordinary par value Shares which have been created and issued in terms of the Companies Act, 1973 (Act 61 of 1973), as amended. The Companies Act, which came into force on 1 May 2011, changed the share capital regime in South Africa in that, *inter alia*, new shares created will no longer have a par value, and although companies with par value shares are not required to convert their par value shares into no par value shares, in terms regulation 31(2) of the Companies Regulations, Cognition will not be permitted to increase the authorised share capital by the creation of further par value Shares.

Accordingly, to enable Cognition to increase its authorised share capital, the Board is proposing the alignment of the Company's share capital with the provisions of the Companies Act and the conversion of the Company's authorised and issued ordinary par value Shares into ordinary no par value Shares with the same rights and privileges as those currently attaching to the ordinary par value Shares (**"Proposed Conversion"**).

In terms of regulation 31(6) of the Companies Regulations, in order to give effect to the Proposed Conversion, Shareholders are required to approve the Proposed Conversion, and the corresponding amendments to the Company's Memorandum of Incorporation reflecting such conversion, by way of a special resolution.

Special Resolution Numbers 1 and 4 included in the notice of General Meeting attached to and forming part of this Circular, seek the requisite approvals to give effect to the Proposed Conversion and the corresponding amendments to the Company's Memorandum of Incorporation, respectively.

Furthermore, in terms of regulation 31(7) of the Companies Regulations (an extract of which is set out in paragraph 6.2.1 below), the Company must publish a report in respect of the proposed resolution to convert the ordinary par value Shares into ordinary no par value Shares. The Report on the Proposed Conversion is set out in paragraph 6.2.2 below.

6.2.1 Extract of regulation 31(7) of the Companies Regulations

"The board must cause a report to be prepared in respect of a proposed resolution to convert any nominal or par value shares in terms of sub-regulation (6), which must at a minimum –

(a) state all information relevant to the value of the securities affected by the proposed conversion;

(b) identify holders of the company's securities affected by the proposed conversion;

(c) describe the material effects that the proposed conversion will have on the rights of the holders of the company's securities affected by the proposed conversion; and

(d) evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement."

6.2.2 Report on the Proposed Conversion

6.2.2.1 Information in relation to the value of the securities affected by the Proposed Conversion

The rights attaching to the ordinary no par value Shares after the proposed Conversion will be identical to the rights attaching to the ordinary par value Shares prior to the Proposed Conversion. Accordingly, the Board is of the opinion that the Proposed Conversion will not affect the value of the Cognition Shares.

6.2.2.2 Shareholders affected by the Proposed Conversion

The Company has one class of Shares in issue, being the ordinary Shares with a par value of R0.001 each. Given that all of the Company's authorised and issued Shares are proposed to be converted in terms of Special Resolution Number 1 on the basis referred to in paragraph 6.2.2.3 below, all Shareholders will be affected equally and on the same terms and conditions.

6.2.2.3 Material effects that the Proposed Conversion will have on the rights of the Shareholders affected by the Proposed Conversion

The rights attaching to the Company's no par value Shares will, upon their conversion from par value Shares, be identical to the rights currently attaching to the Company's par value Shares.

Accordingly, the Proposed Conversion will not have any material effects of the rights of Shareholders.

6.2.2.4 Material adverse effects of the Proposed Conversion against the compensation that any of those persons will receive in terms of the arrangement

The Proposed Conversion will not have any material adverse effect on any of the Shareholders and no Shareholders will receive any compensation pursuant to the conversion.

6.2.3 Share capital after the Proposed Conversion

The share capital of the Company after the Proposed Conversion contemplated in this paragraph 6.2 is set out in the table below.

Authorised	**R**
250 000 000 ordinary Shares of no par value	-
Issued	
137 615 798 ordinary Shares of no par value	56 110 451
Stated capital	**56 110 451**

Treasury Shares: Nil.

6.2.4 Certificated Shareholders

Notwithstanding the conversion of the par value Shares in the authorised share capital of the Company to Shares of no par value, Certificated Shareholders are not required to return the share certificates to the Company, and may retain such share certificates, which will evidence their title to the no par value Shares held by them resulting from such conversion, notwithstanding that such share certificates make reference to Shares having a par value.

Certificated Shareholders are however, reminded that they will not be able to trade such Shares on the JSE until these Shares have been dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.

6.3 Increase in authorised share capital

In order to create sufficient authorised share capital to provide for the issue of the Consideration Shares, as well as potential future share-based transactions as and when required, the Board proposes, pursuant to the Proposed Conversion referred to in paragraph 6.2 above, an increase in the Company's authorised share capital from 250 000 000 Shares to 1 250 000 000 Shares by the creation of an additional 1 000 000 000 Shares.

In order to give effect to the increase in the number of authorised Shares, Shareholders are required to approve such increase, and the corresponding amendments to the Company's Memorandum of Incorporation reflecting such increase, by way of a special resolution.

Special Resolution Numbers 2 and 4 included in the notice of General Meeting attached to and forming part of this Circular, seek the requisite approvals to give effect to the increase in the number of authorised Shares and the corresponding amendments to the Company's Memorandum of Incorporation, respectively.

The share capital of the Company after the Proposed Conversion and the increase in the number of Shares contemplated in this paragraph 6.3 is set out in the table below.

Authorised	**R'000**
1 250 000 000 ordinary Shares of no par value	-
Issued share capital	
137 615 798 ordinary Shares of no par value	56 110 451
Total issued share capital	**56 110 451**

Treasury Shares: Nil

6.4 Authority to issue Shares

6.4.1 Section 41(3) of the Companies Act requires that Shareholders approve, by way of special resolution, an issue of shares, if the voting power of the class of shares that are issued as a result of the transaction will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before the transaction.

Accordingly, as set out in Special Resolution Number 5 included in the notice of General Meeting attached to and forming part of this Circular, Shareholders are required to approve the issue of the Consideration Shares as the voting power of all the Shares held by the Shareholders immediately before the Acquisition will be exceeded by 30% as a result of the issue of the Consideration Shares.

The share capital of the Company after the increase in the Company's authorised share capital contemplated in paragraph 6.3 above and the issue of the Consideration Shares contemplated in this paragraph 6.4 is set out in the table below.

Authorised	**R'000**
1 250 000 000 ordinary Shares of no par value	-
Issued share capital	
243 449 131 ordinary Shares of no par value	183 110 451
Total issued share capital	**183 110 451**

Treasury Shares: Nil

6.5 Provisions of the Memorandum of Incorporation of Cognition

Subsequent to the approval by Shareholders of the Proposed Conversion and the increase in the Company's authorised share capital contemplated in paragraphs 6.2 and 6.3 above, respectively, the Company's Memorandum of Incorporation will be amended by substituting "250 000 000 (two hundred and fifty million) ordinary par value Shares of R0.001 each" in clause 8.1 thereof with "1 250 000 000 (one billion two hundred and fifty million) ordinary no par value Shares" so that clause 8.1 reads as follows:

“8. ISSUE OF SHARES AND VARIATION OF RIGHTS

8.1 *The Company is authorised to issue 1 250 000 000 (one billion two hundred and fifty million) ordinary no par value Shares, of the same class, each of which ranks pari passu in respect of all rights and entitles the holder to –”*

If approved by Shareholders, the Proposed Conversion and the increase in the number of authorised Shares will become effective on the date on which the required notice of amendment in respect of the corresponding amendments to the Company’s Memorandum of Incorporation is filed with the Companies and Intellectual Property Commission, as contemplated in section 16(9) of the Companies Act, which date is expected to be Friday, 11 January 2019.

Shareholders are advised that, in addition to the aforementioned amendment, the Company’s Memorandum of Incorporation will be further amended by substituting “60% (sixty percent)” in clause 24.1 thereof with “50% (fifty percent)” so that clause 24.1 reads as follows:

“24. SHAREHOLDERS’ RESOLUTIONS

24.1 *For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution, as provided in section 65(7)”*

6.6 Share capital, issues and repurchase of Shares

6.6.1 Consolidations and sub-divisions

There have been no consolidations or sub-division of Shares over the past three years.

6.6.2 Issue of Shares

There has been no fresh issue of Shares in the past three years. However, the Group transferred 1 450 000 treasury shares as a purchase consideration for the acquisition of the remaining minority interest in BMi Sport Info.

6.6.3 Repurchases of Shares

Cognition repurchased 1 361 861 Shares through its Subsidiary, FoneWorx, over the period 12 April 2017 to 14 July 2017 at an average Share price of 145 cents. The repurchase was effected under the general authority.

6.6.4 Options or preferential rights in respect of Shares

No option or preferential right of any kind was or is proposed to be given by Cognition to any persons to subscribe for Cognition Shares.

6.6.5 Debentures

No debentures have been created in terms of a trust deed and no debentures have been issued or agreed to be issued.

6.7 Other listings

Cognition does not have any Shares listed on any exchange other than the JSE.

6.8 Share price history

The Share price history of Cognition’s Shares traded on the JSE is set out in Annexure 11 to this Circular.

7. PROSPECTS

Cognition, which has a strong balance sheet with positive cash flows, continues to develop organically by developing extended products and solutions for different sections of the market.

The Directors are of the opinion that the Group’s strength lies in its ability to provide multi-disciplinary digital services from its proprietary technical platform “under one roof”.

Whilst the Board believes that trading conditions will remain challenging given the current state of the economy, it believes that there will be pockets of excellent opportunities within the Group’s portfolio of offerings.

Accordingly, the Board intends to continue to look at meaningful acquisition opportunities and the opportunity to leverage across Cognition’s various solutions, whilst continuing to manage the business with the aim of constantly improving operational efficiencies and product development.

The Directors believe that Private Property is well placed to be a market leader in enabling property owners, via its multi-sided marketing property platform using either the website or recently launched mobile APP, in making the decision to buy or sell property. The Directors are of the view that the Private Property platform is well positioned to service social and economic segments of the South African economy by providing new listings, news and advice to property buyers, as well as providing a platform to property professionals to market to bespoke audiences.

Additionally, the incumbents and executive team have been successful in repositioning Private Property to increase audience metrics by focusing on technology drivers such as new websites, mobile APPs, cloud hosting and increasing the focus on partner and industry-aligned opportunities.

The Directors hold the view that, within the context of the wider Group, there exist strategies and KPIs to focus on consumer needs and to build consumer value by enhancing the metrics around the granularity of consumer data (which is in line with privacy regulations) and increasing the market value of the brand.

8. MAJOR SHAREHOLDERS

8.1 Major Shareholders before the issue of the Consideration Shares

Those Shareholders (excluding Directors whose interests are detailed in paragraph 9.2 below) who, as at the Last Practicable Date insofar as is known to Cognition, directly or indirectly, were beneficially interested in 5% or more of the issued share capital of Cognition are set out below:

	Number of Shares		Percentage
Shareholder	Direct shareholding	Indirect shareholding	shareholding (%)
Caxton	47 556 142	-	34.56
Lazio Holdings S.A	15 218 750	-	11.06
Navsur Limited	10 463 300	-	7.60
	73 238 192	**-**	**53.22**

8.2 Major Shareholders after the issue of the Consideration Shares

Those Shareholders (excluding Directors whose interests are detailed in paragraph 9.2 below) who, insofar as is known to Cognition, will after the issue of the Consideration Shares, directly or indirectly, be beneficially interested in 5% or more of the issued share capital of Cognition are set out below:

	Number of Shares		Percentage
Shareholder	Direct shareholding	Indirect shareholding	shareholding (%)
CTP[1]	105 833 333	-	43.47
Caxton	47 556 142	-	19.53
Lazio Holdings S.A	15 218 750	-	6.25
	179 071 525	**-**	**69.25**

[1] CTP is a wholly-owned Subsidiary of Caxton. Therefore the Caxton Group will, after the issue of the Consideration Shares, effectively own a 63.00% stake in Cognition.

8.3 Controlling Shareholders

Save as set out below, in the preceding five year period, there has been no change in the controlling Shareholders in either Cognition or any of its Major Subsidiaries.

BMi Research

In July 2014, Cognition acquired 35% of the issued shares in BMi Research and in August 2015, the Company acquired a further 4.70% of the issued shares in BMi Research from an exiting minority shareholder. Cognition subsequently acquired the remaining 60.30% of the shares in BMi Research that it did not own with effect from 1 July 2015.

9. DIRECTORS

9.1 Directors' information

The names, ages, qualifications, business addresses, functions in the Group and background of the Executive and Non-executive Directors of Cognition, and the directors and management of Cognition's Major Subsidiaries (namely FoneWorx and BMi Research) at the Last Practicable Date are set out below follows:

Directors

Mark Allan Smith (60)

Qualifications:	BA LLB (Admitted Attorney)
Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194
Function:	Chief Executive Officer
Background:	Mark completed his articles and briefly practised as an attorney prior to joining Shield Trading Corporation Limited ("Shield") as legal advisor. Mark was also the managing director of Infophone Proprietary Limited which operated telephony services in the premium rate service industry where he gained experience in the audiotex telephony platform. In 1991, Mark was appointed joint managing director of Shield and in 1992, when Massmart Holdings Proprietary Limited (Massmart), a subsidiary of Wooltru Limited, acquired 66% of Shield, Mark was appointed as managing director of Shield, responsible for 450 franchised outlets and responsible for sales of R1.3 billion. Three years later he was also appointed as a director of Massmart. In 1997, Mark founded Cognition. He has consulted widely with a number of legal professionals and industry bodies to acquire extensive knowledge in the area of Identity Verification, has developed an extensive business training course orientated around the small, medium and micro enterprises and lectures on a broad range of topics in the Virtual Business Centre management courses in the Cognition Academy, and has consulted widely with environmental experts on climate change, also having presented papers at various climate change conferences. In addition, Mark holds a number of workshops on climate change and restoration of local eco systems in line with climate mitigation and adaptation.

Pieter Albertus Scholtz (42)

Qualifications:	CA(SA)
Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194
Function:	Financial Director
Background:	Pieter qualified as a Chartered Accountant (SA) in 2001 and passed the Chartered Institute of Management Accountants (CIMA) final examination in 2002. He served his articles at the Johannesburg office of the Auditor General where he stayed on until May 2005. During this period, he was the appointed Training Officer for all the SAICA trainees within the Johannesburg Office, specialising in Performance Auditing and was the Senior Manager in charge of numerous high-profile government audits within the Gauteng Province. In June 2005, Pieter joined the Commission for Gender Equality as the Chief Financial Officer. In December 2006, Pieter was offered the position of Group Finance Manager for Blue IQ Holdings Proprietary Limited, a government held entity focusing on infrastructure development throughout the Gauteng province. In February 2008, he was appointed as the Financial Director of Cognition.

Graham Groenewaldt (60)

Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194
Function:	Executive Director
Background:	Graham began his career in the technical department at Telkom and became a department supervisor at the age of 21, after which he was promoted to Zone Manager. Following his time at Telkom, Graham co-founded Qualicom, a company specialising in servicing and maintenance of PABX and telecommunications equipment. When Qualicom was acquired by Teleboss, Graham stayed on as Operations Director. In 1992, he left Teleboss to become an independent consultant but returned three years later as Managing Director of the Johannesburg region. In October 1999, after having managed Teleboss for four years, Graham was appointed as CEO. Two months later was appointed to the board of directors as Managing Director. In 2003, Telemessage merged with a Subsidiary of Interconnective Solutions Limited, now Cognition.

Ashvin Govan Mancha (61)

Qualifications:	B.Proc
Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194
Function:	Independent Non-executive Director, Chairman of the Board
Background:	Ashvin obtained a B. Proc from the University of Witwatersrand in 1981, and thereafter a Diploma in Financial Management. He completed articles at Soller, Winer and Partners, and was admitted as an attorney in 1982. His primary responsibilities and experience were in the banking sector. In 1985, he entered the family business which ran property and retail businesses which gave him direct exposure to the stockbroking community in South Africa. He then joined Ed, Hern Rudolph Inc. as a stockbroker on completion of his stockbroking exams and was the first qualified black practicing stockbroker during the apartheid era of South Africa. He was invited to join the board of directors, and remained a director after the firm was sold to BOE Natwest in 1995. During the period up to his departure in December 1999, he built up one of the largest independent private client stockbroking businesses in South Africa. In June 2000, he started the stockbroking firm of Afrifocus Securities which he left in March 2018.

Trevor Bruce Cabot Ahier (50)

Qualifications:	BSc (Civil Engineering) LLB.
Business address:	Mint Management Technologies, Ground Floor Building 1, Parc Nicol, 3001 William Nicol Drive, Bryanston, 2192
Function:	Non-executive Director
Background:	Trevor obtained his degrees at the University of the Witwatersrand and University of South Africa, respectively and is an accredited Mediator of the London School of Mediation. Trevor completed the three-year Owner President Management Program at Harvard. He has an extensive entrepreneurial track record in the media, technology and construction industries where he has founded, operated and acquired numerous businesses.

Marc Steven du Plessis (38)

Qualifications:	B.Com (Commercial Accounting)
Business address:	Block 3, Burnside Island Office Park, 410 Jan Smuts Avenue, Craighall, 2196
Function:	Independent Non-executive Director
Background:	After Marc obtained his degree at the University of Stellenbosch in 2001, he attended the AAA school of Advertising. In 2006, he joined Caxton as a key account manager and currently holds the position of joint CEO of Spark Media, a division of Caxton.

Petrus Gerhardus Greyling (61)

Qualifications:	BCom, BCompt (Hons)
Business address:	368 Jan Smuts Avenue, Craighall, Johannesburg, 2196
Function:	Non-executive Director
Background:	Piet is Deputy Group Managing Director of the Caxton Group and CEO of its Newspaper Publishing and Printing division.

Paul Michael Jenkins (59)

Qualifications:	B.Com, LLB
Business address:	368 Jan Smuts Avenue, Craighall, Johannesburg, 2196
Function:	Independent Non-executive Director
Background:	Paul qualified at Rand Afrikaans University in 1981 with a BCom and LLB degree and was admitted as an attorney and notary in February 1986. In 1988, he became a partner of Webber Wentzel and in 1999, left his position as senior commercial legal partner in to join the Johnnic group. In this capacity he served as a director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self-employed and provides business and legal advisory services to a select group of clients. He is the non-executive Chairman of Caxton and the executive Chairman of Moneyweb Holdings Limited.

Dennis Chisembele Lupambo (55)

Qualifications:	BSc (Electrical Engineering)
Business address:	Mint Management Technologies, Ground Floor Building 1, Parc Nicol, 3001 William Nicol Drive, Bryanston, 2192
Function:	Independent Non-executive Director
Background:	Dennis received a Bachelor of Science with Honours in Electrical Engineering in 1987 from the University of Southampton, England. He has worked in various industries including auditing, petrochemicals, electricity utility, management consultancy, banking and telecommunications. He has worked for several leading Pan African companies including Standard Bank, MTN and Ecobank Transnational Incorporated. Dennis is the Managing Executive of Mint Africa responsible for the expansion of Mint Management Technologies Proprietary Limited, a Gold Microsoft Implementation Partner, into the rest of Africa.

Gaurang Manhar Mooney (48)

Qualifications:	BA (Economics & Finance)
Business address:	Unit 17 A, i-Towers North, CBD Gabarone, Botswana
Function:	Independent Non-executive Director
Background:	Gaurang studied at the University of Texas and obtained a Bachelor of Arts degree in Economics and Finance. Gaurang's background is in finance and he is an executive director of Overseas Development Enterprises Proprietary Limited, which has significant interests in owning and operating large wholesale and retail trading outlets in the food, hardware and flooring sector in Southern Africa. The company also has interests in property development both in Southern Africa and Australia. Gaurang has experience in all of the businesses in which the company has interests.

