

**FIRM INTENTION ANNOUNCEMENT OF
PROPOSED DISPOSAL BY THE COMPANY OF ITS
50,01% SHAREHOLDING IN PRIVATE PROPERTY
SOUTH AFRICA PROPRIETARY LIMITED, AND
WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

1. INTRODUCTION

Shareholders of the Company ("the Shareholders") are referred to the cautionary announcements dated 3 August, 26 August and 20 September 2022 (inadvertently released again instead of this Firm Intention Announcement) relating to the disposal by the Company of its 50,01% shareholding in Private Property South Africa Proprietary Limited ("the Disposal"), and terms defined in those announcements are utilised in this announcement. In this regard, the attention of Shareholders is specifically drawn to the provisions of paragraph 7 below.

As the Disposal is subject to the provisions of section 112, as read with section 117(c) (i), of the Companies Act, 2008 ("the Act") and the Takeover Regulations of the Takeover Regulation Panel ("the TRP" and "the Code"), the TRP has ruled that, in accordance with the provisions of regulation 90 of the Regulations, the Company must retain an independent expert acceptable to the TRP ("the Expert") to report on the terms and conditions of the Disposal.

In accordance with regulations 108(8) and 108(9) of the Code, the board of directors of the Company ("the Board") has therefore constituted a sub-committee of the Board to act as the independent board for the purposes of the Disposal, comprising of Messrs. Miles Crisp, Dennis Lupambo and Steven Naude, who are independent non-executive directors ("the Independent Board"), and the Independent Board has appointed Exchange Sponsors Projects Proprietary Limited as the Expert. The Expert has prepared a report to the Independent Board for distribution to the Shareholders in terms of section 114(3) of the Act and has provided the Independent Board with advice regarding the Disposal and made appropriate recommendations to the Independent Board to enable the Independent Board to make a recommendation to the Shareholders.

The recommendations of the Board and the Independent Board and the report of the Expert are included in the circular to the Shareholders containing the terms and conditions governing the Disposal ("the Circular") which has been distributed to the Shareholders.

2. CONSIDERATION AND CASH CONFIRMATION

The Consideration payable to the Company in terms of the Disposal is an amount of R150 000 000, payable in cash against fulfilment of the conditions precedent set out in paragraph 4 below.

In compliance with Regulations 111(4) and 111(5) of the Act, the TRP has been provided with the necessary irrevocable unconditional guarantees issued by the Standard Bank of South Africa Limited and Investec Bank Limited for the purposes of settling the Consideration should the Disposal be implemented.

3. RATIONALE FOR THE DISPOSAL

The business of Cognition has been subjected to a vigorous reassessment process following the restructuring of the management team at the end of December 2021. The existing businesses of FoneWorx and BMI have been refocused and aligned with the identified needs of their respective customer bases.

At the same time, Private Property has also interrogated its priorities and business imperatives and has resolved to commit greater investment to future growth prospects and in its long-term business initiatives, serviced by its web-based platform. This will require an allocation of considerable additional resources in technology and marketing.

In the process of the above review, it has become apparent to the company that its investment in Private Property may benefit from a more industry-aligned shareholder base which supports the imperatives of growth as opposed to short term returns, and which can accelerate the implementation of Private Property's revised strategy. In the circumstances, the offer to acquire Cognition's shareholding in Private Property represents an opportunity for the company to return significant value to shareholders.

4. CONDITIONS PRECEDENT TO THE DISPOSAL

The Disposal will be subject to the fulfilment of the following conditions precedent by 31 December 2022, or such later date as the Company and the TRP may agree to in writing:

- 4.1 approval of the Disposal by the Shareholders by way of a special resolution, requiring a majority vote of 75%, as contemplated in section 115(2) of the Act, and:
 - * to the extent required, the approval and the implementation of such resolution by the court as contemplated in section 115(3)(a) of the Act; and
 - * if applicable, the Company not treating the aforementioned resolution as a nullity, as contemplated in section 115(5)(b) of the Act;
- 4.2 Shareholders not having exercised appraisal rights by giving valid demands to this effect to the Company, in terms of section 164(7) of the Act;
- 4.3 the Expert having prepared and submitted a fair and reasonable opinion to the Independent Board;
- 4.4 the Independent Board having resolved to recommend acceptance of the Disposal to the Shareholders, and
- 4.5 the TRP having issued a compliance certificate as required in terms of section 121 (b) of the Act.

5. SHAREHOLDINGS, ACTING AS PRINCIPAL AND CONCERT PARTIES

The Purchasers confirm that they presently own no shares in the Company, that they are the ultimate proposed purchasers of the Sale Shares and are not acting in concert with, or as an agent or broker for, any other party.

6. IRREVOCABLE UNDERTAKING BY CONTROLLING SHAREHOLDER

The Purchasers have been provided with irrevocable undertakings to vote in favour of the resolutions required to implement the Disposal by CTP Limited and Caxton and CTP Publishers and Printers Limited, who directly and indirectly hold 67% of the issued share capital of the Company.

7. CIRCULAR

The Circular relating to the Disposal, incorporating the terms of the Disposal, the Expert's report, the notice of the General Meeting required to implement the Disposal and a form of proxy, was distributed to Shareholders on Friday, 14 October 2022. The salient dates and times in relation to the Disposal were published on the date of distribution of the Circular and are also contained in the Circular.

8. WITHDRAWAL OF CONTINUED CAUTIONARY ANNOUNCEMENT

The continued cautionary announcement dated 26 August 2022 is hereby withdrawn.

9. RESPONSIBILITY STATEMENT

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

By order of the board.

Johannesburg
27 October 2022

Sponsor



Auditors and Reporting
accountants



Attorneys



Independent expert

