COGNITION HOLDINGS LTD

ANNUAL REPORT 2023

CONTENTS

SCOPE OF REPORT

About This Report

The board of directors ("the Board") of Cognition Holdings Limited ("Cognition" or "the Company" or "the Group") present the Group's Integrated Annual Report ("the Annual Report" or "the Integrated Report") for the financial year ended 30 June 2023.

The Annual Report covers information from all operating divisions of the Group. An overview of the Group is available on the Group's website at www.cgn.co.za.

The Annual Report provides an overview of the Group's business, incorporating identified material issues impacting the Group and its subsidiaries and providing an understanding of the Group's strategy and business model. The Annual Report incorporates the Group's approach to sustainability and general corporate governance.

Scope and Boundary

The Annual Report covers the reporting period from 1 July 2022 to 30 June 2023.

In preparing the Annual Report, Management have considered and applied the following frameworks:

The Listings Requirements of the JSE Limited ("the JSE Listing Requirements")	Throughout the Report
The South African Companies Act, 2008 (Act 71 of 2008), as amended ("the Companies Act")	Throughout the Report
The King Report on Corporate Governance for South Africa ("King IV")	Throughout the report as well as the King IV register on the Cognition website: www.cgn.co.za
Global Reporting Initiative ("GRI") Framework	Throughout the Report
Guidelines for Sustainability Reporting	Throughout the Report
International Financial Reporting Standards ("IFRS") and the South African financial reporting requirements	Consolidated Annual Financial Statements on pages 45 to 91

Directors' Responsibility

The Audit and Risk Committee and the Board acknowledge their responsibility to ensure the integrity of this Integrated Report. It has been reviewed by the Audit and Risk Committee, the Board, Company Secretary and Sponsor. The Financial Statements included in this Integrated Report have been audited by the external auditor, BDO South Africa Incorporated.

External Assurance

No independent assurance was sought on this Annual Report. The Financial Statements were independently audited by the Group's Auditor.

Forward-Looking Statements

This Integrated Report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at 30 June 2023. Actual results may differ materially from the Group's expectations if known or unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate.

The Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. The Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information or conditions manifest as a result of future events, or for any other reason, as is required by legislation or regulation.

This Integrated Report is available in hard copy on request from the registered office of the Company and is also posted on the Group's website at www.cgn.co.za. For further information, please contact the Company Secretary.

Any forecast financial information that may be contained in this Integrated Report has not been reviewed or reported on by the Company's auditor.

DIRECTORS AND MANAGEMENT

DIRECTORS' PROFILES

EXECUTIVE DIRECTORS:

Rob Fedder – CEO
B.Com
Age: 41

Rob Fedder is a passionate business turnaround strategist and performance enhancement executive with over 17 years of unique and balanced experience in large and small businesses, including managing director of business units within a large JSE - listed business and holding a senior role within a start-up environment. Rob has an entrepreneurial spirit focusing on operational excellence well rounded with a realistic, solutions-based approach to challenges. Core focus areas for Rob include change management strategies and implementation, business and process optimisation and business continuity and development to ensure commercial optimisation.

Rob joined the broader Caxton Group in September 2021 as a Business Management Consultant with project-based, operational responsibility for assigned divisions to develop the business' growth strategy.

Pieter Scholtz – Financial Director CA(SA)
B.Com (Acc), B.Com Honours, CTA, CIMA
Age: 47

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 (CFO). 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.

NON-EXECUTIVE DIRECTORS

Paul Jenkins (Chairman)
(Independent Non-Executive Director)
B.Com, LLB
Age: 64

Paul qualified at Rand Afrikaans University in 1981 with a BCom and LLB and was admitted as an attorney and notary in February 1986. He became a partner of Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full time. 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 CTP Publishers and Printers Limited and of Private Property South Africa Proprietary Limited.

Miles Crisp, CA(SA)
(Independent Non-Executive Director)
B.Com CTA
Age: 65

Miles obtained a B.Com and CTA at Rhodes University in 1981 and qualified as a CA(SA) at Coopers & Lybrand in Johannesburg. He co-founded Anderson Rochussen Crisp in 1985 and moved to Deloitte & Touche as a partner in 1994. Miles held several leadership positions at Deloitte, serving on the firm's Exco from 2002 until 2007 and he led his division for the EMEA region from 2000 until 2006 whilst commuting monthly between South Africa and Europe. Miles has been CEO of O'Keeffe & Swartz (Pty) Ltd (short-term insurance sales), Securedata Ltd (IT security distribution) and Tarsus Technologies (Pty) Ltd (IT distribution). In the last two he was tasked to lead the companies' reorganisation, restructuring and sale. Miles is now an independent contractor helping enterprises with strategy and business development. Miles performs various pro-bono leadership roles at Vuleka Schools, Children in the Wilderness and ROCKBlue.org.