Roger Matthew Holden Pitt (37)

Qualifications:	CA (SA)
Business address:	3 Susan Street, Strydompark, 2169
Function:	Independent Non-executive Director
Background:	Roger is a chartered accountant with a BCom (Hons) (Accounting) degree from the University of Johannesburg. After completing his articles he moved into Corporate Finance where he gained broad experience in corporate actions across multiple industries. He currently owns and runs an import and distribution business in the medical industry and serves on the boards and committees of several private and listed companies.

All the Directors of Cognition are South African, except for G M Mooney who is a citizen of Botswana and D C Lupambo who is a citizen of Zambia.

Directors of Major Subsidiary (FoneWorx)

Mark Allan Smith (60)

Qualifications:	BA LLB (Admitted Attorney)
Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194

Pieter Albertus Scholtz (42)

Qualifications:	CA(SA)
Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194

Graham Groenewaldt (60)

Business address:	Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194

Directors of Major Subsidiary (BMi Research)

Dana Helen Braithwaite (51)	
Qualifications:	BSc, BSc (Hons), MSc PhD (Organic Chemistry)
Business address:	H Santos Building, 30 Arena Close, Bruma, 2198
Function:	Non-executive Director
Background:	Dana's market research industry experience focuses on knowledge management, and developing an understanding of the unique research needs within the local food, beverage and packaging industries. Her current focus is to increase the ability within the organisation to provide the best fit research solutions, training the research team through mentorship and project oversight.
Gareth Trevor Pearson (49)	
Qualifications:	B.Com C.I.S
Business address:	H Santos Building, 30 Arena Close, Bruma, 2198
Function:	Executive Director
Background:	Gareth is a market research specialist with particular focus on brands and markets within the retail packaging and CPG markets. Always looking to create value for clients, Gareth is passionate about brands, strategy trends and growing people.
Trevor Bruce Cabot Ahier (50)	
Qualifications:	Refer table above.
Business address:	Refer table above.
Function:	Non-executive Director
Background:	Refer table above.
Pieter Albertus Scholtz (42)	
Qualifications:	Refer table above.
Business address:	Refer table above.
Function:	Non-executive Director
Background:	Refer table above.
Mark Allan Smith (60)	
Qualifications:	Refer table above.
Business address:	Refer table above.
Function:	Non-executive Director
Background:	Refer table above.
Graham Groenewaldt (60)	
Qualifications:	Refer table above.
Business address:	Refer table above.
Function:	Non-executive Director
Background:	Refer table above.

9.2 Directors' interests in securities

9.2.1 Directors' interests

At the Last Practicable Date, the Directors held, directly or indirectly, beneficial interests in 17 253 574 Shares in Cognition, representing approximately 12.53% of the total issued share capital of Cognition, being 137 615 798 Cognition Shares. The direct and indirect beneficial interests of members of the Board are as follows:

Director	Beneficial Direct	Indirect	Total Shares	Total %
M A Smith	11 373 436	-	11 373 436	8.26
T B C Ahier	-	3 910 350	3 910 350	2.84
G Groenewaldt	1 484 544	-	1 484 544	1.08
P A Scholtz	485 244	-	485 244	0.35
	13 343 224	**3 910 350**	**17 253 574**	**12.53**

There has been no change in the aforementioned Director's interests, between the financial year ended 30 June 2018 and the Last Practicable Date.

There will be no change in the aforementioned Director's interests as a result of the Acquisition.

However, after the issue of the Consideration Shares, the Directors will hold, directly or indirectly, beneficial interests in 17 253 574 Shares in Cognition, representing approximately 7.08% of the total issued share capital of Cognition, being 243 449 131 Cognition Shares. The direct and indirect beneficial interests of members of the Board would be as follows:

Director	Beneficial Direct	Indirect	Total Shares	Total %
M A Smith	11 373 436	-	11 373 436	4.67
T B C Ahier	-	3 910 350	3 910 350	1.60
G Groenewaldt	1 484 544	-	1 484 544	0.61
P A Scholtz	485 244	-	485 244	0.20
	13 343 224	**3 910 350**	**17 253 574**	**7.08**

9.2.3 Former Directors' interests

During the last 18 months, no Directors resigned from the Board.

9.2.4 Associates' interests in securities

At the Last Practicable Date, as far as the Board is aware, no associates of Directors held or controlled any Shares in Cognition.

9.2.5 Directors' interests in share options

The Directors have no interests in share options.

9.3 Directors' interests in transactions

Save as set out in this Circular, none of the Directors have had any beneficial interest, either directly or indirectly, in any transactions effected by the Cognition Group during the current or preceding financial year or during any earlier financial year which remains outstanding or unperformed in any respect.

9.4 Directors' remuneration

Shareholders are referred to note 24 of the notes to the annual financial statements set out on page 72 of the Cognition 2018 Integrated Annual Report, which can be found on the Company's website at http://www.cgn.co.za/pages/display/annual_results, in respect of Directors remuneration.

As set out in note 24 of the aforementioned notes, the remuneration of the Executive Directors, namely M A Smith, P A Scholtz and G Groenewaldt, is paid by FoneWorx and the fees of the Independent Non-executive Directors, namely A G Mancha and R M H Pitt, are paid by Cognition.

T B C Ahier, M S du Plessis, P G Greyling, P M Jenkins, D C Lupambo and G M Mooney do not receive fees from companies in the Group.

There will be no change in the remuneration of any of the Directors as a consequence of the Acquisition.

9.5 Director's service contract

Each of the Executive Directors have service contracts in place, which service contracts are available for inspection as set out in paragraph 22 below.

These service contracts, which are deemed to have taken effect on 1 May 2012, contain minimum employment periods of three years, whereafter the agreements continue on an ongoing basis save for the fact that either party is entitled to terminate the agreement on not less than three calendar months' written notice. The Company is however, entitled to terminate the agreements if the Executive Director is found guilty of misconduct.

The service contracts contain restraint of trade provisions in terms of which the Executive Directors are restrained from competing (either directly or indirectly) with the Group for a period of up to 12 months after the termination of their employment with the Group.

None of the Non-executive Directors have service contracts with the Company.

9.6 Details of Directors' directorships

The names of all companies and partnerships of which the Directors and the directors of Major Subsidiaries have been a director or partner in the previous five years are set out below. Save for the those marked with an asterisk, all directorships or partnerships are current.

Director	Directorships / partnerships	Registration
M A Smith	Livingfacts	2014/114491/07
	Sponsor Value Research Services	2015/452619/07
	MiBubble SA	2016/543511/07
	MiBubble Platform	2017/009467/07
	MiBubble Holdings	2017/009502/07
	BMi Sport Info	1990/005476/07
	VM Advertising	1997/009103/07
	SurveyOnline	1997/010569/07
	Interconnective Solutions Management	1997/011567/07
	Retail Card Club	1997/012651/07
	FoneWorx	1997/014426/07
	Cognition Analytics	1998/006345/07
	BMi Sponsorwatch	1999/018733/07
	Four Rivers Trading 123	2006/022776/07
	CarbonWorx	2007/025193/07
	BMi Research	2008/004751/07
	Cognition	1997/010640/06
P A Scholtz	Livingfacts	2014/114491/07
	Sponsor Value Research Services	2015/452619/07
	MiBubble SA	2016/543511/07
	MiBubble Holdings	2017/009502/07
	BMi Sport Info	1990/005476/07
	VM Advertising	1997/009103/07
	SurveyOnline	1997/010569/07
	Interconnective Solutions Management	1997/011567/07
	Retail Card Club	1997/012651/07
	FoneWorx	1997/014426/07
	Cognition Analytics	1998/006345/07
	BMi Sponsorwatch	1999/018733/07
	Four Rivers Trading 123	2006/022776/07
	CarbonWorx	2007/025193/07
	BMi Research	2008/004751/07
	Restimart	2011/007434/07
	Cognition	1997/010640/06
G Groenewaldt	Sponsor Value Research Services	2015/452619/07
	MiBubble SA	2016/543511/07
	MiBubble Holdings	2017/009502/07
	BMi Sport Info	1990/005476/07
	VM Advertising	1997/009103/07
	SurveyOnline	1997/010569/07
	Interconnective Solutions Management	1997/011567/07
	Retail Card Club	1997/012651/07
	FoneWorx	1997/014426/07
	Mitic IVR	1998/005424/07
	Cognition Analytics	1998/006345/07
	BMi Sponsorwatch	1999/018733/07
	Four Rivers Trading 123	2006/022776/07
	CarbonWorx	2007/025193/07
	BMi Research	2008/004751/07
	Cognition	1997/010640/06

A G Mancha	Santarina	2016/143515/07
	Cognition	1997/010640/06
	ABBN Solar and Power Projects*	2012/209402/07
T B C Ahier	Reib Property Investments	2004/025838/23
	Motheo Infrastructure Contractors	2015/403195/07
	K2017233981 (South Africa)	2017/233981/07
	Mintunity	2017/233996/07
	MMT Africa	2017/336851/07
	Intelligent Insights	2017/516208/07
	Mint Management Technologies	1999/028286/07
	Wavelett Trading 118	2003/022574/07
	MMT Coastal	2004/024432/07
	Resgro	2005/041482/07
	Comgro	2007/007295/07
	BMi Research	2008/004751/07
	ABT Invest	2008/015359/07
	Critical Link Project Management	2009/000307/07
	Rutherford Construction	2009/006984/07
	Caragenix Investments	2009/009592/07
	Fenestration Holdings	2009/022427/07
	Cognition	1997/010640/06
	The CRM Team*	2015/232897/07
	L AND D Enterprises*	1993/005407/07
	USP Designs*	1994/001765/07
	Fenestration Technologies*	2003/013371/07
	MMT Inland*	2003/023030/07
	2nd Road Craighall*	2004/031309/07
	City Square Trading 522*	2005/018491/07
	Solar Spectrum Trading 247*	2007/000662/07
	ABT Invest*	2008/015359/07
	Knowledge Factory*	2010/020642/07
	Midnight Masquerade Properties167*	2004/023866/07
	Lido Design*	2006/001451/07
M S du Plessis	Interactive Advertising Bureau South Africa	2011/011625/08
	Cognition	1997/010640/06
P G Greyling	Publishers Research Council	2016/519577/08
	The Citizen Charity Fund	1983/006990/08
	Publishers Support Services	1996/018251/08
	Private Property	2012/065291/07
	Caxton Holdings	2013/080010/07
	Health Spas Guide	2013/58284/07
	Vehicle Traders Limited Edition	2013/234778/07
	Tysflo	K2016134468/07
	Brusregua A5	2017/499229/07
	INCE	1939/012146/07
	Tight Lines	1963/003872/07
	The Citizen (1978)	1978/004817/07
	Saxton Investments	2003/027155/07
	Remade Printing and Publishing Recycling	2008/008161/07
	Hozi Holdings	2010/023116/07
	CAXTON	1927/000183/06

	Caxton Publishers and Printers	1947/025989/06
	Caxton and CTP Publishers and Printers	1947/026616/06
	CTP	1971/004223/06
	The Citizen	1979/002291/06
	Cognition	1997/010640/06
	Deliwise Trading*	2015/406955/07
	Highway Printers*	1997/016441/07
	Kagiso Publishers*	1993/004107/07
	Makeway Trading 1*	2008/015982/07
	Noordwes Koerante*	1965/006412/07
	Spark Media*	2003/016362/07
	Capricorn Books*	1958/000842/06
	T W Hayne*	1939/013420/06
	Ukhozi Press*	1951/000868/06
	Relabelit*	2015/051525/07
	Mooival Media*	1964/004662/07
	Zululand Observer*	1969/009390/07
	Darwinian Investments*	1970/003405/07
	Ridge Times*	1985/002293/07
	Capital Media*	1987/000529/07
	Nachas Reproductions*	1992/002569/07
	Moneyweb Holdings*	1998/025067/06
	Wordsmiths*	2006/006049/07
	Mahareng Publishing*	2006/028339/07
	The South African Press Association*	1938/011175/08
	H Cubed Investments*	2017/343942/07
	Highlander Haven House Share Block*	2017/488614/07
	Meyersdal Nature Estate Homeowners Association*	2005/009957/08
	Newspaper Association of South Africa*	2003/030577/08
P M Jenkins	Enerj Management	2018/072954/07
	Ramsay Media	1934/005460/07
	S A Technical Journals	1971/005317/07
	Popular Mechanics SA	2001/027155/07
	Caxton and CTP Publishers and Printers	1947/026616/06
	Cognition	1997/010640/06
	Moneyweb Holdings	1998/025067/06
	Flowerday Laboratories*	2004/007831/07
	Enerj Consulting*	2007/027037/07
	RSA Web*	2012/193994/06
	Octotel*	2015/051236/06
	Grovest Energy*	2015/298257/06
	Sea Star Motors*	2009/013747/07
D C Lupambo	MMT Africa	2017/336851/07
	Cognition	1997/010640/06
	MMT Inland*	2003/023030/07
G M Mooney	Strachia Beleggings	2016/542087/07
	Trans Shopping Mall	1991/001540/07
	Overseas Development Enterprises	1991/001545/07
	Trans Cash and Carry	1995/007591/07
	Rustgrow Beleggings	1995/011699/07
	Boschdal Estates	1996/013596/07
	Libanga Holdings	2003/014073/07
	Cognition	1997/010640/07

R M H Pitt	CGSH Community Forum	2008/015050/08
	Fedgroup Financial Services	2012/000697/07
	Roger Pitt Professional Services	2012/004166/07
	Bits and Bobs for Moms	2012/056235/07
	Precinct Funding 1 Security SPV (RF)	2012/059026/07
	Breast Pumps and Betond	2012/070190/07
	Standard Chartered Nominees South Africa (RF)	2013/017389/07
	Greenhouse 3 Security SPV (RF)	2013/222410/07
	Greenhouse 4 Security SPV (RF)	2013/223147/07
	Greenhouse 5 Security SPV (RF)	2013/223166/07
	Greenhouse 6 Security SPV (RF)	2013/223171/07
	Multi-Issuer Investment Company	2014/071112/07
	Fedgroup Financial Holdings	2015/412407/07
	Precinct Funding 2 Security SPV (RF)	2016/202592/07
	WBS Issuer (RF)	2016/269977/07
	Shelfcor 17	2017/475666/07
	Fedgroup Trust Administrators	1951/003389/07
	Fedgroup Participation Bond Managers (RF)	1956/001143/07
	CMB Nominees (RF)	1964/002966/07
	Fedgroup Asset Management	1997/007878/07
	ABSA Home Loans Security SPV 101 (RF)	2003/021354/07
	Lexshell 596 Investments	2003/030015/07
	ABSA Home Loans 102	2004/004468/07
	ABSA Home Loans Security SPV 102	2004/004604/07
	NEWGOLD Managers	2004/007543/07
	ABSA Home Loans Security 103 (RF)	2005/023262/07
	ABSA Home Loans 103 (RF)	2005/023298/07
	Newfunds (RF)	2005/034899/07
	Greenhouse Security SPV Series 1	2006/031930/07
	Infobolt	2008/011440/07
	Fedgroup Employee Benefits	2008/013532/07
	Merchantec	2008/014219/07
	Merchantec	2008/027362/07
	Fedgroup Management (RF)	2010/011671/07
	Business Venture Investments No 1537 (RF)	2011/008094/07
	Cognition	1997/010640/06
	Shisa Investments	2002/006440/06
	ABSA Home Loans 101 (RF)	2003/021488/06
	Newgold Issuer (RF)	2004/014119/06
	Home Obligors Mortgage Enhanced Securities (RF)	2006/007171/06
	Ivuzi Investments (RF)	2007/010612/06
	Fedgroup Life	2007/018003/06
	Fedgroup Participation Bond Managers (RF)*	1956/001143/07
	Tennant Administration Services*	1990/002515/07
	ISA Holdings Limited*	1998/009608/06
	Fieldspace Property Managers*	2003/007700/07

Directors of Major Subsidiaries	Current directorships / partnerships	Registration
M A Smith	Refer table above.	Refer above.
P A Scholtz	Refer table above.	Refer above.
G Groenewaldt	Refer table above.	Refer above.
G T Pearson	BMi Research Adcheck	2008/004751/07 2008/021372/07
D H Braitwaite	BMi Research	2008/004751/07

9.7 Directors' declaration

Each Director and each director of the Major Subsidiaries has confirmed that he/she has not been involved in, and is not subject to, any:

- bankruptcies, insolvencies or individual voluntary compromise arrangement;
- business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the Director is or was a Director with an executive function at the time of or within 12 months preceding such events;
- compulsory liquidations, administrations, partnership voluntary arrangements of any partnership where the Director was a partner at the time of or within 12 months preceding such events;
- receiverships of any asset/s of such person or of a partnership of which the individual is or was a partner at the time of or within 12 months preceding such events;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company;
- offence involving dishonesty;
- removal from an office of trust, on the grounds of misconduct, involving dishonesty; or
- order granted by court declaring the person delinquent or placing the person under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 (Act No.69 of 1984) or if the person was disqualified by a court to act as a director in terms of section 219 of the Companies Act, 1973.

9.8 Other

In the three years preceding the date of this Circular:

- no amount has been paid, or accrued as payable, as commission to any person, including commission paid or payable to any sub-underwriter that is a holding company or a promoter or Director or officer of Cognition, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any Shares in Cognition;
- no commissions, discounts or brokerages were paid, or any special terms granted, to any person in connection with the issue or sale of any Cognition Shares, other than as disclosed in any audited annual financial statements;
- there have been no material acquisitions by Cognition or its Subsidiaries, or proposed acquisitions of any securities in, or the business undertakings of any other companies or business enterprises or any immovable properties or other properties in the nature of a fixed asset (collectively "the property") or any option to acquire such properties, as determined according to the size of the transaction relative to the market capitalisation and/or the total net asset value of Cognition at the effective date of the transaction;
- no amount has been paid to any promoter, partnership, company, syndicate or other association in the promotion of Cognition or in any property as referred to above;
- no Director, or any partnership, syndicate or any other association of which he is a member, or any of his associates, has been paid to induce him, or qualify him to become a Director, or for the promotion of Cognition; and
- no royalties have been paid by Cognition or any of its Subsidiaries.

There is no degree of government protection or any investment encouragement law affecting the Cognition Group.

9.9 Provisions of the Memorandum of Incorporation of Cognition pertaining to Directors

The relevant provisions of the Memorandum of Incorporation of Cognition pertaining to the Directors are set out in Annexure 10 to this Circular.

10. BORROWINGS

10.1 Borrowing powers

In terms of the Company's Memorandum of Incorporation, the Directors may exercise all the powers of the Company to borrow money, as they consider appropriate and accordingly, there have been no circumstances during the past three years whereby the borrowing powers of the Company or its Subsidiaries were exceeded.

The relevant provisions of the Company's Memorandum of Incorporation pertaining to the borrowing powers of the Directors are set out in Annexure 10 to this Circular.

10.2 Material borrowings

The Cognition Group does not have any material borrowings. There is no loan capital outstanding.

Private Property does not have any material borrowings. There is no loan capital outstanding.

10.3 Material commitments, lease agreements and contingent liabilities

The Cognition Group has no material commitments, commitments arising from property leases (as it owns the property from which it operates) or contingent liabilities.

During the year ended 30 June 2018, the Cognition Group repaid the bond on the property from which it operates, being Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194 (**"ERF 1363 Ferndale"**).

The property was acquired on 8 August 2007 for an amount of R9.88 million

As set out in note 3 of the notes to the annual financial statements set out on page 58 of the Cognition 2018 Integrated Annual Report, HR Liebenberg (Professional Valuer), from CPF Valuers Proprietary Limited, fair valued ERF 1363 Ferndale at R19 400 000. The valuations were performed using the open market value methodology. This method is based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate.

The Cognition Group has the following commitments arising from property leases for its own business operations as follows:

10.3.1 FoneWorx

M04, Baker Square Block, De Beers Avenue, Paardevlei, Somerset West, 7130

± 204 square metres

R96.25 per square metre (Basic monthly rental R19 828.80 per month)

Lease period of three years and renewal date will be 30 April 2020.

11. MATERIAL CONTRACTS

11.1 Cognition

Save for the material contract relating to the Acquisition contemplated in this Circular, being the Acquisition Agreement, neither Cognition nor its Major Subsidiaries, namely FoneWorx and BMi Research, or any Subsidiary, have entered into any restrictive funding arrangement or material contract other than in the ordinary course of business carried on, or proposed to be carried on, by Cognition and its Subsidiaries, within two years prior to the date of this Circular, or entered into at any time and containing an obligation or settlement that is material to Cognition or its Subsidiaries at the date of this Circular.

11.2 Private Property

Save for the Acquisition contemplated in this Circular, neither Private Property nor its Subsidiaries have entered into any restrictive funding arrangement or material contract other than in the ordinary course of business carried on, or proposed to be carried on, by Private Property and its Subsidiaries, within two years prior to the date of this Circular, or entered into at any time and containing an obligation or settlement that is material to Private Property or its Subsidiaries at the date of this Circular.

12. LOANS RECEIVABLE

12.1 Cognition

At the Last Practicable Date, Cognition and its Subsidiaries had no material loans receivable and had not made any loans or furnished any security to or for the benefit of any Director or manager of any associates of any Director or manager of Cognition.

12.2 Private Property

At the Last Practicable Date, Private Property and its Subsidiaries had no material loans receivable and had not made any loans or furnished any security to or for the benefit of any Director or manager of any associates of any Director or manager of Private Property.

12.3 Subsidiaries and inter-company loans

Cognition does not have any material inter-company loans or other transactions or any inter-company balances before eliminations on consolidation.

13. MATERIAL CHANGES

13.1 Cognition

Save for the effects of the Acquisition, which have been disclosed in the *pro forma* financial information set out in paragraph 5 above and in Annexure 1 to this Circular, at the Last Practicable Date there have been no material changes in the financial or trading position of Cognition and its Subsidiaries since the reported financial information of the Cognition Group for the 12 months ended 30 June 2018.

13.2 Private Property

At the Last Practicable Date there have been no material changes in the financial or trading position of Private Property and its Subsidiaries since the reported financial information of position of Private Property for the 12 months ended 30 June 2018.

14. WORKING CAPITAL STATEMENT

The Board has considered the effects of the Acquisition and is of the opinion that, for a period of 12 months subsequent to the date of this Circular:

- the Group, as impacted by the Acquisition, will in the ordinary course of business be able to pay its debts;
- the assets of the Group, as impacted by the Acquisition, fairly valued, will be in excess of its liabilities. For this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results;
- the share capital and reserves of the Group, as impacted by the Acquisition, will be adequate for ordinary business purposes; and
- the working capital of the Group, as impacted by the Acquisition, will be adequate for ordinary business purposes.

15. LITIGATION STATEMENT

15.1 Cognition

There are no legal or arbitration proceedings, pending or threatened, of which Cognition or any of its Subsidiaries are aware, that may have or have had, in the 12-month period preceding the Last Practicable Date, a material effect on the financial position of the Group.

15.2 Private Property

There are no legal or arbitration proceedings, pending or threatened, of which Private Property or any of its Subsidiaries are aware, that may have or have had, in the 12-month period preceding the Last Practicable Date, a material effect on the financial position of Private Property or its Subsidiaries.

16. FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The Directors are responsible for the preparation and fair presentation of the audited financial information of Cognition for the financial years ended 30 June 2018, 2017 and 2016. In accordance with sections 11.61 and 11.62 of the Listings Requirements, such information can be accessed on the Company's website, at http://www.cgn.co.za/pages/display/annual_results, and is also available for inspection at the registered office of Cognition and the Sponsor by Shareholders and/or prospective investors at no charge, during normal business hours from Friday, 9 November 2018 up to and including Friday, 7 December 2018:

17. CORPORATE GOVERNANCE

The Board adheres to and applies sound corporate governance and aligns itself to the principles set out in the King IV Report (**"King IV"**). All Board members are aware of their responsibility to ensure that the financial statements fairly represent the state of affairs of the Group. The Board regularly reviews its performance and core governance principles.

Compliance

The Company complies with the Companies Act, King IV and the provisions of the Listings Requirements, including paragraphs 3.84(a) – (k).

Ethics and Values

Although the Board has not adopted a written code of ethics, the Board endorses the principles set out in King IV and follows the principles and recommendations in King IV.

The Board has, by applying the principles enshrined in King IV, committed itself to:

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

The Board has assessed its governance practices and procedures against the King IV principles and recommendations. The Board will continue to assess its governance practices and procedures and, where necessary, make the necessary adjustments. An analysis of the Group's King IV compliance can be viewed on the Group's website at http://www.cgn.co.za/files/KING_IV_APPLICATION_REGISTER.pdf.

18. OPINIONS AND RECOMMENDATION

The Directors and the Independent Board Members, having considered the terms and conditions of the Acquisition, and the report of the Independent Expert, the text of which is included as Annexure 3 to this Circular and which states that:

- the terms and conditions of the Acquisition, based on quantitative considerations, are fair to the Cognition Shareholders; and
- the terms and conditions of the Waiver of Mandatory Offer, based on quantitative considerations, are fair to the Cognition Shareholders,

are of the opinion that the Acquisition and the Waiver of Mandatory Offer are fair to the Cognition Shareholders and will have a beneficial financial effect on the Cognition Group.

Accordingly, the Directors and the Independent Board Members recommend that Shareholders vote in favour of the resolutions, to be proposed at the General Meeting, to approve, *inter alia*, the Acquisition and the Waiver of Mandatory Offer. The Directors, who are Shareholders of the Cognition Group and who are not excluded from voting, intend to vote in favour of such resolutions to be proposed at the General Meeting to approve, *inter alia*, the Acquisition and the Waiver of Mandatory Offer.

19. DIRECTORS' RESPONSIBILITY STATEMENT

19.1 Director's responsibility statement

The Directors, whose names are given in paragraph 9.1 above, collectively and individually, accept full responsibility for the accuracy of the information contained in the Circular and certify that, to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by the Listings Requirements.

19.2 Independent Board responsibility statement

The Independent Board Members, collectively and individually, accept responsibility for the information contained in this Circular to the extent that it relates to Cognition. In addition, they certify that, to the best of their knowledge and belief, the information contained in this Circular pertaining to Caxton and CTP is true and, where appropriate, the Circular does not omit anything that is likely to affect the importance of the information contained in this Circular pertaining to Caxton and CTP. No director on the Independent Board is excluded from this statement.

20. EXPERTS' CONSENTS

The Sponsor and Corporate Advisor, the Independent Expert, the auditor and reporting accountants and the transfer secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in this Circular in Annexures 2, 3, 5 and 6 have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular.

21. COSTS

The total costs relating to the Acquisition, which amount to approximately R1 812 775 excluding VAT, are set out in the table below:

	Estimated amount R
Merchantec Capital – Corporate Advisor to Cognition	600 000
Merchantec Capital – Sponsor to Cognition	600 000
Nodus Capital – Independent Expert	250 000
Grant Thornton – Reporting accountants	60 000
JSE - Documentation inspection fees	85 540
JSE listing fees	117 235
WB Corporate Communications - Printing and postage fees	100 000
Total	**1 812 775**

No preliminary expenses relating to the Acquisition were incurred by Cognition within the three years preceding the date of the Circular.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Cognition and the office of the Sponsor which addresses are set out in the "Corporate information" section of the Circular, during normal business hours from Friday, 9 November 2018 up to and including Friday, 7 December 2018:

- the Memorandum of Incorporation of the Company and its Major Subsidiaries, namely FoneWorx and BMi Research;
- a copy of the Acquisition Agreement;
- a copy of the Shareholders Agreement;
- the signed deed of adherence to the Shareholders Agreement;
- a signed copy of the Panel's approval letter;
- the signed Independent Expert Report;
- copies of the service contracts entered into between the Executive Directors and the Company referred to in paragraph 9.5 above;
- copies of the audited annual financial results of Cognition for the three financial years ended 30 June 2018, 2017 and 2016;
- the signed independent reporting accountants' report on the compilation of the consolidated *pro forma* financial information of Cognition, the text of which is included as Annexure 2 to this Circular;
- the signed independent reporting accountants' report on the historical financial information of Private Property for the year ended 28 Febaury 2018 and the four month period ended 30 June 2018, the text of which is included as Annexure 5, to this Circular;
- the signed independent reporting accountants' report on the historical financial information of Private Property for the year ended 28 Febaury 2017, the text of which is included as Annexure 6, to this Circular;
- the written consent letters referred to in paragraph 20 above; and
- a signed copy of this Circular.

23. GENERAL MEETING

A General Meeting of Cognition Shareholders will be held at 12:00 on Friday, 7 December 2018 at the registered office of Cognition, Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194, in order to consider and approve, with or without modification, the resolutions set out in the notice of General Meeting included in this Circular.

A notice convening the General Meeting and a form of proxy for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration who are unable to attend the General Meeting, form part of this Circular.

Certificated Shareholders and Dematerialised Shareholders with "own name" registration, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.

Dematerialised Shareholders, other than Dematerialised Shareholders with "own name" registration, who:

- are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the Custody Agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
- wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary written letter of representation to attend.

Signed on behalf of the Independent Board

R M H Pitt
Chairperson

9 November 2018

Signed on behalf of the COGNITION Board

M A Smith
Chief Executive Officer

9 November 2018

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF COGNITION

Set out below is the consolidated *pro forma* statement of comprehensive income of Cognition for the 12 months ended 30 June 2018 and the consolidated *pro forma* statement of Cognition's financial position as at 30 June 2018, collectively referred to as the consolidated *pro forma* financial information.

The *pro forma* financial information has been prepared to illustrate the impact of the Acquisition had it occurred on 1 July 2017 for statement of comprehensive income purposes and as at 30 June 2018 for statement of financial position purposes.

The *pro forma* financial information has been prepared using accounting policies that comply with IFRS, the Guide on Pro Forma Financial Information issued by SAICA and are consistent with the accounting policies applied in the annual financial statements of Cognition for the year ended 30 June 2018.

The *pro forma* financial information, which is the responsibility of the Directors, is provided for illustrative purposes only and, because of its *pro forma* nature may not fairly present Cognition's financial position, changes in equity, results of operations or cash flow.

The *pro forma* financial information should be read in conjunction with the Independent Reporting Accountants' reasonable assurance report thereon as set out in Annexure 2.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2018

Set out below is the *pro forma* statement of financial position as at 30 June 2018 that has been prepared based on the assumption that the transaction was implemented on 1 July 2017 and using the comparative 12 months financial period of Private Property ended 28 February 2018.

Figures in Rand	**Cognition for the year ended 30 June 2018 Note 1**	**Private Property for the year ended 28 February 2018 Note 2**	***Pro forma* adjustment Transaction fees Note 3**	**Consolidation entries Note 4**	***Pro forma* Consolidated after the transaction Note 5**
Gross Revenue	351 077 557	126 457 131			477 534 688
Less: Agency Revenue	(193 193 159)	-			(193 193 159)
Revenue	157 884 398	126 457 131	-	-	284 341 529
Cost of services	(62 244 072)	(13 265 832)			(75 509 904)
Gross profit	**95 640 326**	**113 191 299**	**-**	**-**	208 831 625
Other income	5 418 185	954 582			6 372 767
Operating expenses	(18 357 330)	(39 426 800)	(1 813 040)		(59 597 170)
Staff costs	(52 587 169)	(37 547 064)			(90 134 233)
Share based Payments		2 300 966			2 300 966
Impairment / (losses)		(4 081 014)			(4 081 014)
Depreciation and amortisation expense	(7 650 338)	(685 050)			(8 335 388)
Operating profit	**22 463 674**	34 706 919		**-**	55 357 553
Investment income	6 466 943	2 294 146			8 761 089
Income / (loss) from equity accounted investments	474 580	(1 820 356)			(1 345 776)
Finance costs	(983 365)	-			(983 365)
Profit before taxation	**28 421 832**	35 180 709	**(1 813 040)**	**-**	61 789 501
Taxation	(7 824 846)	(10 892 264)			(18 717 110)
Total comprehensive income for the year	**20 596 986**	**24 288 445**	**(1 813 040)**	**-**	43 072 391
Profit for the year attributable to:					
Owners of the parent	**20 509 630**	**24 288 445**	**(1 813 040)**	**(12 143 980)**	30 841 055
Non-controlling interest	**87 356**	**-**		**(12 143 980)**	12 231 336
	20 596 986	**24 288 445**	**(1 813 040)**	**-**	43 072 391
Basic & fully diluted earnings per Share (cents)	14.90				12.67
Headline earnings per Share (cents)	14.88				12.66
Weighted Average Shares in Issue	**137 615 798**				**243 449 131**

Notes:

1. Extract, without adjustment from the audited results of Cognition for the year ended 30 June 2018.
2. Extracted from the audited historical financial information of Private Property for the year ended 28 February 2018.
3. *Pro forma* adjustments have been prepared using accounting policies in terms of IFRS and Cognition management's best estimates at this stage:
   3.1 *Pro forma* adjustment relating to the transaction fee as set out in paragraph 21 of the Circular above. These fees are once off and will not have a continuing effect.
   3.2 The acquisition of 50.01% of Private Property will be settled by way of a share issue to the seller and therefore management does not foresee any increase in finance charges or a reduction in interest income.
4. Represents the consolidation of Private Property into the Cognition by eliminating the portion of earning within Private Property that relates to the minority shareholders (49.99%), which will have a continuing effect.
5. Weighted Average Shares in issue is calculated by taking the shares in issue as at 30 June 2018 of 137 615 798 and adding the Shares that will be issued in terms of the purchase consideration of 105 833 333 Shares, totalling 243 449 131 Shares. Cognition did not issue any shares in the past 12 months, nor does it hold any treasury shares.
6. There are no material subsequent events that require adjustment to the *pro forma* financial information above.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE 12 MONTHS ENDED 30 JUNE 2018

Set out below is the *pro forma* statement of financial position as at 30 June 2018 that has been prepared based on the assumption that the transaction was implemented on 30 June 2018 using the financial position of Private Property as at 28 February 2018.

Figures in Rand	**Cognition Audited as at 30 June 2018 Note 1**	**Private Property Audited as at 28 February 2018 Note 2**	**Acquiring 50.01% of Private Property Note 3**	**Consolidation entries Note 4**	***Pro forma* Consolidated after the transaction**
Assets					
NonCurrent Assets					
Property, plant and equipment	15 458 706	1 114 378			16 573 084
Goodwill	30 331 527			110 784 355	141 115 882
Intangible assets	13 864 618				13 864 618
Investment in subsidiary			127 000 000	(127 000 000)	
Investment in associates	4 606 523				4 606 523
Deferred tax asset	1 059 138	946 794			2 005 932
	65 320 512	**1 778 108**	**127 000 000**	**(21 100 993)**	**178 166 039**
Current Assets					
Inventories	-	-			-
Trade and other receivables	51 930 148	3 006 805			54 936 953
Current tax receivable	158 629	-			158 629
Loans to Group companies	-	-			-
Cash and cash equivalents	104 390 853	36 068 009			140 458 862
	156 479 630	**50 303 396**	**-**	**-**	**195 554 444**
Total Assets	**221 800 142**	**39 074 814**	**127 000 000**	**(21 100 993)**	**373 720 483**
Equity and Liabilities					
Equity					
Share capital	56 110 451	42 464 669	127 000 000	(42 464 669)	183 110 451
Change in ownership	(12 892 945)	-			(12 892 945)
Retained income / (Loss)	106 081 816	(10 098 112)		10 098 112	106 081 816
	149 299 322	32 366 557	127 000 000	(32 366 557)	276 299 322
Non-controlling interest	752 875	-		16 150 912	16 903 787
	150 052 197	**32 366 557**	**127 000 000**	**(16 215 645)**	**293 203 109**
Liabilities					
Non-Current Liabilities					
Deferred tax liability	2 206 411	-			2 206 411
Other financial liability	872 483	-			872 483
Interest bearing liabilities	-	-			-
	3 078 894	**-**	**-**	**-**	**3 078 894**
Current Liabilities					
Interest bearing liabilities	372 335	-			372 335
Provisions	1 879 550	-			1 879 550
Trade and other payables	36 925 778	7 807 730			44 733 508
Other financial liabilities	1 600 000	840 000			2 440 000
Current tax payable	2 105 929	121 699			2 227 628
Dividend payable	187 082	-			187 082
Third party prize money	25 598 377	-			25 598 377
	68 669 051	**8 769 429**	**-**	**-**	**77 438 480**
Total Liabilities	**71 747 945**	**8 769 429**	**-**	**-**	**80 517 374**
Total Equity and Liabilities	**221 800 142**	**41 135 986**	**127 000 000**	**(21 100 993)**	**373 720 483**
Net asset value per Share (cents)	109.08				113.49
Net tangible asset value per Share (cents)	76.96				49.83
Total Shares in issue	137 615 798				243 449 131

Notes:

1. Extract, without adjustment from the audited results of Cognition for the year ended 30 June 2018.
2. Extract, without adjustment from the audited results of Private Property for the year ended 28 February 2018.
3. Represents the issue of 105 833 333 Cognition Shares to Caxton at a value of 120 cents per Share totalling a value of R127 000 000 as purchase consideration for 50.01% of Private Property.
4. Represents the consolidation effects, which will be continuing, of Private Property into the Cognition by:
    - 4.1. Eliminating the pre-acquisition retained loss and the share capital of Private Property totalling R32 366 557.
    - 4.2 Eliminating the investment made in Private Property by Cognition of R127 000 000.
    - 4.3. Creating goodwill to the value of R105 899 007 within the consolidated financial statements of the Cognition Group.
    - 4.4. Based on the preliminary fair value allocation exercise, the surplus of the Purchase Consideration over the book value of Private Property is attributed to goodwill. A fair value exercise in terms of IFRS3: Business Combinations will need to be performed at the effective date of the Transaction.
    - 4.5. Cognition accounting policy for Business combination is as follows:

      The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a Subsidiary is calculated as the sum on the acquisition date of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

      Goodwill is stated after separate recognition of identifiable intangible assets. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually.
    - 4.6 Upon consolidation an amount of R16 903 787 transferred to non-controlling interest. This amount represents 49.99% minority shareholders interest within Private Property.
5. There are no material subsequent events that require adjustment to the *pro forma* financial information.
6. The net asset value per share incorporates the consolidated carrying values of ongoing operations and not their market values.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF COGNITION

"The Directors
Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg, 2194

2 November 2018

Dear Sirs

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

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Cognition by the Directors. The *pro forma* financial information, in Annexure 1 of the Cognition Circular to be issued on or about 9 November 2018 ("the Circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information is required to be presented in terms of the Fundamental Transactions and Takeover Regulations published in terms of the Companies Act ("the Regulations") and has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements, as accepted by the Takeover Regulation Panel.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in Annexure 1, on Cognition's financial position as at 30 June 2018 and Cognition's financial performance for the period then ended, as if the corporate action or event had taken place at 30 June 2018 for purposes of statement of financial position and at 1 July 2017 for purposes of statement of comprehensive income. As part of this process, information about Cognition's financial position and financial performance has been extracted by the Directors from Cognition's audited financial statements for the period ended 30 June 2018.