DIRECTORS AND MANAGEMENT (CONTINUED)

Servaas de Kock
(Non-Executive Director)
B.Com (HR and Marketing)
Age: 49

Servaas completed a B.Com at the University of the Free State. He is a media- and digital professional with over 20 years of experience and is currently employed as the Group Executive - Digital at Caxton. He is responsible for Caxton's digital portfolio (excluding Citizen) which includes digital investment partnerships. He started his career in radio, after which he started a web development and digital marketing business. Servaas has overseen multiple SAAS, software, and web development projects. He understands the digital landscape and compiled multiple top-line strategies for various platform businesses. Servaas has a strong commercial background and an understanding of how to interlink different strategies

Dennis Lupambo
(Independent Non-Executive Director)
BSc (Electrical Engineering)
Age: 60

Dennis received a Bachelor of Science with Honours in Electrical Engineering in 1987 from the University of Southampton, England. He has since worked in various industries including Mining (Zambia Consolidated Copper Mines), Auditing (KPMG Lusaka, Zambia), Petrochemicals (Sasol), Electricity Utility (Eskom), Management Consultancy (Gemini Consulting), Banking - Cards, Electronic Banking and Home Loans (Standard Bank and Ecobank Transnational Incorporated), Telecommunications (MTN South Africa) and MasterCard Lab for Financial Inclusion (Nairobi, Kenya). 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.

Amasi Mwela
(Non-Executive Director)
B.Com, MBA
Age: 42

Amasi began his tenure at Private Property Proprietary Limited ("Private Property") at the beginning of 2019, where his vast experience in developing effective strategic focus, brand repositioning and customer centricity have already begun to bear fruit. Amasi has a proven track record of successfully making strategic acquisitions, showing rapid growth and building operational integrity at prominent companies such as Fundi, Old Mutual iWYZE, American Express Corporate Travel, and both Standard Bank and FNB, whereafter Amasi served as the CEO of Private Property until January 2023. Recently Amasi was appointed by as the managing director of is Cars.co.za.

Stephen Naudé
(Independent Non-Executive Director)
BCom CA(SA) MBA

Age: 72

Steve is a Chartered Accountant and obtained his MBA from the University of Chicago Graduate School of Business. Steve has more than 40 years' experience in corporate finance and investment banking locally and internationally.

SUBSIDIARY COMPANIES

FONEWORX (PTY) LTD

Rob Fedder
CEO

Rob Fedder is a passionate business turnaround strategist and performance enhancement executive with over 17 years of unique and balanced experience in large and small businesses, including managing director of business units within a large JSE - listed business and holding a senior role within a start-up environment. Rob has an entrepreneurial spirit focusing on operational excellence well rounded with a realistic, solutions-based approach to challenges. Core focus areas for Rob include change management strategies and implementation, business and process optimisation and business continuity and development to ensure commercial optimisation.

Rob joined the broader Caxton Group in September 2021 as a Business Management Consultant with project-based, operational responsibility for assigned divisions to develop the business' growth strategy - and is now excited to lead Cognition Holdings to its next level of success in the capacity of the company's CEO.

Pieter A Scholtz
Financial Director

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 (CFO). 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
Sales Director

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, specialising in servicing and maintenance of PABX and telecommunications equipment. Teleboss later bought Qualicom and Graham stayed on as Operations Director. In 1992, he left Teleboss to become an independent consultant. In 1995, Graham returned to Teleboss as Managing Director of the Johannesburg region. After managing Teleboss for four years, he took up the position as CEO of TeleMessage in October of 1999 and in December was appointed to the board of directors as Managing Director. Telemessage was merged with a subsidiary of Cognition Holdings, formerly FoneWorx Holdings Ltd, in 2003.

Jessica Padgett
Group Financial Manager

Jessica started her career in March 2000 as an audit clerk at B E Rees & Company (audit firm) while she completed 5 years of articles. Once she had completed her articles she was appointed as audit manager.
In 2006 Jessica joined FoneWorx in the position of Group Financial Manager, a position she currently holds.

Matthew Walstra
IT Manager

Matthew joined FoneWorx in 2003 as a junior developer and has steadily worked his way through the ranks to his current position as IT Manager. He has led our IT department since 2012.

SUBSIDIARY COMPANIES (CONTINUED)

BMI RESEARCH MANAGEMENT

Jenni-Ruth Coggin
CEO

Jenni has worked in the marketing research industry for 18 years. She is a top producing management professional and expert in client management and business strategy. She conducts research that is aligned with brand needs and feeds directly into business strategies. Jenni has worked in Johannesburg and Cape Town with local and international clients across the FMCG, Financial, ICT, and Retail sectors.

Dana Braithwaite
Director

Dana Braithwaite started working at BMi as the researcher within the foodservices division. She then moved to Senior Research Analyst of the Food Division before becoming Research Director in 2008. She is currently a Senior Consultant to the Research division, offering BMi half her time. Dana's industry experience includes organic chemistry (she graduated from UJ (then RAU) with a Ph D in Organic Chemistry), knowledge management, the local food and packaging industry bringing together her persistent interest in the connection of science and technology to our daily lives. Her years in the research sector started in the commercial foodservices sector and this has remained an ongoing interest. Her current duties at BMi include mentorship, training, project oversight and project design.