Directors' responsibility for the *pro forma* financial information

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the Listings Requirements and described in Annexure 1 and as described in the notes to the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income.

Our independence and quality control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the Listings Requirements.

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

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

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the Listings Requirements, the Companies Act, the Regulations and as described in Annexure 1.

Consent

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

Yours faithfully

Grant Thornton
Registered Auditors
Practice Number: 903485E

J Barradas
Partner
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X5, Northlands, 2116)"

INDEPENDENT EXPERT REPORT

"The Directors
Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg
2194

2 November 2018

Dear Sirs

INDEPENDENT EXPERT OPINION TO COGNITION HOLDINGS LIMITED ("COGNITION" or the "COMPANY") RELATING TO A RELATED PARTY ACQUISITION AND A WAIVER OF A MANDATORY OFFER (COLLECTIVELY, THE "TRANSACTIONS")

The definitions and interpretations contained in the circular to Cognition Shareholders, dated on or about 9 November 2018, apply to this opinion, unless otherwise defined herein.

Introduction

On 8 October 2018, it was announced on SENS (the "Announcement") that Cognition has entered into an acquisition agreement (the "Agreement") with CTP Limited ("CTP"), a wholly owned subsidiary of Caxton and CTP Publishers and Printers Limited ("Caxton"), to acquire the 50.01% shareholding held by CTP in Private Property South Africa Proprietary Limited ("Private Property") (the "Acquisition") for a total purchase consideration of R127 million (the "Acquisition Consideration"), which consideration is to be settled by way of an issue of Cognition shares. Cognition will issue 105 833 333 shares (the "Consideration Shares") at an issue price of 120 cents per share to settle the Acquisition Consideration.

As Caxton is a material Shareholder of the Company, it is considered to be a 'Related Party' in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements (the "Listings Requirements").

The issue and allotment of the Consideration Shares to Caxton would result in Caxton being able to exercise at least 35% of all the voting rights attached to the Cognition Shares, thereby triggering a mandatory offer of 120 cents per share (the "Mandatory Offer Price") (the "Mandatory Offer") as contemplated in section 123(3) of the Companies Act (the "Act"), unless it is waived by Independent Shareholders by way of an ordinary resolution in accordance with the Companies Regulations (the "Regulations") (the "Waiver").

As at the date of this Opinion, the share capital of the Company comprises of the following:

- Authorised share capital of R250 000 comprising 250 000 000 ordinary shares of R0.001 each ("Ordinary Shares"); and
- Issued share capital of R137 616 comprising 137 615 798 Ordinary Shares.

The Company had no share options in issue nor held any treasury shares.

Full details of the Transactions are contained in the circular to Cognition Shareholders (the "Circular") to be dated on or about 9 November 2018, which will include a copy of this Opinion of the Independent Expert.

The material interests of the Cognition Directors are set out in paragraph 9.2 of the Circular.

Scope

In terms of paragraph 10.4(f) of the Listings Requirements, Cognition is required to obtain an opinion on the Acquisition by an Independent Expert, and the Board is required to include a statement in the Circular confirming whether the Acquisition is fair to Cognition Shareholders (the "Related Party Acquisition").

The Mandatory Offer is an affected transaction as defined in section 117(1)(c)(vi) of the Act, which is subject to the provisions of the Regulations. As Caxton has applied for a Waiver in respect of the Mandatory Offer, in terms of Regulation 86(7) of the Regulations, the Board is required to obtain appropriate external advice on whether the terms of the Waiver are fair and reasonable to the Cognition Shareholders.

Nodus Capital TS Proprietary Limited ("Nodus" or the "Independent Expert") has been appointed by the Board to provide independent advice to the Board, as required in terms of the Listings Requirements, the Act and the Regulations.

Responsibility

The compliance with the Listings Requirements, the Act and the Regulations is the responsibility of the Board. Our responsibility is to report on the terms and conditions of the Transactions in compliance with the related provisions of the Listings Requirements, the Act and the Regulations.

We confirm that our fair and reasonable opinion has been provided to the Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Cognition Shareholders in relation to the Transactions.

Definition of the terms "fair" and "reasonable"

The "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value ceded by the shareholders.

In terms of the Listings Requirements, the Related Party Acquisition may be said to be fair if the value of the Acquisition is greater than or equal to the value of the Consideration Shares and, conversely, unfair if the value of the Acquisition is less than the value of the Consideration Shares.

In terms of the Regulations, the Waiver may be said to be fair if the Mandatory Offer Price is less than or equal to the fair value of a Cognition Share or unfair if the Mandatory Offer Price is greater than the fair value of a Cognition Share, in the context of voting in favour of the Waiver and not just purely in comparison of the Mandatory Offer Price viz-a-viz the fair value of a Cognition Share.

The assessment of reasonableness of the Waiver is based on the potential Mandatory Offer Price in relation to the prevailing trading price of a Cognition Share as at the time of the Transactions. In addition, other qualitative considerations may be taken into account when considering the reasonableness of the Waiver.

It is therefore conceivable that if the Mandatory Offer Price is less than either the estimated fair value per Cognition Share or the current traded price per Cognition Shares, but not both, the Waiver of the potential Mandatory Offer could be considered fair but not reasonable or reasonable but not fair.

Our approach in considering the Transactions

In considering the Related Party Acquisition, we have independently calculated the fair value of both one Cognition Share and the Acquisition and compared our calculated fair value of the Acquisition to our calculated fair value of the Consideration Shares. In considering the Waiver, we compared our calculated fair value of one Cognition Share to the Mandatory Offer Price.

Sources of information

The principal sources of information used in performing our work include:

- The Announcement;
- The terms and conditions of the Transactions, as set out in the Circular;
- The Agreement;
- The Rationale for the Transactions, as set out in the Circular;
- Representations and assumptions made available by, and discussions held with, the management of both Cognition and Caxton;
- Selected macro-economic analysis and forecasts from various South African banks and research institutions;
- Selected publicly available information relating to the industries in which Cognition and Private Property operate, obtained from management and public sources;
- Share price information of Cognition over the last 12 months to assess the relative liquidity and relative volatility of Cognition Shares;
- Thomson Reuters for financial data on comparable companies;
- Closing the value gap - PricewaterhouseCoopers Valuation Methodology Survey 2016/2017, 8th edition;
- Published market data on Cognition;
- Annual financial statements of Cognition for the 5 years ended 30 June 2018;
- Annual financial statements of Private Property for the 3 years ended 28 February 2018;
- Financial statements of Private Property for the 4 months ended 30 June 2018;
- Forecast information for Cognition for the 5 years ending 30 June 2023;
- Forecast information for Private Property for the 3 years ending 30 June 2021; and
- The 30 day, 60 day and 90 day volume weighted average price ("VWAP") as at the Announcement date for Cognition.

We have relied upon and assumed the accuracy of the information provided to and obtained by 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 or Caxton 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.

Procedures performed

In arriving at our Opinion we have undertaken the following procedures in evaluating the fairness of the Transactions:

- Considered the rationale for the Transactions, as represented by Cognition and Caxton management;
- Reviewed the terms and conditions of the Transactions;
- Supplemented our knowledge and understanding of Cognition and Private Property as well as the industries in which they operate;
- Held discussions with Cognition and Caxton management on the prospects of the underlying businesses within Cognition and Private Property;
- Reviewed and analysed the historical financial information of Cognition and Private Property;
- Consideration around the value of Cognition and Private Property taking cognisance of the discounted cash flow valuation performed and market multiples of comparable companies;
- Assessed the forecast of Cognition and Private Property as prepared by management and challenged certain assumptions;
- Reviewed Cognition's historic traded share prices and trading volumes on the JSE Limited to ascertain the relative trading activities, liquidity and volatility of the Cognition Shares;
- Reviewed certain publicly available information relating to Cognition and Private Property and the industries in which they operate that we deemed to be relevant, including company announcements and media articles; and
- Performed an analysis of other information considered pertinent to our valuation and Opinion.

We have not interviewed any of the Cognition Shareholders to obtain their views on the Transactions.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Transactions to Cognition Shareholders. We believe that the above considerations justify the conclusion outlined below.

Valuation

Overview

Nodus performed an independent valuation of Cognition and Private Property to determine whether the Transactions represent fair value to the Cognition Shareholders.

For the purposes of our valuation of both Cognition and Private Property we used the income approach (discounted cash flow) valuation as our primary valuation methodology. In addition, we used the market approach (based on financial data for comparable publicly traded companies and comparable transactions) as a corroborative valuation methodology to support the results of our income approach valuation.

The valuations were performed taking cognisance of risk and other market and industry factors affecting both Cognition and Private Property. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Cognition and Private Property.

Cognition valuation

Cognition is a multi-disciplinary data collection, communication, research and marketing company that provides a broad range of services to fast moving consumer goods companies, media and digital agencies. The Company's investment in new product offerings has successfully created new revenue streams which have been able to buffer the Company from the decline in demand for faxing and also create a solid platform for future revenue growth with new brands adopting this platform.

Key internal value drivers to the Cognition income approach valuation included the discount rate and revenue growth. In addition, we considered the valuation's sensitivity in respect of working capital requirements, capital expenditure and operating margins.

Key external value drivers to the Cognition income approach valuation, including gross domestic product ("GDP") growth rates, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the industry in which Cognition operates, were also considered in assessing the forecast cash flows and risk profile of Cognition.

Key internal value drivers to the Cognition market approach valuation included an assessment of non-recurring transactions included in historical results, margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Cognition, as well as an assessment of market-related earnings multiples applicable to comparable companies.

The revenue growth for Cognition is driven by the existing client base, complemented by new projects and customers. Growth in GDP in countries where Cognition's customers are based should fuel customer demand due to increased economic activity. Decreasing the forecast revenue growth rate by 1% has a 3% impact on the value of a Cognition Share. The inflation rate utilised in the income approach valuation approximated 5%. Company specific risks have been included in the discount rate which has the impact of increasing the discount rate and decreasing the value of a Cognition Share. A 1% change in the discount rate will result in a 4% change in the value of a Cognition Share.

Private Property valuation

Private Property is a multi-site marketing property platform that presents property listings, news and advice to property shoppers and charges property professionals to market to that audience.

Key internal value drivers to the Private Property income approach valuation included the discount rate and revenue growth. In addition, we considered the valuation's sensitivity in respect of working capital requirements, capital expenditure and operating margins.

Key external value drivers to the Private Property income approach valuation, including GDP growth rates, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the industry in which Private Property operates, were also considered in assessing the forecast cash flows and risk profile of Private Property.

Key internal value drivers to the Private Property market approach valuation included an assessment of non-recurring transactions included in historical results, margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Private Property, as well as an assessment of market-related earnings multiples applicable to comparable companies.

The revenue growth for Private Property is driven by increased property listings on its platform which leads to an increased audience and a higher number of successful transactions. Growth in SA GDP should fuel demand due to increased economic activity. Decreasing the forecast revenue growth rate by 1% has a 7% impact on the value of Private Property. The inflation rate utilised in the income approach valuation approximated 5%. Company specific risks have been included in the discount rate which has the impact of increasing the discount rate and decreasing the value of Private Property. A 1% change in the discount rate will result in a 6% change in the value of Private Property.

Assumptions

Our Opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- Neither Cognition nor Private Property is involved in any material legal proceedings other than those conducted in the ordinary course of business and/or as disclosed in the Circular;
- Neither Cognition nor Private Property is, at the date of this Opinion of the Independent Expert, engaged in any advanced discussions relating to any acquisitions or transactions that will have a significant impact on the value of either Cognition or Private Property, other than those disclosed in the Circular;
- Neither Cognition nor Private Property has any material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of either Cognition or Private Property;
- The agreements that have been entered into in terms of the Transactions will be legally enforceable;
- The Transactions will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Cognition;
- Reliance can be placed on the financial information of both Cognition and Private Property;
- For the purposes of this Opinion of the Independent Expert, we assumed both Cognition and Private Property's existing businesses to be ongoing under current business plans and management; and
- Representations made by Cognition and Caxton management and their advisors during the course of forming this Opinion of the Independent Expert.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our Opinion by:

- Reliance on audit reports in the financial statements of Cognition;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of both Cognition and Private Property as well as the economic environment in which both operate.

Valuation results

In undertaking the valuation exercise of Cognition above, we determined a valuation range of the Cognition Shares of 110 cents to 134 cents per ordinary share with a most likely value of 122 cents per Cognition Share.

Based on the valuation range of the Cognition Shares, the implied consideration due to Caxton for its interest in Private Property, based on the Consideration Shares, is R116,4 million to R141,8 million, with a most like likely value of R129,1 million (the "Consideration Payable").

In undertaking the valuation exercise of Private Property above, we determined a valuation range of Caxton's interest in Private Property of R115 million to R145 million, with a most like likely value of R130 million.

The Consideration Payable falls within our concluded range for Private Property.

The valuation above is provided solely in respect of this Opinion and should not be used for any other purposes.

Effects of the Waiver

Prior to the implementation of the Transactions, Caxton directly owns 47 556 142 Cognition Shares representing a 34.56% shareholding and, post the successful implementation of the Transactions, Caxton will, directly and indirectly, own 153 389 475 Cognition Shares representing a 63.01% shareholding.

Based on the above, Caxton would be able to block a special resolution proposed by Cognition, before and after the implementation of the Transactions. Caxton would be able to block an ordinary resolution by Cognition post the implementation of the Transactions. Cognition only has ordinary Shares in issue. The Waiver has no impact on the rights of Cognition Shareholders, save for the implications of the Waiver itself, as described herein, and will not have an impact on Cognition Shareholders' rights to dividends.

However, the Related Party Acquisition presents an opportunity to create a company that is better positioned to exploit the digital economy. Cognition will have further opportunities to acquire appropriate Caxton digital platforms and other owner-managed digital assets from third parties, which together with existing operational divisions, will result in Cognition becoming a growth-focused investment holding company.

Although Cognition Shareholders, other than Caxton, will dilute in shareholding a larger company will be created and, if it is successful in its growth focus digital economy ambitions (the "Ambitions"), should, over time gain the interest of other potential Shareholders, including financial institutions. This should result in improved liquidity of the Cognition Shares over time. Cognition Directors are treated the same as all Cognition Shareholders, other than Caxton.

Cognition also obtains a large key Shareholder which is supportive of its Ambitions.

Lastly, although we are unable to quantify and factor the mentioned qualitative benefits into our valuation, it is expected that, as a result of the Transactions, there will be a long-term benefit to Cognition and all of its stakeholders.

Reasonableness of the Waiver

In considering the reasonableness of the Waiver, we considered, *inter alia*, the following:

- the Rationale for the Related Party Acquisition and the Waiver;
- the interconditionality of the Transactions and that a specific condition of the Agreement is that Cognition Shareholders vote in favour of the Waiver;
- the 30 day, 60 day and 90 day VWAP as at the Announcement date for Cognition; and
- the trading liquidity of Cognition shares.

Opinions

The Related Party Acquisition

Nodus has considered the terms and conditions of the Related Party Acquisition and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Related Party Acquisition, based on quantitative considerations, are fair to the Cognition Shareholders.

The Waiver

Nodus has considered the terms and conditions of the Waiver and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Waiver, based on quantitative considerations, are fair to the Cognition Shareholders, in the context of voting in favour of the Waiver and not just purely in comparison of the Mandatory Offer Price viz-a-viz the fair value of a Cognition Share.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Waiver are reasonable from the perspective of the Cognition Shareholders.

Limiting conditions

This Opinion of the Independent Expert is provided to the Board in connection with and for the purposes of the Transactions. The Opinion of the Independent Expert does not purport to cater for each individual Cognition Shareholder's perspective, but rather that of the general body of Cognition Shareholders.

This Opinion of the Independent Expert is provided in terms of the Listing Requirements, the Act and the Regulations. It does not constitute a recommendation to any Cognition Shareholder as to how to vote at any Shareholders' meeting relating to the Transactions or on any matter relating to it. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion of the Independent Expert is used or relied upon for anything other than its intended purpose. Should an individual Cognition Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Accordingly, this 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 actual results will correspond to those projected/forecast by the management of Cognition or Caxton. We have compared the projected/forecast financial information to past trends as well as discussed the assumptions inherent therein with management.

The above findings are necessarily based upon the information available to us, the financial, regulatory, market and other conditions and circumstances existing and disclosed to us up 8 October 2018. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained. Subsequent developments may affect our findings, however, we are under no obligation to update, revise or re-affirm such.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgment.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Cognition Shares or the Transactions. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the Transactions.

Furthermore, we confirm that our professional fee is not contingent upon the success of the Transactions.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the Shareholders of Cognition in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Johan le Roux CA(SA)

Director: Nodus Capital TS Proprietary Limited
Building 2
Commerce Square Office Park
39 Rivonia Road
Sandhurst
2196"

HISTORICAL FINANCIAL INFORMATION OF PRIVATE PROPERTY FOR THE THREE FINANCIAL YEARS ENDED 30 JUNE 2018, 28 FEBRUARY 2018 AND 28 FEBRUARY 2017

Basis of preparation

The statement of financial position as at 30 June 2018, 28 February 2018 and 28 February 2017, statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow for the four months ended 30 June 2018 and the years ended 28 February 2018 and 2017, and the related accounting policies and the notes of Private Property ("**historical financial information**") have been extracted from the Audited Financial Statements for the four months ended 30 June 2018 and the years ending 28 February 2018 and 2017 ("**audited financial statements**"). The audited financial statements were prepared in accordance with IFRS and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The additional disclosure required in terms of sections 8.11 and 8.12 of the Listings Requirements has been included in the report of historical financial information of the group.

The statutory Annual Financial Statements have been audited by Grant Thornton, who have issued an unqualified audit opinion thereon. Grant Thornton is also the independent reporting accountant and has issued the reporting accountant's report on this report of historical financial information of the group.

The directors of Private Property and Caxton are responsible for the report of historical financial information.

The independent reporting accountant's report on the historical financial information is presented in Annexures 5 and 6 to this Circular.

General overview of business and operations

Private Property is a multi-site marketing property platform that represents property listings, news and advice to property shoppers and charges property professionals to market to that admittance. This is done by presenting relevant property content through custom designed application and web platforms.

Results Overview – Three-year historic information

On 1 March 2018, the company changed its year end from 28 February to 30 June in order to have the same year end as its largest shareholder. The last financial period is therefore only for four months.

Revenue from operations over the past three financial periods increased steadily between 6% and 10% with a gross profit margin of around 90%. Operating cost increased due to increased marketing expenditure, however a stabilising staff cost is offsetting the increase in operations resulting in stable operating profit of 27% of revenue.

During the past three financial periods the company did impair its investment in an associate and wound up its share-based payment reserve. The company does not have significant investment in fixed assets nor does it have any long-term liabilities. The company maintains a healthy cash balance and current assets are significantly higher than current liabilities.

Subsequent events

No significant events occurred subsequent to the reporting date that requires any additional disclosure or adjustment to the financial results.

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Assets				
NonCurrent Assets				
Plant and equipment	3	1 109 711	1 114 378	1 053 651
Investment in associates	4	-	-	4 320 000
Deferred tax asset	5	668 397	946 794	697 894
		1 778 108	**2 061 172**	**6 071 545**
Current Assets				
Trade and other receivables	6	2 507 346	3 006 805	2 942 994
Cash and cash equivalents	7	47 783 088	36 068 009	27 023 124
Loans to Group Companies	8	12 962	-	1 463 326
		50 303 396	**39 074 814**	**31 429 444**
Total Assets		**52 081 504**	**41 135 986**	**37 500 989**
Equity and Liabilities				
Equity				
Share capital	9	42 464 669	42 464 669	42 464 669
Share based payment reserve		-	-	28 620 744
Accumulated loss		(346 919)	(10 098 112)	(44 106 335)
		42 117 750	**32 366 557**	**26 979 078**
Liabilities				
NonCurrent Liabilities				
Other financial liability		-	-	840 000
		-	**-**	**840 000**
Current Liabilities				
Trade and other payables	12	9 550 093	7 807 730	8 091 820
Other financial liabilities	11	360 000	840 000	1 440 000
Current tax payable	18	53 661	121 699	150 091
		9 963 754	**8 769 429**	**9 681 911**
Total Liabilities		**9 963 754**	**8 769 429**	**10 521 911**
Total Equity and Liabilities		**52 081 504**	**41 135 986**	**37 500 989**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	Audited 4 months ended 30 June 2018	Audited 12 months ended 28 February 2018	Reviewed 12 months ended 28 February 2017
Revenue	13	44 888 215	126 457 131	115 705 853
Cost of services		(4 624 615)	(13 265 832)	(9 659 137)
Gross profit		**40 263 600**	**113 191 299**	**106 046 716**
Other income		272 858	954 582	1 081 382
Operating expenses		(14 224 916)	(39 426 800)	(34 641 019)
Share based payments		-	2 300 966	(1 207 790)
Staff costs		(13 852 798)	(37 547 064)	(40 577 524)
Impairment reversal / (losses)		276 698	(4 081 014)	-
Depreciation expense		(214 560)	(685 050)	(655 916)
Operating profit	14	**12 520 882**	**34 706 919**	**30 045 849**
Investment income	15	1 327 143	2 294 146	2 164 038
Loss from equity accounted investments		(276 698)	(1 820 356)	-
Profit before taxation		**13 571 327**	**35 180 709**	**32 209 887**
Taxation	16	(3 820 134)	(10 892 264)	(9 377 573)
Total comprehensive income for the year		**9 751 193**	**24 288 445**	**22 832 314**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Stated Capital	Share based payments reserve	Accumulated (loss) / profit	Total Equity
Balance as at 1 March 2016	42 464 669	27 412 954	(49 576 686)	20 300 937
Share based payment - Equity settled	-	1 207 790	-	1 207 790
Total comprehensive income for the period	-	-	22 832 314	22 832 314
Dividends paid			(17 361 963)	(17 361 963)
Balance as at 1 March 2017	42 464 669	28 620 744	(44 106 335)	26 979 078
Share based payment - Equity settled	-	(2 300 966)	-	(2 300 966)
Transfer between reserves	-	(26 319 778)	26 319 778	-
Total comprehensive income for the period	-	-	24 288 445	24 288 445
Dividends paid	-	-	(16 600 000)	(16 600 000)
Balance as at 1 March 2018	42 464 669	-	(10 098 112)	32 366 557
Total comprehensive income for the period			9 751 193	9 751 193
Balance as at 30 June 2018	42 464 669	-	(346 919)	42 117 750
Notes	9	10		

STATEMENT OF CASH FLOW

Figures in Rand	Note(s)	Audited 4 months ended 30 June 2018	Audited 12 months ended 28 February 2018	Reviewed 12 months ended 28 February 2017
Cash flows from operating activities				
Cash generated from operations	17	14 220 566	35 384 116	33 210 228
Interest income	15	1 327 143	2 294 146	2 164 038
Tax paid	18	(3 609 775)	(11 169 556)	(8 064 737)
Net cash from operating activities		**11 937 934**	**26 508 706**	**27 309 529**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(236 685)	(1 002 691)	(685 178)
Proceeds on disposal of property, plant and equipment	3	26 792	256 914	324 461
(Increase) / decrease in loans to associate		(12 962)	(118 044)	4 597 924
Net cash from investing activities		**(222 855)**	**(863 821)**	**4 237 207**
Cash flows from financing activities				
Dividends paid		-	(16 600 000)	(17 361 963)
Net cash from financing activities		**-**	**(16 600 000)**	**(17 361 963)**
Total cash and cash equivalents movement for the year		**11 715 079**	**9 044 885**	**14 184 773**
Cash and cash equivalents at the beginning of the year		36 068 009	27 023 124	12 838 351
Total cash and cash equivalents at end of the year	**7**	**47 783 088**	**36 068 009**	**27 023 124**

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

1. Presentation of Audited Financial Statements

The financial statements have been prepared on the historical cost basis, except for financial instruments which are accounted for in terms of IFRS 9.

These financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), Interpretations issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies are consistent with that of the previous financial year except for the adoption of IFRS 9: Financial Instruments and IFRS 15: Revenue from contracts with Customers, however it had no financial effect on the previous financial periods. These financial statements are presented in South African Rand.

These accounting policies are consistent with the previous period, except for the changes set out in note 25 changes in accounting policy.

1.1 Significant judgements and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, which are described below, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Classification of leases as financing or operating in nature

The company enters into commercial property leases. Where management has determined, based on an evaluation of the terms and conditions, that the lessor retains all significant risks and rewards of these properties, it will account for the contracts as operating leases.

Key sources of estimation uncertainty

Deferred tax assets

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate. Details of deferred taxation can be found in note 5. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Plant and equipment

Plant and equipment is depreciated over its useful life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, maintenance programmes, market information and management considerations. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account. Detail on plant and equipment can be found in note 3.

Allowance for expected credit losses

The company assesses its allowances for credit losses at each reporting date. Key assumptions applied are the estimated debt recovery rates and the future market conditions that could affect recovery. Details of the allowance can be found in note 6.

Taxation

There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated uncertain income tax positions based on best informed estimates of whether additional income taxes will be due. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax assets and liabilities in the period in which such determination is made.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Details of fair value measurements can be found in note 22.

1.2 Plant and equipment

Plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the company's management.

Plant and equipment is subsequently carried at cost less accumulated depreciation, reduced by any accumulated impairment losses.

Depreciation commences when the asset is ready for its intended use and is charged so as to write down the cost of the assets, to their residual values, over their useful lives, using the straight-line method, recognised in profit and loss on the following bases:

Item	Average useful life
Camera equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years
Office equipment	3 years
Computer software	2 years
Furniture and fittings	6 years

Useful life and residual value is reviewed annually, at each reporting period-end and the prospective depreciation is adjusted accordingly if necessary.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

1.3 Investment in associate

The company's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the company has significant influence, but not control over the financial and operating policies.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the company's share of the profit or loss and the other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

1.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax charge payable is based on taxable profit for the year and any adjustment to tax payable/receivable relating to the prior year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date in the country where the company operates and generates taxable income.

Deferred tax

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which these can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in the statement of comprehensive income.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1.5 Financial instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are classified into the following specified categories:

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are initially recognised at fair value plus transaction costs, except for financial assets recorded at fair value through profit or loss which are measured at fair value.

Financial assets are subsequently measured according to their category classification:

- Loans and receivables

These are held at amortised cost using the effective interest rate method less any impairment losses recognised to reflect irrecoverable amounts. Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation is recognised in finance income in the statement of comprehensive income. Impairment losses on loans and receivables are recognised in 'Other operating costs' in the statement of comprehensive income.

De-recognition

A financial asset is derecognised when the rights to receive cash flows have expired or the company has transferred its right to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to the third party (where the company has transferred the risk and rewards of the asset or has transferred control of the asset).

Impairment

At each reporting date, the company reviews whether there is any objective evidence that a financial asset may be impaired as a result of one or more events that have occurred since the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. Where objective evidence exists an impairment loss is calculated.

- Financial assets carried at amortised cost

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and trade receivables.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- ('Stage 3') would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised tor the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Previous financial asset impairment under IAS 39

In the prior year, the impairment of trade receivables was based on the incurred loss model. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Financial liabilities and equity

Financial liabilities are classified into the following specified categories:

- Liabilities at amortised cost

  These are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. All financial liabilities are initially recognised at fair value and, in the case of liabilities at amortised cost, net of directly attributable transaction costs.

Financial liabilities are subsequently measured according to their category classification:

- Liabilities at amortised cost

  These are held at amortised cost using the effective interest rate method. Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Amortisation costs are recognised in finance costs in the statement of comprehensive income in accordance with the company's policy on borrowing costs.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. Gains or losses are recognised in the statement of comprehensive income when the liability is de-recognised.

Fair value of financial instruments

For financial instruments not traded in an active market, the fair value is determined using the appropriate valuation techniques which include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

1.6 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost and comprise cash on hand, deposits held on call with banks, investments in money-market instruments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, and bank overdrafts. For the purpose of the statement of cash flows, the company's bank overdraft is included within cash and cash equivalents.

1.7 Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or cash generating units recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of an asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Goodwill is tested at least annually for impairment as indicated above. However, impairment losses relating to goodwill cannot be reversed in future periods.

1.8 Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' replaces IAS 18 "Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively with no restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 March 2018. Revenue of the company comprises income received from the online property portal and excludes value-added tax. The company provides an online portal service whereby estate agents, attorneys and private individual approach the company in order to list their properties on the portal for advertising purposes in exchange for a fixed monthly fee (excluding additional services).

Revenue is recognised on an invoice basis over the term of each contract. As the amount of work required to perform under these contracts does not vary significantly from month-to-month, the straight-line method provides a faithful depiction of the transfer of goods and services. Any amounts remaining unbilled at the end of the period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts will be due.

Rendering of services

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

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

- Interest income

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

- Other revenue

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

- Cost of services

  Cost of services include software development costs which have correctly been expensed due to the inability of these costs meeting the criteria for capitalisation, contractor costs and sales commissions.

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

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds and finance leases.

1.10 Leasing

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

Assets held under finance leases are capitalised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor, net of finance charges, is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Contingent rental costs are expensed when incurred.

1.11 Employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.

Liabilities for employee entitlements to wages, salaries and leave represent the amount that the company has as a present obligation, as a result of employee services provided to the reporting date, to the extent that such obligation can be reliably estimated. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Retirement benefit costs

A defined-contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company's contributions to defined-contribution plans in respect of services rendered in a particular period are recognised as an expense in that period. Additional contributions are recognised as an expense in the period during which the associated services are rendered by employees.

2. Standards, interpretations and amendments

Standards, interpretations and amendments issued but not yet effective in the current period

The following new standards, interpretations and amendments to existing standards were considered by the company:

Standard	Details of amendment	Effective date
IFRS 16 Leases	Recognised assets and liabilities for all leases	01 January 2019
IAS 19 Employee Benefits	Narrow scope amendment	01 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	Clarification	01 January 2019

The company expects that the adoption of the standards, interpretations and amendments listed above will have no significant financial impact on the company's reported results and will only result in additional disclosure requirements in the period of initial application, with the exception of IFRS 15 and IFRS 16. The impact of IFRS 15 and IFRS 16 is currently being assessed. The company anticipates adopting these standards, interpretations and amendments in the financial periods beginning on the dates listed above. Various other new and amended standards and other interpretations which have been issued and are not yet effective have not been listed above as they are not considered relevant to the company's activities.

Standards, Interpretations and amendments effective for the financial reporting period ended 30 June 2018

IFRS 9 and 15 were adopted in the current financial reporting period but this had no significant effect on the company's reported results other than additional disclosure. IFRIC 22 has also been adopted but this had no significant effect on the company's reporting results or disclosure.

3. **Plant and equipment**

Figures in Rand

30 June 2018	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fittings	364 526	(360 070)	4 456
Office equipment	324 263	(235 342)	88 921
Computer equipment	2 818 501	(1 802 167)	1 016 334
Total	3 507 290	(2 397 579)	1 109 711

28 February 2018	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fittings	364 526	(354 175)	10 351
Office equipment	313 590	(212 215)	101 375
Computer equipment	2 637 953	(1 635 301)	1 002 652
Total	3 316 069	(2 201 691)	1 114 378

28 February 2017	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fittings	1 046 189	(966 199)	79 990
Motor vehicles	2 271 982	(2 271 982)	-
Office equipment	638 113	(571 772)	66 341
Computer equipment	2 868 267	(2 280 591)	587 676
Computer software	3 862 229	(3 862 216)	13
Camera equipment	480 460	(160 829)	319 631
Total	11 167 240	(10 113 589)	1 053 651

Reconciliation of plant and equipment - 30 June 2018

	Balance at beginning of the period	**Additions**	**Disposals**	**Depreciation**	**Balance at end of the period**
Furniture and fittings	10 351			(5 895)	4 456
Office equipment	101 375	10 673		(23 127)	88 921
Computer equipment	1 002 652	226 012	(26 792)	(185 538)	1 016 334
	1 114 378	236 685	(26 792)	(214 560)	1 109 711

Reconciliation of plant and equipment - 28 February 2018

	Balance at beginning of the period	**Additions**	**Disposals**	**Depreciation**	**Balance at end of the period**
Furniture and fittings	79 990	-	(72)	(69 567)	10 351
Office equipment	66 341	108 613	(32)	(73 547)	101 375
Computer equipment	587 676	894 078	(13 969)	(465 133)	1 002 652
Computer software	13	-	(13)	-	-
Camera equipment	319 631	-	(242 828)	(76 803)	-
	1 053 651	1 002 691	(256 914)	(685 050)	1 114 378

Reconciliation of plant and equipment - 28 February 2017

	Balance at beginning of the period	**Additions**	**Disposals**	**Depreciation**	**Balance at end of the period**
Furniture and fittings	185 003	-	-	(105 013)	79 990
Motor vehicles	283 026	-	(283 026)	-	-
Office equipment	98 476	50 450	-	(82 585)	66 341
Computer equipment	747 544	291 120	(41 435)	(409 553)	587 676
Computer software	2 470	-	-	(2 457)	13
Camera equipment	32 331	343 608	-	(56 308)	319 631
	1 348 850	685 178	(324 461)	(655 916)	1 053 651

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4. Investment in associate

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Fusion Agency Solutions Proprietary Limited			
Original cost (Shareholding: 40%)	4 320 000	4 320 000	4 320 000
Loss from equity accounted investments	(2 097 054)	(1 820 356)	-
Provision for impairment	(2 222 946)	(2 499 644)	-
	-	**-**	**4 320 000**
Financial information			
The associate's trial balance was as follows as at 30 June 2018:			
Assets	875 948	327 158	403 382
Liabilities	(6 570 761)	(5 330 447)	(3 843 626)
Revenue	1 729 929	5 016 462	3 416 518
Loss	(691 746)	(1 563 045)	(2 229 496)
Unrecognised share of associates (losses) - current period	-	-	(891 798)
Unrecognised share of associates (losses) - accumulated	-	-	(1 195 138)
Recognised share of associates (losses) - current period	(276 698)	(625 218)	-
Recognised share of associates (losses) - accumulated	(1 820 356)	(1 195 138)	-

5. Deferred tax

Deferred tax asset			
Prepayments	(13 273)	-	
Income received in advance	181 411	190 829	123 837
Accruals	500 259	755 965	574 057
	668 397	**946 794**	**697 894**

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

Reconciliation of deferred tax asset			
Balance at beginning of the period	946 794	697 894	1 860 639
Originating temporary difference on prepayments	(13 273)	-	-
Originating temporary difference on income received in advance	(9 418)	66 992	42 357
Originating temporary difference on accruals	(255 706)	181 908	294 840
Decrease in tax loss	-	-	(1 499 942)
Balance at end of the period	668 397	946 794	697 894

The deferred tax asset has been recognised as it is probable that there will be future taxable income in excess of the profits arising from the reversal of existing taxable temporary differences.

6. Trade and other receivables

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Trade receivables	1 371 098	1 835 286	2 159 744
Less: expected credit losses	(155 087)	(148 851)	(312 454)
Deposits	64 866	64 866	48 700
Prepayments	217 044	351 203	416 257
Employee costs in advance	-	65 669	11 972
Other receivables	1 009 425	838 632	618 775
	2 507 346	**3 006 805**	**2 942 994**

The fair values of trade and other receivables are not materially different to the carrying values presented.

6. Trade and other receivables *(Continued)*

Expected credit loss:

The company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. The expected credit loss is determined on an individual customer basis. Amounts due over 30 days are assessed for recoverability. However, the company reviews all debtors individually, taking into account individual circumstances and past payment history.

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

30 June 2018 Trade receivables days past due	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	2.5%	87%	
Gross carrying amount	862 274	102 424	235 078	171 322	1 371 098
Life expected credit loss	-	-	5 036	149 251	155 087

28 February 2018 Trade receivables days past due	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	76%	
Gross carrying amount	1 325 177	241 440	73 286	195 383	1 835 286
Life expected credit loss	-	-	-	148 851	148 851

28 February 2017 Trade receivables days past due	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	20%	50%	
Gross carrying amount	1 018 136	377 724	288 023	535 861	2 159 744
Life expected credit loss	-	-	46 396	266 058	312 454

Figures in Rand			
Ageing of trade and other receivables			
Not past due	862 274	1 325 177	1 018 136
Past due 0 to 30 days	102 424	241 440	377 724
Past due 31 to 60 days	235 078	73 286	228 023
Past due 61 to 90 days	22 071	33 938	269 803
Past due 91 to 120 days	149 251	161 445	266 058
	1 371 098	**1 835 286**	**2 159 744**

At 30 June 2018, R 353 737 (28 February 2018: R 361 258; 28 February 2017: R829 154) were past due but not impaired.

Reconciliation of provision for impairment of trade and other receivables

The closing balance of the trade receivables loss allowance as at 30 June 2018 reconciles with the trade receivables loss allowance opening balance as follows:

Loss allowance as at 1 March calculated under IAS 39	(148 851)	(312 454)	(141 646)
Amount restated through opening retained earnings	-	-	-
Loss allowance recognised during the year	(6 236)		(170 808)
Receivables written off during the year	-	-	-
Loss allowance unused and reversed during the year	-	163 603	-
Loss allowance as at end of the period	**(155 087)**	**(148 851)**	**(312 454)**

7. Cash and cash equivalents

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Cash and cash equivalents consist of:			
Bank balances	**47 783 088**	**36 068 009**	**27 023 124**

The following facilities have been granted by the Standard Bank of South Africa Limited to the company:

Card facility: R 571 500;

Guarantee facility: R 156 000.

The following securities have been given by the company for facilities granted:

Credit agreement facilities agreement business: Unrestricted;

Pledge call deposit: R 156 000.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand can be assessed by reference to external credit ratings:

Credit rating			
Baa2			**27 023 124**
Baa3	**47 783 088**	**36 068 009**	

8. Loans to group companies

Associates			
Fusion Agency Solutions Proprietary Limited	1 594 332	1 581 370	1 463 326
	1 594 332	1 581 370	1 463 326
Allowance for impairment	(1 581 370)	(1 581 370)	(1 463 326)
	12 962	**-**	**-**
The loan is unsecured, incurs interest at prime and has no fixed repayment terms.			
Current assets	12 962	-	1 463 326
Current liabilities	-	-	-
	12 962	**-**	**1 463 326**

9. Stated capital

Authorised			
Ordinary shares of no par value	25 000	25 000	25 000
Issued			
Ordinary shares of no par value	42 464 669	42 464 669	42 464 669

10. Share-based payment arrangement

10.1 Share-based payment (Industry deal)

On 1 April 2015 ("effective date"), One Africa Media Proprietary Limited entered an agreement with the Estate Agency Property Portal Company Proprietary Limited and the Property Advertising Joint Venture Proprietary Limited. The agreement stipulates the transfer of shares held in Private Property South Africa Proprietary Limited ("the company") from One Africa Media Proprietary Limited to the Estate Agency Property Portal Company Proprietary Limited and the Property Advertising Joint Venture Proprietary Limited. The transfer is dependent upon the vesting conditions listed below.

For the Estate Agency Property Portal Company Proprietary Limited ("EAPC")

One Africa Media Proprietary Limited sells the following tranches of shares to the EAPC at a nominal subscription price if and when the following milestones are achieved:

Milestone to be achieved	% **of issued share capital to be transferred**
1. EAPC procures that written agreements are concluded by the EAPC members in favour of the company;	3%
2. Within 12 months after the effective date, EAPC procures at least 75% of the EAPC members' physical offices submit all or substantially all of the properties listed on their web pages to company for advertising on the company website for a period of at least 3 consecutive months;	7%
3. Within 24 months after the effective date, EAPC procures at least 90% of the EAPC members' physical offices submit all or substantially all of the properties listed on their web pages to company for advertising on the company website for a period of at least 3 consecutive months;	3%
4. Within 36 months after the effective date, the company website achieves the "No 1 Market Position".	2%

For the Property Advertising Joint Venture Proprietary Limited ("PAJV')

One Africa Media Proprietary Limited sells the following tranches of shares to the PAJV at a nominal subscription price if and when the following milestones are achieved:

Milestone to be achieved	% **of issued share capital to be transferred**
1. Within 30 business days of concluding the advertising agreement and that agreement becoming unconditional between the company and PAJV;	3.5%
2. If and when the re-branding of the Property Junction classifieds from "Property Junction" to "Private Property South Africa" is completed. Should PAJV be unable to re-brand the Property Junctions not under management control, then PAJV undertakes to launch a weekly property insertion in Times Media Group's (TMG) applicable local paper to give the company similar brand exposure on an ongoing basis;	2%
3. If not later than 6 months from the effective date, the company and PAJV have agreed in writing upon technical and service specifications ("the Specifications") for the digital sharing or linking ("Syndication") of all of the company's property listings on the TMG websites;	2%
4. Within 36 months after the effective date, the company website achieves the "No 1 Market Position".	2.4%

Figures in Rand	**Audited 30 June 2018**	**Audited 28 February 2018**	**Reviewed 28 February 2017**
Expense recognised in profit or loss and charged to equity			
Equity settled share-based payment (Industry deal)	**–**	**(2 300 996)**	**–**

During the year ending 28 February 2018, the outstanding criteria for the above share-based payment arrangement (Industry deal) was not met and therefore the remaining amount of R 18 500 000 previously recognised as a reserve was transferred to retained profit.

10.2 Share option scheme (Employee scheme)

On 8 April 2014, the One Africa Media Incentive Trust ("the Trust") was created. The holding company, One Africa Media Proprietary Limited ("OAM"), issued 1 567 697 ordinary shares to the trust for a total cash consideration of R 15.68. The trust held the shares on behalf of the beneficiaries until the first happening of any of the following events:

- a buy-out of OAM;
- a listing of OAM;
- the death of the individual beneficiary; or the termination of an individual beneficiary's employment or other contract with a company in the OAM group.

The beneficiaries of the trust were permanent employees of the OAM group.

Expense recognised in profit or loss and charged to equity

Figures in Rand	**Audited 30 June 2018**	**Audited 28 February 2018**	**Reviewed 28 February 2017**
Equity settled share-based payment (Employee scheme)	**-**	**-**	**1 207 790**

Reconciliation of outstanding share options	**Number of share options**	**Number of share options**	**Number of share options**
Outstanding at the beginning of the year	-	494 953	418 506
Granted during the year	-	-	76 447
Forfeited during the year	-	-	-
Exercised during the year Cancelled during the year	-	-	-
	-	(494 953)	-
Outstanding at the end of the year	**-**	**-**	**494 953**

During the year ending 28 February 2018, the company's majority shareholder changed from One Africa Media Proprietary Limited to CTP Limited. Due to the change in shareholding, the full amount of R 7 819 778 previously recognised as a reserve was transferred to retained profit.

10.3 Share based payment reserve

Figures in Rand	**Audited 30 June 2018**	**Audited 28 February 2018**	**Reviewed 28 February 2017**
Balance at beginning of the period	-	28 620 744	27 412 954
Share based payment incentive - Industry deal	-	(2 300 966)	-
Share based payment incentive - Employee scheme	-	-	1 207 790
Transfer to retained profit - Industry deal	-	(18 500 000)	-
Transfer to retained profit - Employee scheme	-	(7 819 778)	-
Balance at end of the period	**-**	**-**	**28 620 744**

In accordance with IFRS 2 Share-based payments, the company has recognised an expense (incentive) in the statement of comprehensive income for share options granted to employees and industry, with corresponding credit (debit) to equity, representing the fair value of outstanding employee share options. The fair value at grant date is charged to the statement of comprehensive income over the relevant vesting periods, adjusted to reflect actual and expected vesting levels.

11. Deferred associate payment

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Fusion Agency Solutions Proprietary Limited	360 000	840 000	2 280 000

The company purchased 40% of Fusion Agency Solutions Proprietary Limited for R 4 320 000 on 1 October 2015. The agreement stipulates a monthly payment of R 120 000 and thus a deferred payment to associate liability has been raised on the statement of financial position.

Non-current assets			840 000
Current liabilities	360 000	840 000	1 440 000
	360 000	**840 000**	**2 280 000**

12. Trade and other payables

Trade payables	4 254 029	1 892 205	2 258 225
Accruals	829 481	689 409	596 319
Audit fee accrual	288 773	271 422	306 130
Bonus accrual	515 466	1 546 397	831 647
Employee related costs	876 710	781 194	1 761 602
Income received in advance	647 897	681 533	442 273
Leave pay accrual	861 324	765 847	682 670
Other accruals	55 279	15 828	16 510
VAT	1 221 134	1 163 895	1 196 444
	9 550 093	**7 807 730**	**8 091 820**

The fair values of trade and other payables are not materially different to the carrying values presented.

13. Revenue

Rendering of services	**44 888 215**	**126 457 131**	**115 705 853**

14. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges			
• Premises	865 681	2 428 001	2 839 841
Management fees paid to related parties	-	119 040	432 400
Audit fees	128 601	305 832	297 421
Impairment (reversal) loss on investment in associate	(276 698)	2 499 644	-
Impairment loss on loans to group companies	-	1 581 370	-
Depreciation on plant and equipment	214 560	685 050	655 916
Employee costs	13 852 798	37 547 064	40 577 524
Contractor costs	4 176 553	11 910 184	8 882 414

15. Finance income

Interest income			
External parties	1 327 143	2 294 146	2 164 038

16. Taxation

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Major components of the tax expense			
Current taxation			
- Current year charge	3 541 737	11 141 164	8 214 828
Deferred taxation			
- Current tax charge	278 397	(248 900)	1 162 745
	3 820 134	**10 892 264**	**9 377 573**
Reconciliation of the tax expense			
Reconciliation between applicable tax rate and average effective tax rate.			
Applicable tax rate	28.00%	28.00%	28.00%
Permanent differences	0.15%	2.96%	1.11%
	28.15%	**30.96%**	**29.11%**

17. Cash generated from operations

Profit before taxation	13 571 327	35 180 709	32 209 887
Adjustments for:			
Depreciation	214 560	685 050	655 916
Impairment (reversals) losses	(276 698)	4 081 014	-
Loss from equity accounted investments	276 698	1 820 356	-
Finance income	(1 327 143)	(2 294 146)	(2 164 038)
Share based payment incentive		(2 300 966)	1 207 790
Changes in working capital:			
Trade and other receivables	499 459	(63 811)	(14 037)
Trade and other payables	1 742 363	(284 090)	2 754 710
Deferred associate payment	(480 000)	(1 440 000)	(1 440 000)
	14 220 566	**35 384 116**	**33 210 228**

18. Tax paid

Balance at beginning of the period	(121 699)	(150 091)	-
Current tax for the period recognised in profit or loss	(3 541 737)	(11 141 164)	(8 214 828)
Balance at end of the period	53 661	121 699	150 091
	(3 609 775)	**(11 169 556)**	**(8 064 737)**

19. Commitments

Operating leases - as lessee			
Minimum payments due			
- within one year	1 598 956	2 398 434	2 210 538
- in second to fifth year inclusive	-	-	-
- later than five years	-	-	-
	1 598 956	**2 398 434**	**2 210 538**

The above represents the summary of the future commitments under non-cancellable operating leases. Operating lease payments represent rentals payable by the company for the Ridgeside Office Park. Leases are negotiated for an average term of 2 years and rentals generally escalate at a fixed percentage 8.5%. The current lease expires in February 2019. No contingent rent is payable.

19. Commitments *(continued)*

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Contractor costs			
Minimum payments due			
- within one year	9 408 000	9 408 000	7 840 000
- in second to fifth year inclusive	26 656 000	29 792 000	39 200 000
- later than five years	-	-	-
	36 064 000	**39 200 000**	**47 040 000**

The above represents a contractor cost with Capture Video Productions Proprietary Limited for 1 600 HD listings per month. This contract has a 5 year duration with 3 years and 10 months remaining at year end. There is an additional contingent fee of R 430 for each HD listing above 1 600 per month which is not included in the amounts above. This agreement can be terminated with 6 months' notice at the same terms and conditions for those 6 months, without incurring any penalty, which amounts to R 4 704 000 plus R 430 per HD listing above 1 600 per month.

20. Related parties

Relationship	
Holding company	CTP Limited
Associate	Fusion Agency Solutions Proprietary Limited
Common directorship/ directors' interest in company	Capture Video Productions Proprietary Limited
	Everybody Wins Real Estate Franchising
	Ooba Proprietary Limited
	Property Referral Network Proprietary Limited
	Rawson Residential Franchises
	Rawson Wellington
	Real Estate Business Owners of South Africa
	Spark Media Proprietary Limited

Related party balances			
Loan accounts - owing by related parties			
Fusion Agency Solutions Proprietary Limited	1 594 332	1 581 370	1 463 320
	1 594 332	**1 581 370**	**1 463 320**
Trade receivables (trade payables) with related parties			
Everybody Wins Real Estate Franchising	-	28 500	-
Everybody Wins Real Estate Franchising	(115 000)	-	-
Fusion Agency Solutions Proprietary Limited	(111 130)	(133 978)	-
One Africa Media Proprietary Limited	-	-	(8 383)
Ooba Proprietary Limited	-	28 500	-
Spark Media Proprietary Limited	51 941	-	-
	(174 189)	**(76 978)**	**(8 383)**
Other payables with related parties			
Fusion Agency Solutions Proprietary Limited	(360 000)	(840 000)	(2 280 000)
	(360 000)	**(840 000)**	**(2 280 000)**
Related party transactions			
Sales to related parties			
Capture Video Productions Proprietary Limited	(746)	(265 861)	-
Everybody Wins Real Estate Franchising	(828 907)	(2 370 730)	-
Ooba Proprietary Limited	(100 000)	(300 000)	-
Property Referral Network Proprietary Limited	(328 444)	(1 239 519)	-
Rawson Residential Franchises	(469 324)	(1 399 877)	-
Rawson Wellington	(11 780)	(36 875)	-
Spark Media Proprietary Limited	(136 760)	-	-
	(1 875 961)	**(5 612 862)**	**-**

20. Related parties *(continued)*

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
Operating expenses paid to related parties			
Capture Video Productions Proprietary Limited	3 585 660	8 646 340	-
Everybody Wins Real Estate Franchising	100 000	166 632	-
Ooba Proprietary Limited		23 256	-
Property Referral Network Proprietary Limited	91 543	99 491	-
Real Estate Business Owners of South Africa	22 800	75 525	-
	3 800 003	**9 011 244**	**-**
Management fees paid to (received from) related parties			
Fusion Agency Solutions Proprietary Limited	(36 300)	(103 125)	(93 750)
One Africa Media Proprietary Limited	-	119 040	432 400
	(36 300)	**15 915**	**338 650**

21. Directors' emoluments

Figures in Rand	Audited 30 June 2018	Audited 28 February 2018	Reviewed 28 February 2017
For services rendered to the company			
S G R Bray	841 888	2 394 000	2 545 237
Total	**841 888**	**2 394 000**	**2 545 237**
For services rendered to other related companies			
F J J Clarke	-	-	1 979 751
N P Rossato	-	-	1 423 845
Total	**-**	**-**	**3 403 596**

22. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

No changes were made in the objectives, policies or processes during the years ended 30 June 2018. There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous period.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by a central treasury department (company treasury) under policies approved by the board of directors. company treasury identifies and evaluates financial risks in close co-operation with the company's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

22. Risk management *(continued)*

Liquidity risk

The company manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. Surplus cash resources are only invested with large institutions with strong credit ratings. Forecast liquidity represents the company's expected cash inflows, principally generated from sales made to customers, less the company's contractually determined cash outflows, principally related to supplier payments and the repayment of borrowings. The maturity profile is presented below.

30 June 2018	Less than 1 year	Between 1 and 5 years	Over 5 years
Deferred associate payment	360 000	-	-
Trade and other payables	9 550 093	-	-

28 February 2018	Less than 1 year	Between 1 and 5 years	Over 5 years
Deferred associate payment	840 000	-	-
Trade and other payables	7 807 730	-	-

28 February 2017	Less than 1 year	Between 1 and 5 years	Over 5 years
Deferred associate payment	1 440 000	840 000	-
Trade and other payables	8 091 820	-	-

Cash flow and interest rate risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk. Debt levels are constantly monitored and kept to a viable minimum to reduce the exposure to high interest rates. The company borrows at competitive market related rates and where appropriate fixes these from time to time to minimise the risk of fluctuating interest rates.

Credit risk

Credit risk is the risk that a contractual counterparty will default on the contractual obligations to the company and that the company would suffer financial loss as a consequence of such a default. The company's credit risk is mainly confined to the risk of customers defaulting on sales invoices raised. Any credit risk arising from cash deposits and derivative financial instruments is deemed to be insignificant on the basis that all relevant counterparties are investment grade entities.

Credit risk consists mainly of short-term cash deposits and trade debtors. The company only deposits short-term cash with major banks with strong credit ratings. Trade debtors comprise a widespread customer base and ongoing credit evaluations of the financial condition of customers are regularly undertaken. As at 30 June 2018 the company does not consider there to be any material credit risk that has not been adequately provided.

Figures in Rand	**Audited 30 June 2018**	**Audited 28 February 2018**	**Reviewed 28 February 2017**
Financial instrument			
Trade and other receivables	2 507 346	3 006 805	2 942 994
Cash and cash equivalents	47 783 088	36 068 009	27 023 124
Loans to group companies	12 962	-	1 463 326
Total exposure to credit risk	**50 303 396**	**39 074 814**	**31 429 444**

23. Financial instruments carried at fair value in the statement of financial position

Management have assessed that the financial instruments of Private Property South Africa Proprietary Limited have carrying amounts that equate to their fair values, due to the short-term maturities of these instruments.

24. Review of the Statements of Financial Position split into financial instruments and non-financial instruments

	Note(s)	Amortised cost	Financial liabilities at amortised cost	Equity and non-financial instruments	Total
30 June 2018					
Assets					
Non-Current Assets					
Plant and equipment	3	-	-	1 109 711	1 109 711
Deferred tax	5	-	-	668 397	668 397
		-	**-**	**1 778 108**	**1 778 108**
Current Assets					
Trade and other receivables	6	2 225 436	-	281 910	2 507 346
Cash and cash equivalents	7	47 783 088	-	-	47 783 088
Loans to group companies	8	12 962	-	-	12 962
		50 021 486	**-**	**281 910**	**50 303 396**
Total Assets		**50 021 486**	**-**	**2 060 018**	**52 081 504**
Equity and Liabilities					
Equity					
Stated capital	9	-	-	42 464 669	42 464 669
Accumulated loss		-	-	(346 919)	(346 919)
		-	**-**	**42 117 750**	**42 117 750**
Total Equity		**-**	**-**	**42 117 750**	**42 117 750**
Liabilities					
Current Liabilities					
Deferred associate liability	11	-	360 000	-	360 000
Trade and other payables	12	-	6 075 488	3 474 645	9 550 093
Current tax payable	18	-	-	53 661	53 661
		-	**6 435 448**	**3 528 306**	**9 963 754**
Total Liabilities		**-**	**6 435 448**	**3 528 306**	**9 963 754**
Total Equity and Liabilities		**-**	**6 435 448**	**45 646 056**	**52 081 504**

24. Review of the Statements of Financial Position split into financial instruments and non-financial instruments *(continued)*

	Note(s)	Amortised cost	Financial liabilities at amortised cost	Equity and non-financial instruments	Total
28 February 2018					
Assets					
Non-Current Assets					
Plant and equipment	3	-	-	1 114 378	1 114 378
Deferred tax	5	-	-	946 794	946 794
		-	**-**	**2 061 172**	**2 061 172**
Current Assets					
Trade and other receivables	6	3 006 805	-	-	3 006 805
Cash and cash equivalents	7	36 068 009	-	-	36 068 009
Loans to group companies	8	-	-	-	-
		39 074 814	**-**	**-**	**39 074 814**
Total Assets		**39 074 814**	**-**	**2 061 172**	**41 135 986**
Equity and Liabilities					
Equity		-	-	42 464 669	42 464 669
Stated capital	9	-	-	(10 098 112)	(10 098 112)
Accumulated loss		**-**	**-**	**32 366 557**	**32 366 557**
		-	**-**	**32 366 557**	**32 366 557**
Total Equity					
Liabilities					
Current Liabilities					
Deferred associate liability	11	-	840 000	-	840 000
Trade and other payables	12	-	7 807 730	-	7 807 730
Current tax payable	18	-	-	121 699	121 699
		-	**8 647 730**	**121 699**	**8 769 429**
Total Liabilities		**-**	**8 647 730**	**121 699**	**8 769 429**
Total Equity and Liabilities		**-**	**8 647 730**	**32 488 256**	**41 135 986**

24. Review of the Statements of Financial Position split into financial instruments and non-financial instruments *(continued)*

	Note(s)	Amortised cost	Financial liabilities at amortised cost	Equity and non-financial instruments	Total
28 February 2017					
Assets					
Non-Current Assets					
Plant and equipment	3	-	-	1 053 651	1 053 651
Investment in associate		-	-	4 320 000	4 320 000
Deferred tax	5	-	-	697 894	697 894
		-	**-**	**6 071 545**	**6 071 545**
Current Assets					
Trade and other receivables	6	2 942 994	-	-	2 942 994
Cash and cash equivalents	7	27 023 124	-	-	27 023 124
Loans to group companies	8	1 463 326	-	-	1 463 326
		31 429 444	**-**	**-**	**31 429 444**
Total Assets		**31 429 444**	**-**	**6 071 545**	**37 500 989**
Equity and Liabilities					
Equity		-	-	42 464 669	42 464 669
Share based payment reserve		-	-	28 620 744	28 620 744
Stated capital	9	-	-	(44 106 335)	(44 106 335)
Accumulated loss		**-**	**-**	**26 979 078**	**26 979 078**
		-	**-**	**26 979 078**	**26 979 078**
Total Equity					
Liabilities					
Non-Current Liabilities					
Deferred associate liability		-	840 000	-	840 000
Current Liabilities					
Deferred associate liability	11	-	1 440 000	-	1 440 000
Trade and other payables	12	-	8 091 820	-	8 091 820
Current tax payable	18	-	-	150 091	150 091
		-	**9 531 820**	**150 091**	**9 681 911**
Total Liabilities		**-**	**10 371 820**	**150 091**	**10 521 911**
Total Equity and Liabilities		**-**	**10 371 820**	**27 129 169**	**37 500 989**

On the date of initial application, 1 March 2018, the financial instruments of the company were reclassified as follows:

	IAS 39 carrying amount at 28 February 2018	Reclassification/ Remeasurement	IFRS 9 carrying amount at 1 March 2018	Retained earnings effect
Amortised cost				
Trade and other receivables	3 006 805	.	3 006 805	-
Cash and cash equivalents	36 068 009	-	36 068 009	.
Total financial assets balances, reclassification and remeasurement at 1 March 2018	39 074 814	-	39 074 814	-

25. Changes in accounting policy

The company has adopted the following new accounting pronouncements as issued by the IASB, which were effective for the group from 1 January 2018:

- IFRS 15 Revenue from Contracts with Customers (IFRS 15).
- IFRS 9 Financial Instruments (IFRS 9).
- IFRIC 22 Foreign Currency Transaction and Advance Consideration (IFRIC 22)

The changes in accounting policies were applied retrospectively. Comparative numbers did not require restatement for the adoption of IFRS 15, IFRS 9 and IFRIC 22.

Adoption of IFRS 15

The company principally generates revenue from providing advertising on its online portal. The typical length of the service contract is on a monthly basis with revenue recognised in the month of the advertisement being placed on the portal.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it provides the service to a customer.

On adoption of IFRS 15, the company did not require restatement to its retained earnings as at 1 March 2018.

Adoption of IFRIC 22

The adoption of IFRIC 22 had no significant effect on the company's reported results or disclosures.

Adoption of IFRS 9

The adoption of IFRS 9 had the following impact on the company:

- Change from the IAS 39 incurred loss model to the expected credit loss (ECL) model to calculate impairments of financial instruments.
- Change in classification of the measurement categories for financial instruments.

Impairment

Before the adoption of IFRS 9, the company calculated the allowance for credit losses using the incurred loss model. Under the incurred loss model, the company assessed whether there was any objective evidence of impairment at the end of each reporting period. If such evidence existed the allowance for credit losses in respect of financial assets at amortised cost was calculated as the difference between the asset's carrying amount and its recoverable amount, being its present value of the estimated future cash flows discounted at the original effective interest rate (EIR).

The company applies the simplified approach to determine the ECL for trade receivables and contract assets. This results in calculating lifetime expected credit losses for these trade receivables. ECL for trade receivables is calculated using a provision matrix. For contract assets and mobile trade receivables, ECLs are determined using a simplified parameter based approach.

Simplified parameter-based approach - ECL is calculated using a formula incorporating the following parameters: exposure at default (EAD), probability of default (PD), loss given default (LGD) and the effective interest rate (EIR) (i.e. PD x LGD x EAD = ECL). Exposures are mainly segmented by customer. This is done to allow for risk differentiation. The probability of a customer defaulting as well as the realised loss with defaulted accounts have been determined using historical data. The EIR represents a weighted average rate incorporating a risk-free rate plus a risk premium.

25. Changes in accounting policy (Continued)

Classification, initial recognition and subsequent measurement

IFRS 9 introduces new measurement categories for financial assets. The measurement categories of IFRS 9 and IAS 39 are illustrated in the table below. From 1 March 2018 the company classifies financial assets in each of the IFRS 9 measurement categories based on the company's business model for managing the financial asset and the cash flow characteristics of the financial asset.

The reclassification into the new measurement categories of IFRS 9 did not have a significant impact on the company.

IAS 39 Category	IFRS 9 Category
Financial assets at fair value through profit and loss (FVTPL)	Financial assets at fair value though profit and loss (FVTPL)
Loans and receivables	Financial assets at amortised cost
Available for sale	Investment at fair value through other comprehensive income (FVOCO)

Transition to IFRS 9

Changes in accounting policies from the adoption of IFRS 9 have been applied retrospectively; however, the company has elected not to restate comparative information. There were no differences between the carrying amounts as at 28 February 2018 and 1 March 2018 resulting from the initial application of IFRS 9 that needed to be recognised in retained earnings. Accordingly, information relating to 28 February 2017 and 28 February 2018 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PRIVATE PROPERTY FOR THE YEAR ENDED 28 FEBRUARY 2018 AND THE FOUR MONTH PERIOD ENDED 30 JUNE 2018

"The Directors
Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg, 2194

2 November 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PRIVATE PROPERTY SOUTH AFRICA PROPRIETARY LIMITED ("PRIVATE PROPERTY" OR "THE COMPANY") FOR THE YEAR ENDED 28 FEBRUARY 2018 AND THE FOUR MONTH PERIOD ENDED 30 JUNE 2018

Opinion

We have audited the historical financial information of the Company for the year ended 28 February 2018 as well as the 4 month period ended 30 June 2018 as set out in Annexure 4 of the Circular to be issued on or about Friday, 9 November 2018 ("the Circular") in compliance with the JSE Limited ("JSE") Listings Requirements.

The financial information comprises the statement of financial position for the year ended 28 February 2018 as well as the 4 month period ended 30 June 2018, and the notes thereto, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial information of the Company presents fairly, in all material respects, for the purposes of the Circular the financial position of the Company for the year ended 28 February 2018 as well as the 4 month period ended 30 June 2018, and its financial performance and cash flows for the 4 month period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Reporting accountant's responsibilities* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial information in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment considerations – investment in associate The company has an investment in associate as set out in note 5 of the financial statements We have identified impairment considerations on this balance as a key audit matter as it is reliant on managements estimation and judgement which could have a significant impact on the financial results.	For net investment in associate we performed the following audit procedures amongst others: • obtaining managements projections supporting the investments recoverability and assessed the reasonability of inputs; • make an assessment of the appropriateness of impairment allowances raised by management.

Valuation of share-based compensation scheme and share based The company had two schemes where share options were granted to employees of the company and employee's of the former holding company. Due significant amounts previously recognized in the scheme and the sale of the shares of the company by the former holding company, the position of the schemes had to be re-assessed and valued.	We assessed the state of the schemes and the changes to the existing plans in terms of IFRS2. We traced the share movements to relevant supporting documentation by; • agreeing the share option calculations; • ensuring the cancellations were treated correctly; • Allocation in the current year are accounted for correctly.

Consent

We consent to the inclusion of this report, which will form part of the Circular to the shareholders of Cognition Holdings Limited in the form and context in which it appears.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the financial information

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

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

Reporting accountant's responsibilities

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountant's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Yours faithfully

Grant Thornton
Registered Auditors
Practice Number: 905690

Ahmed Timol
Partner
Registered Auditor
Chartered Accountant (SA)

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(PO Box 950, Umhlanga Rocks, 4320)"

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PRIVATE PROPERTY FOR THE YEAR ENDED 28 FEBRUARY 2017

"The Directors
Cognition Holdings Limited
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg, 2194

2 November 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PRIVATE PROPERTY SOUTH AFRICA PROPRIETARY LIMITED ("PRIVATE PROPERTY") FOR THE YEAR ENDED 28 FEBRUARY 2017

Introduction

We have reviewed the historical financial information of Private Property South Africa Proprietary Limited for the periods ended 28 February 2017 as set out in Annexure 4 of the Circular to be issued on or about 9 November 2018 ("the Circular") in compliance with the JSE Limited ("JSE") Listings Requirements.

The historical financial information comprises the statement of financial position as at 28 February 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 28 February 2017, and the notes thereto, comprising a summary of significant accounting policies and other explanatory information.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Directors' responsibility for the historical financial information

The company's directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial information in accordance with International Financial Reporting Standards ("IFRS"). The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express an opinion or conclusion on the historical financial information of Private Property, included in the Circular, based on our review of the historical financial information of Private Property for the year ended 28 February 2017.

This report of the historical financial information has been prepared in accordance with and by applying (i) IFRS; (ii) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; and (iii) the accounting policies of the Company.

We conducted our review of the historical financial information of Private Property for the year ended 28 February 2017 in accordance with International Standards on Review Engagements (ISRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free from material misstatement. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Private Property for the year ended 28 February 2017 is not fairly presented, in all material respects, for the purposes of the Circular, in accordance with IFRS and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Circular in the form and context in which it appears.

Yours faithfully

Grant Thornton

Registered Auditors
Practice Number: 903485E

J Barradas
Partner
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X5, Northlands, 2116)"

REPORT ON THE SHARE CONVERSION IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS

Extract from resolution of the Board:

Share conversion from par value shares to no par value shares in terms of regulation 31(7) of the Companies Regulations, 2011, ("Companies Regulations"), published in terms of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Companies Act").

The board of directors of the Company has approved the report on the share conversion in terms of regulation 31(7) of the Companies Regulations explaining the effect of the conversion of the issued share capital from par value shares to no par value shares.

1. Background

1.1 Under the Companies Act, all companies having par value shares are no longer enabled to create and authorise any further par value shares. The Company proposes to its Shareholders the special resolution required to convert the Company's par value Shares to no par value Shares.

1.2 The Independent Board has satisfied itself that the conversion from par value Shares to no par value Shares will have no effect on the rights of the Shareholders.

1.3 Accordingly, the Cognition Shareholders will be requested to approve the special resolution necessary to convert Cognition's authorised and issued ordinary Shares with a par value of R0.001 each into Shares of no par value on the basis that each existing Share will be converted into one no par value Share.

1.4 The special resolution approving the conversion of Cognition's existing Shares into Shares of no par value is subject to 75% of Cognition's Shareholders present, in person or by proxy, voting in favour of the resolution.

1.5 The Companies Regulations require the board of a company, when converting its shares, to effect a report to be prepared in respect of the proposed conversion which, *inter alia*, evaluates any adverse effects of the conversion on shareholders. As already indicated, there will be no adverse effect of the conversion on Cognition Shareholders.

1.6 In terms of Regulation 31(7) of the Companies Regulations, the report is required to, at a minimum:

- state all information that may affect the value of the securities affected by the proposed conversion;
- identify the class of holders of the company's securities affected by the proposed conversion;
- describe the material effects that the proposed conversion will have on the rights of the holders of the Company's securities affected by the proposed conversion; and
- evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement.

2. Information relevant to the value of the securities affected by the proposed conversion

2.1 The securities affected by the proposed conversion are the authorised ordinary Shares in the share capital of Cognition, currently comprising 250 000 000 Shares of R0.001 each, of which 137 615 798 Shares of R0.001 each have been issued.

2.2 Cognition has no other class of authorised or issued shares.

2.3 Given that the number of Cognition Shares in issue and the rights attaching to those Shares will be unaffected by the proposed conversion, the proposed conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions per Cognition Share and should have no impact on the price at which Cognition Shares trade on the JSE.

3. Holders of the Company's securities affected by the proposed conversion

The proposed conversion will affect the holders of Cognition's ordinary Shares who comprise the holders of all of Cognition issued Shares of R0.001 each. However, the only effect on Cognition Shareholders will be that such holders will now become the holders of an identical number of Shares of no par value.

4. **Material effects of the proposed conversion of Cognition Shareholders**

4.1 The proposed conversion results in the conversion of each Share of R0.001 each into a Share of no par value.

4.2 Accordingly, after the proposed conversion, each Shareholder will own the identical number of Cognition Shares as they held before the proposed conversion and the no par value shares they hold will represent the same proportion of the total issued share capital of Cognition as the par value shares they held represented of the total issued share capital of Cognition before the conversion.

4.3 A Shareholder enjoys the same effective voting rights on a poll whether the Shares in question are par value or no par value Shares.

4.4 The proposed conversion has no other impact on any of the rights attaching to the Cognition Shares and the no par value Shares will confer a Cognition Shareholder all of the same rights as they enjoyed as the holder of par value Shares before the proposed conversion including (without limitation) rights to participate in the profits of Cognition on winding up.

5. **Evaluation of material adverse effects of the proposed conversion against compensation offered**

5.1 The proposed conversion has no adverse effects on Cognition Shareholders as they are in the same position and enjoy the same rights before and after the proposed conversion.

5.2 There is no compensation being offered in the context of the proposed conversion as there are no adverse effects of the proposed conversion on Cognition Shareholders.

VENDORS

This Annexure details the disclosure requirements relating to the vendors of material assets to Cognition and its Subsidiaries, being CTP, during the three years preceding the publication of this Circular.

Vendor	Address	Total % shareholding in Private Property
CTP	28 Wright Street, Industria West, Johannesburg, 2093	50.01
Total		**50.01**

Notes:

1. The Purchase Consideration, being an amount of R127 million, will be settled by way of the issue of 105 833 333 Cognition Shares to CTP for the Sale Shares.

As stated in the paragraph entitled 'Events after the Reporting Period' set out in Caxton's 'Provisional Reviewed Results for the year ended 30 June 2017' published on SENS on 31 August 2017, CTP, together with other purchasers concluded an agreement on 25 August 2017 to acquire the 81,5% shareholding held by One African Media Proprietary Limited in Private Property. In terms of the transaction, Caxton acquired an effective shareholding of 50% in Private Property with effect from 1 July 2017, for a purchase price of R122,9 million, plus interest calculated from 1 July 2017 to date of payment.

2. CTP has not guaranteed the book debts. The Acquisition Agreement contains warranties which are usual for transactions of this nature.

3. The Acquisition Agreement contains no restraints.

4. There are no liabilities for accrued taxation that will be settled in terms of the Acquisition Agreement.

5. Based on the preliminary fair value allocation exercise, the surplus of the Purchase Consideration over the book value of Private Property is attributed to goodwill. A fair value exercise in terms of IFRS 3: Business Combinations will need to be performed at the effective date of the transaction. The preliminary fair value allocation, based on the 30 June 2018 financial position of Private Property is as follows:

Purchase consideration for 50.01% shareholding	127,000,000
Less: Net asset value	(42,117,750)
Add: Non-Controlling interest of minority shareholders	21,016,757
	105,899,007

6. Other than in their capacity as holders of Cognition Shares, no Director or promoter of Cognition (or any partnership, syndicate or other association in which a promoter or Director had an interest) has any beneficial interest, direct or indirect in the Acquisition.

7. No cash or securities have been paid or benefit given within the three preceding years of this Circular or is proposed to be paid or given, to any promoter (not being a Director).

8. Pursuant to the implementation of the Acquisition, the Sale Shares will be transferred into the name of Cognition.

PROVISIONS OF THE MEMORANDUM OF INCORPORATION PERTAINING TO SHARE CAPITAL

The relevant provisions of the current Memorandum of Incorporation of Cognition pertaining to the share capital are set out below.

8. ISSUE OF SHARES AND VARIATION OF RIGHTS

8.1 The Company is authorised to issue 250 000 000 (two hundred and fifty million) ordinary par value shares of R0.001 each, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –

8.1.1 vote, whether in person or by proxy, on any matter to be decided by the Shareholders of the Company;

8.1.2 participate proportionally in any distribution made by the Company; and

8.1.3 receive proportionally the net assets of the Company upon its liquidation.

8.2 The Board may resolve to issue further Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

8.3 The number of authorised Shares as set out in clause 8.1 may only be increased, as contemplated in clause 8.4.1 below, following the conversion of such ordinary par value Shares to ordinary no par value Shares by way of special resolution of the Shareholders.

8.4 The Board shall not have the power to –

8.4.1 increase or decrease the number of authorised Shares of any class of the Company's Shares; or

8.4.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class; or

8.4.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital; or

8.4.4 reclassify any classified Shares that have been authorised but not issued; or

8.4.5 determine the preferences, rights, limitations or other terms of any Shares, or

8.4.6 convert one class of Shares into one or more other classes of Shares; or

8.4.7 create any class of Shares,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

8.5 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 22.2.

8.6 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting.

8.7 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

8.8 No further securities ranking in priority to, or *pari passu* with an existing class of Shares, shall be created without a special resolution being passed at a separate general meeting of Shareholders.

8.9 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

8.10 All issues of Shares for cash, as defined in the JSE Listings Requirements, and including the grant of options and/or issue of convertible securities, must, to the extent applicable, be effected in compliance with the JSE Listings Requirements.

8.11 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5), but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

8.12 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 8.15, and subject to clause 8.14, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.

8.13 Unissued authorised securities of any class are always under the power of the directors and may be issued by the directors at their discretion at any time subject to any necessary compliance requirements required by such security class terms and rights and compliance with the Act, the JSE Listings Requirements and/or this Memorandum of Incorporation.

8.14 Notwithstanding the provisions of clauses 8.3, 8.4, 8.12 and 8.15, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

8.15 Notwithstanding the provisions of clause 8.12, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that such transaction(s) comply with the JSE Listings Requirements.

15. CAPITALISATION SHARES AND SCRIP DIVIDENDS

15.1 The Board shall have the power and authority, as in terms of section 47, and subject to necessary compliance with the JSE Listings Requirements, to –

15.1.1 approve the issuing of any authorised Shares as capitalisation Shares; or

15.1.2 to issue Shares of one class as capitalisation Shares in respect of Shares of another class; or

15.1.3 to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share ("**Scrip Dividend**").

15.2 The Board may not resolve to offer a Scrip Dividend, as contemplated in clause 15.1.2, unless the Board –

15.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

15.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution; and

15.2.3 grants the right of election to Shareholders to receive either cash or Shares, or both, in accordance with the JSE Listings Requirements.

34. DISTRIBUTIONS

34.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution, *inter alia*, dividends or capital payments, if such distribution –

34.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

34.1.2 is authorised by resolution of the Board and in compliance with the JSE Listings Requirements, provided that such resolution does not provide for capital to be repaid upon the basis that it may be called up again.

34.2 Dividends are declared by the directors in accordance with the Act.

34.3 All unclaimed dividends shall be held by the Company in trust until claimed, provided that dividends unclaimed for a period of 3 (three) years from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. All unclaimed monies, other than dividends, that are due to a Shareholder/s shall be held by the Company in trust for an indefinite period until lawfully claimed by such Shareholder/s, subject to the laws of prescription.

34.4 Any distribution, interest or other sum payable in cash or otherwise to the holder of a Share may be paid by cheque or warrant sent by post and addressed to -

34.4.1 the holder at his registered address; or

34.4.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

34.4.3 such person and at such address as the holder or joint holders may in writing direct.

34.5 Every such cheque or warrant shall -

34.5.1 be made payable to the order of the person to whom it is addressed; and

34.5.2 be sent at the risk of the holder or joint holders.

34.6 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

34.7 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

34.8 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

34.9 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

34.10 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part -

34.10.1 by the distribution of specific assets; or

34.10.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

34.10.3 in cash; or

34.10.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

34.11 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

34.12 The Directors may -

34.12.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

34.12.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

34.13 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date in compliance with the JSE Listings Requirements.

PROVISIONS OF THE MEMORANDUM OF INCORPORATION PERTAINING TO DIRECTORS

The relevant provisions of the current Memorandum of Incorporation of Cognition pertaining to the share capital are set out below.

25 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

25.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.

25.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.

25.3 In any election of Directors by Shareholders –

25.3.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

25.3.2 in each vote to fill a vacancy –

25.3.2.1 each vote entitled to be exercised may be exercised once; and

25.3.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

25.4 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any additional eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.

25.5 The Company may not appoint a person as an *ex officio* Director, as contemplated in section 66(4)(ii) of the Act and the power of the Company in this regard is limited or restricted by this Memorandum of Incorporation.

25.6 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following –

25.6.1 at each annual general meeting referred to in clause 20.5, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as Managing Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

25.6.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

25.6.3 a retiring Director shall be eligible for re-election at such annual general meeting contemplated in clause 25.6.1 above, provided that such meeting is held in person and not by means of a written resolution as contemplated in section 60;

25.6.4 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.13 to 20.17 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

25.7 Subject to the provisions of clause 25.2 above, the Board shall provide the Shareholders with a recommendation in the notice of the meeting at which the election or the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

25.8 The Board has the power to –

25.8.1 fill any vacancy on the Board in writing, provided that such appointment be confirmed by Shareholders, in accordance with this clause 25, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

25.8.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 25.

25.9 The Board may appoint a person, who satisfies the requirements for election as a Director, to fill any vacancy and serve as a Director of the Company on a temporary basis, until such vacancy has been filled by election, as contemplated in clause 25.3. During the period of appointment, such person shall have all the powers, function and duties, and be subject to the same liabilities, of any other Director of the Company.

25.10 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

25.11 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 25.8.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

25.12 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 25.11, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

25.13 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, provided that the appointment and remuneration or fees (in addition to the remuneration or fees to which he may be entitled as a Director) in respect of such other office must be determined by a disinterested quorum of the Directors.

25.14 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company controlled by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration or fees (in addition to the remuneration or fees to which he may be entitled as a Director) in respect of such other office must be determined by a disinterested quorum of Directors.

25.15 Unless otherwise agreed with the JSE, a special resolution to Shareholders to ratify an act of the Directors in accordance and compliance with section 20 of the Act, as amended or renumbered from time to time, and not contrary to any clause in this Memorandum of Incorporation, may be proposed to Shareholders provided that it is not contrary to the JSE Listings Requirements or is agreed to by the JSE.

26 ALTERNATE DIRECTORS

26.1 Each Director may, by notice to the Company at any time -

26.1.1 nominate any one or more than one person in the alternative (including any of his co-Directors) to be his Alternate Director; and

26.1.2 terminate any such appointment.

26.2 The appointment of an Alternate Director shall terminate when the Director to whom he is an Alternate Director ceases to be a Director.

26.3 An Alternate Director shall –

26.3.1 act as a Director and generally exercise all the rights of the Director to whom he is an Alternate Director, but only in the absence or incapacity of that Director; and

26.3.2 in all respects be subject to the terms and conditions existing with reference to the appointment, rights and duties and the holding of office of the Director to whom he is an Alternate Director, but shall not have any claim of any nature whatsoever against the Company for any remuneration of any nature whatsoever.

31 BORROWING POWERS

31.1 The Directors may from time to time exercise all of the powers of the Company to

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.1 For the purposes of clause 31.1, the borrowing powers of the Company shall be unlimited.

SHARE PRICE HISTORY OF COGNITION

The highest, lowest and closing price of Cognition Shares on the JSE for each month commencing from 1 October 2017 to 30 September 2018 and aggregated monthly volume is as follows:

Month ended	High (cents)	Low (cents)	Close (cents)	Volume
31 October 2017	126	126	126	759
30 November 2017	120	120	120	19 000
31 December 2017	-	-	127	-
31 January 2018	120	117	120	50 151
28 February 2018	98	98	98	20 000
31 March 2018	-	-	99	-
30 April 2018	105	105	105	2 052
31 May 2018	-	-	109	-
30 June 2018	-	-	100	-
31 July 2018	98	98	98	380
31 August 2018	115	95	96	15 227
30 September 2018	115	115	115	60 000

The highest, lowest and closing price of Cognition Shares on the JSE, for the last 30 trading days, up to and including 26 October 2018 (being the Last Practicable Date prior to the finalisation of this Circular) and the daily volume are as follows:

Day ended	High (cents)	Low (cents)	Close (cents)	Volume
14 September 2018	-	-	110	-
17 September 2018	-	-	110	-
18 September 2018	110	110	110	32
19 September 2018	-	-	110	-
20 September 2018	-	-	110	-
21 September 2018	-	-	110	-
25 September 2018	109	109	109	18
26 September 2018	-	-	109	-
27 September 2018	109	109	109	79 327
28 September 2018	115	115	115	60 000
1 October 2018	-	-	115	-
2 October 2018	105	105	105	543
3 October 2018	110	105	110	29 857
4 October 2018	-	-	110	-
5 October 2018	90	90	90	14 500
8 October 2018	-	-	90	-
9 October 2018	-	-	90	-
10 October 2018	-	-	90	-
11 October 2018	-	-	90	-
12 October 2018	105	100	100	18 300
15 October 2018	113	101	101	11 464
16 October 2018	115	101	115	85
17 October 2018	115	115	115	13 882
18 October 2018	125	120	125	42 500
19 October 2018	130	130	130	5 000
22 October 2018	125	125	125	16 750
23 October 2018	134	115	115	141
24 October 2018	-	-	115	-
25 October 2018	-	-	115	-
26 October 2018	-	-	115	-

Source: JSE

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

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 3 of this Circular to which this notice is incorporated, apply to this notice, unless a word or a term is otherwise defined herein.

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

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 12:00 on Friday, 7 December 2018 at the registered office of Cognition, Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194, to consider, and, if deemed fit, to pass, with or without modification, the following resolutions.

The board of directors of the Company ("**the Board**") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended, the record date for the purposes of determining which Shareholders of the Company are entitled to participate in and vote at the General Meeting is Friday, 30 November 2018. Accordingly, the last day to trade Cognition Shares in order to be recorded in the Company's securities register to be entitled to vote will be Tuesday, 27 November 2018.

SPECIAL RESOLUTION 1 – CONVERSION OF THE ORDINARY SHARES IN THE COMPANY'S AUTHORISED SHARE CAPITAL FROM PAR VALUE SHARES TO SHARES OF NO PAR VALUE

"RESOLVED THAT, in accordance with the provisions of regulations 31(6) and 31(7) of the Companies Regulations, published in terms of the Companies Act, 2008 (Act 71 of 2008), as amended (**"Companies Act"**), the authorised share capital of Cognition, comprising 250 000 000 (two hundred and fifty million) authorised and 137 615 798 (one hundred and thirty seven million six hundred and fifteen thousand seven hundred and ninety eight) issued ordinary shares having a par value of R0.001 each, is hereby converted into ordinary shares having no par value, on the basis that each ordinary no par value share shall have the same value, rights and privileges which attached to such shares immediately prior to the passing of this Special Resolution Number 1."

Explanatory note

The adoption of this Special Resolution Number 1 will convert the ordinary shares of par value to ordinary shares of no par value, in order to facilitate the creation of new ordinary shares in the capital of the Company, in terms of the Companies Act.

The minimum percentage of voting rights that is required for Special Resolution Number 1 to be adopted is 75% (seventy five percent) of the votes exercised on such special resolution by Shareholders present or represented by proxy at the General Meeting.

Regulation 31(7) of the Companies Regulations, 2011, requires the board of a company to prepare a report in respect of a proposed resolution to convert any par value shares into no par value shares. This report was prepared and is attached as Annexure 7 of this Circular to which this notice is incorporated.

SPECIAL RESOLUTION 2 – INCREASE IN THE AUTHORISED NO PAR VALUE SHARE CAPITAL OF THE COMPANY

"RESOLVED THAT, subject to the passing of Special Resolution Number 1 and in accordance with the provisions of regulations 31(6) and 31(7) of the Companies Regulations, 2011, published in terms of the Companies Act, 2008 (Act 71 of 2008), as amended (**"Companies Act"**), the authorised share capital of Cognition be and is hereby increased by the creation of a further 1 000 000 000 (one billion) ordinary no par value Shares in the authorised share capital of the Company, ranking *pari passu* in all respects with the existing no par value Shares in the authorised share capital of the Company, so as to result in a total of 1 250 000 000 (one billion two hundred and fifty million) ordinary no par value Shares in the authorised share capital of the Company."

Explanatory note

The adoption of this Special Resolution Number 2 will increase the authorised share capital of the Company in order to facilitate the creation of new ordinary Shares in the capital of the Company, in terms of the Companies Act.

The minimum percentage of voting rights that is required for Special Resolution Number 2 to be adopted is 75% (seventy five percent) of the votes exercised on such special resolution by Shareholders present or represented by proxy at the General Meeting.

SPECIAL RESOLUTION 3 – AMENDMENT TO PERCENTAGE OF VOTING RIGHTS REQUIRED TO APPROVE AN ORDINARY RESOLUTION

"RESOLVED THAT, clause 24.1 of the Company's Memorandum of Incorporation, which presently reads as follows:

"24.1 For an ordinary resolution to be approved it must be supported by more than 60% (sixty percent) of the voting rights of Shareholders exercised on the resolution, as provided in section 65(7)."

be deleted in its entirety and replaced with the following clause

"24.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution, as provided in section 65(7)."

Explanatory note

The adoption of this Special Resolution Number 3 will result in the percentage of voting rights required to approve an ordinary resolution to decrease from 60% (sixty percent) to 50% (fifty percent).

The minimum percentage of voting rights that is required for Special Resolution Number 3 to be adopted is 75% (seventy five percent) of the votes exercised on such special resolution by Shareholders present or represented by proxy at the General Meeting.

SPECIAL RESOLUTION 4 – AMENDMENTS TO THE MEMORANDUM OF INCORPORATION OF THE COMPANY

"RESOLVED THAT, subject to the passing of Special Resolutions Number 1, 2 and 3, the amendments to the Memorandum of Incorporation of Cognition, a copy of which has been tabled at this General Meeting for purposes of identification, be and are hereby adopted in accordance with the provisions of section 16(1)(c) of the Companies Act, 2008 (Act 71 of 2008), as amended (**"Companies Act"**) and in compliance with Schedule 10 of the Listings Requirements of JSE Limited (**"JSE"**), with effect from the date of approval of this Special Resolution Number 4."

Explanatory note

The Board has passed a resolution proposing that this Special Resolution Number 4 is adopted for the purpose of ensuring that the Company's Memorandum of Incorporation is amended in order to convert the ordinary Shares in the Company's authorised share capital from par value Shares to Shares of no par value, to increase the authorised ordinary share capital of the Company and to decrease the percentage of voting rights required to approve ordinary resolutions. The proposed amendments to the Company's Memorandum of Incorporation are set out in paragraph 6 of this Circular to which this notice is incorporated.

The adoption of this Special Resolution Number 4 will authorise the amendments to the Memorandum of Incorporation of the Company.

The minimum percentage of voting rights that is required for Special Resolution Number 4 to be adopted is 75% (seventy five percent) of the votes exercised on such special resolution by Shareholders entitled to vote, present or represented by proxy at the General Meeting, and further subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE.

ORDINARY Resolution Number 1 – APPROVAL OF THE ACQUISITION

"RESOLVED THAT the **"Acquisition"** (which shall bear the meaning ascribed thereto in the Circular to which this notice of General Meeting is attached, and at which General Meeting this resolution will be proposed) be and is hereby approved."

Explanatory note

The Acquisition constitutes a category 1 transaction in terms of the Listings Requirements of the JSE Limited (**"Listings Requirements"**) and accordingly, is subject to approval thereof by Shareholders by way of an ordinary resolution.

In terms of the Listings Requirements, a simple majority of the votes (ie more than 50%) cast by Shareholders present or represented by proxy at the General Meeting, must be cast in favour of Ordinary Resolution Number 1.

It must be noted that Shares held by Caxton, as a related party in terms of the Listings Requirements, and its associates, are precluded from voting on Ordinary Resolution Number 1. However, as Shareholders in Cognition, they may be taken into account in determining a quorum for purposes of the General Meeting.

SPECIAL RESOLUTION NUMBER 5 – APPROVAL TO ISSUE THE CONSIDERATION SHARES IN TERMS OF SECTION 41(3) OF THE COMPANIES ACT

"RESOLVED THAT, the Board be and is hereby authorised, in accordance with the provisions of section 41(3) of the Companies Act, to issue the **"Consideration Shares"** (which shall bear the meaning ascribed thereto in the Circular to which this notice of General Meeting is attached, and at which General Meeting this resolution will be proposed)."

Explanatory note

In accordance with the provisions of section 41(3), read with section 65(11)(e) of the Companies Act, a special resolution is required to be approved by shareholders in the event that the voting power of a class of shares that are to be issued as a result of a transaction will exceed 30% of the voting power of that class of shares held by shareholders immediately prior to the transaction.

The issue of the Consideration Shares contemplates an issue by the Company of more than 30% of the Company's Shares, excluding treasury Shares, currently in issue, and such issue accordingly requires the approval of Shareholders in terms of section 41(3) of the Companies Act.

ORDINARY RESOLUTION NUMBER 2 – WAIVER OF MANDATORY OFFER PROVISIONS OF THE COMPANIES ACT

"RESOLVED THAT, the requirement that Caxton make a Mandatory Offer at 120 cents per Cognition Share by reason of it acquiring 35% or more of the voting rights or securities of the Cognition, as a consequence of the Acquisition and the issue of the Consideration Shares, be and is hereby waived."

Explanatory note

Following the implementation of the Acquisition and the issue of the Consideration Shares to CTP, Caxton would, directly and indirectly, be able to exercise at least 35% of the total voting rights attached to the Cognition Shares, thereby triggering a mandatory offer to Cognition Shareholders as contemplated in section 123(3) of the Companies Act, at a price of 120 cents per Share, being the price of the Consideration Shares, unless same is waived by Independent Shareholders by way of an ordinary resolution in accordance with the Companies Regulations. Accordingly, Independent Shareholders are being requested to waive their right to receive the Mandatory Offer.

ORDINARY RESOLUTION NUMBER 3 – CONTROL OF AUTHORISED BUT UNISSUED SHARES

"Resolved that the authorised but unissued Shares in the capital of Cognition be and are hereby placed under the control and authority of the Directors and that the Directors be and are hereby authorised and empowered to allot and issue all or any of such Shares, or to issue any options in respect of all or any of such Shares, to such person/s on such terms and conditions and at such times as the Directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements, as amended from time to time."

Explanatory note

The adoption of this Ordinary Resolution Number 3 will place the Shares under the control and authority of the Directors who will be authorised and empowered allot and issue such Shares, or to issue any options in respect of such Shares, to such person/s on such terms and conditions and at such times as the Directors may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements.

ORDINARY RESOLUTION NUMBER 4 – AUTHORITY GRANTED TO DIRECTORS

"Resolved that each Director of Cognition be and is hereby individually authorised, on behalf of Cognition, to enter into, sign and/or despatch any and all such agreements, documents and notices, as may be necessary, expedient or desirable (in each case in the opinion of such Director) and do all such other things and procure the doing of all such things as may be necessary for or incidental to the implementation of the Acquisition and the issue of the Consideration Shares, and should any such agreements, documents or notices have been signed, or any such action taken before the date of this resolution, such signature or action be and is hereby ratified and approved."

Explanatory note

The adoption of this Ordinary Resolution Number 4 will authorise any Director of the Company to execute all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the Resolutions set out in this notice of General Meeting.

It must be noted that Shares held by the Company's trust or share scheme or Subsidiaries will not have their votes taken into account for Listings Requirements resolution approval purposes.

VOTING AND PROXIES

For an Ordinary Resolution to be adopted at the General Meeting, it must be supported by more than 60% of the voting rights exercised on the Resolution, excluding any Related Party/ies and associates, as the case may be.

For a Special Resolution to be adopted at the General Meeting, it must be supported by more than 75% of the voting rights exercised on the Resolution, excluding any Related Party/ies and associates, as the case may be.

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of registered Shareholders of the Company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those Shareholders who:

- hold Shares in Cognition in Certificated form; or
- are recorded on the electronic sub-register in "own name" Dematerialised form.

Shareholders who have Dematerialised their Shares through a CSDP or broker without "own name" registration and who wish to attend the General Meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the General Meeting in person or by proxy and vote.

If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Shareholders who hold Dematerialised Shares which are registered in their name or if they are the registered holder of Certificated Shares may attend the General Meeting in person, alternatively, they may appoint a proxy or proxies, who need not be a Shareholder of the Company to represent them at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. Forms of proxy should be forwarded to reach the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the General Meeting. Any form of proxy not delivered by this time may be handed to the Chairperson of the General Meeting immediately before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.

Meeting participants, which include proxies, are required to provide identification reasonably satisfactory to the Chairperson of the General Meeting before being entitled to attend, participate in or vote a Shareholders' meeting. The Company will regard the presentation of participants' original drivers' licences, identity documents or passports to be satisfactory "identification".

By order of the Board

S A Kleynhans, BA B.Iuris LLB LLM
Company Secretary

Johannesburg
9 November 2018

Registered office
Cognition House
Corner Bram Fischer Drive and Will Scarlet Road
Ferndale, Randburg, 2194
(PO Box 3386, Pinegowrie, 2123)

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

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

FORM OF PROXY

For use only by Cognition Shareholders who:

- hold Shares in Certificated form ("Certificated Shareholders"); or
- have Dematerialised their Shares ("Dematerialised Shareholders") and are registered with "own-name" registration,

at the General Meeting of Shareholders of the Company to be held at 12:00 on Friday, 7 December 2018 at the registered office of Cognition, Cognition House, Corner Bram Fischer Drive and Will Scarlet Road, Ferndale, Randburg, 2194.

Dematerialised Shareholders holding Shares other than with "own-name" registration, who wish to attend the General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the General Meeting in person or by proxy and vote. If they do not wish to attend the General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or broker. **These Shareholders must not use this form of proxy**.

I/We

(full name/s in block letters)

of (address)

Telephone work ( ) Telephone home ( )

Cellphone number Email address

being the holder/custodian of Shares of the Company, hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the Shares registered in my/our name in accordance with the following instructions:

	Number of Shares		
	For	**Against**	**Abstain**
Special Resolution Number 1 – Conversion of the ordinary Shares in the Company's authorised share capital from par value Shares to Shares of no par value			
Special Resolution Number 2 – Increase in the authorised no par value share capital of the Company			
Special Resolution Number 3 – Amendment to percentage of voting rights required to approve an ordinary resolution			
Special Resolution Number 4 – Amendments to the Memorandum of Incorporation of the Company			
Ordinary Resolution Number 1 – Approval of the Acquisition			
Special Resolution Number 5 – Approval to issue the Consideration Shares in terms of section 41(3) of the Companies Act			
Ordinary Resolution Number 2 – Waiver of Mandatory Offer provisions of the Companies Act			
Ordinary Resolution Number 3 – Control of authorised but unissued Shares			
Ordinary Resolution Number 4 - Authority granted to Directors			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

Signed at ______________________________ on ______________ 2018

Signature ______________________________

Assisted by (where applicable) ______________________________

Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

Notes

1. Summary of Rights Contained in Section 58 of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act")

   In terms of section 58 of the Companies Act:-

   - **a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder;**
   - **a proxy may delegate her or 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;**
   - **irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;**
   - **if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and**
   - **a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 6).**

2. The form of proxy must only be used by Shareholders who hold Shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
3. All other beneficial owners who have Dematerialised their Shares through a CSDP or broker and wish to attend the General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or broker.
4. A Shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy or the names of two alternate proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairperson of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
5. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary Share held. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the Shares held by the Shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or the proxy is not obliged to use all the votes exercisable by the Shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or the proxy.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the Shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited ("transfer secretaries"), not less than 48 (forty-eight) hours before the commencement of the General Meeting.
7. If a Shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
8. The Chairperson of the General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
9. A Shareholder's authorisation to the proxy including the Chairperson of the General Meeting, to vote on such Shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
10. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Transfer Secretaries or is waived by the Chairperson of the General Meeting.

12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretaries.

13. Where there are joint holders of Shares:

- any one holder may sign the form of proxy;
- the vote(s) of the senior Shareholders (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Company's register of ordinary Shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).

14. Forms of proxy should be lodged with or mailed to the transfer secretaries:

Hand deliveries to:	**Postal deliveries to:**	**Email:**
Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196	Computershare Investor Services Proprietary Limited PO Box 61051 Marshalltown 2107	proxy@computershare.co.za

to be received by no later than 12:00 on Wednesday, 5 December 2018 (or 48 (forty-eight) hours before any adjournment of the General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of JSE Limited) or may be handed to the Chairperson of the meeting immediately before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.

15. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.