Greg Avramit
IT Director

Greg has over 20 years' experience in information technology including infrastructure and database design, network implementation, data integration, application development and specialises in SQL databases and IT networks. His extensive mobile solution experience efficiently moves data to and from our mobile field force.

Michelle Daines
Research Manager

Michelle has over 20 years of experience in the research trade, across a wide variety of methodologies, study designs and analysis techniques. She has exposure to a diverse range of client and industries, including the Retail, FMCG, Foodservice, Finance and Education sectors. Her experience translates into added value at every level of the research process, and ensures that the final client deliverables are relevant, valuable and actionable.

LIVINGFACTS PROPRIETARY LIMITED ("LIVINGFACTS")

Marylou Kneale

Livingfacts founder and Managing Director, Marylou Kneale, has three decades of research experience and extensive knowledge of the corporate, SME and Wealth sectors. She is a member of SAMRA, ESOMAR, AMA (USA), Women in Finance Network and the Institute of Directors

Heidi Clowes

Heidi has 29 years of experience which has given her extensive knowledge of research from research design, methodologies, project management, analysis, reporting and client management. She is an expert in Business to Business and High Net Worth Market Research.

CEO'S REPORT FOR 2023

It gives me great pleasure to present our annual financial report for 2023. I want to express my sincere appreciation for your continued trust and support. Your confidence in our vision and strategy drives us forward. As we face the future, we remain committed to our values and mission, knowing that challenges will only make us stronger.

Financially the most significant event was concluding the disposal of the Group's majority interest in Private Property which is classified and reported on by the Group as discontinued operations. The disposal resulted in a direct profit of R66.7 million before tax and improved the cash holdings of the Group significantly.

The remaining business units of the Group are reported as continuing operations and consist of Research and Insights, Campaign and Data Management Services and Channel Incentives.

In last year's report we reported that management focus will be to embark on several initiatives to strengthen the core of the Company and drive revenue and profit growth. The initiatives identified were, "a clear focus on increasing technological capacity, improved solutions for customers to drive revenue growth, right-sizing of the business and simplification of internal systems and processes and ongoing monitoring and control of costs within the business."

PERFORMANCE

Research and Insights

Customised research and insights partner, focusing on product pricing, B2B and consumer research, market sizing and advertising monitoring. Challenging economic circumstances have led to subdued sales within this division, albeit fortunately mitigated by an enhanced gross profit margin resulting in a slight improvement in revenue this year, up from R23.5 million to R23.8 million.

The diverse strategic and bespoke research and analytics solutions are an essential part of the business and necessary for future growth. Management continues to monitor costs and look at opportunities to automate and improve efficiencies, whilst keeping the value of delivering exceptional insights to our customers top of mind.

The business unit has its focuss on innovation and the development of new products such as:

- An enhanced Print Ads system to gather promotional pricing data which delivers additional outputs in promotional pricing reports.
- Development of a Mystery Shopping platform that turns Mystery Shopping results around in 24-48 hours.
- Dashboard development with more engaging visualisations of the data for the Pricing Intelligence and Adcheck divisions.

The business unit will continue to innovate, manage and enhance operational efficiencies to ensure optimised results and relevancy in the current market.

Campaign and Data Management Services

Collaborates with brands and agencies that want to connect, engage with, and understand their customers' behaviour, using relevant market technology. This business unit navigates through an evolving landscape increasingly shaped by major social media platforms such as Facebook, X, Instagram, TikTok and Snapchat. As a result, our service portfolio is transitioning away from traditional bearer services such as USSD and SMS, therefore focusing more on campaign design and integration services with platforms which ultimately are changing the cost of the services we offer with a 13% improvement in Gross Profit margin when compared to the previous year.

The past year witnessed a 3.1% decline in the number of campaigns we hosted and additionally we had a reduction in average campaign value of 8.6%, which when combined resulted in a decline in revenue. Encouragingly, the enhanced Gross Profit margin has effectively balanced the scales, enabling the business unit to sustain a Gross Profit that mirrors the prior year's performance.

CEO'S REPORT FOR 2023 (CONTINUED)

Channel Incentives

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

Over the past two years the business unit has been severely impacted by restrictions placed on its operations by the cellular retailers. These restrictions culminated in the last remaining cellular franchise retailer restricting the use of the Channel Incentive platform in October 2022. Responding to these restrictions, the business unit focused on rationalising its operating structure and offering innovative payment solutions for incentives that are simpler, faster and more cost effective than those of its competitors. The net result is that even though there has been a significant decrease in its traditional offering of more than 55% in the past year, the new service offerings are slowly regaining market share reducing the impact of the decline to only 39% when compared to the prior year.

PROSPECTS

The Group has achieved noteworthy strides this year in aligning its business structure and processes with its product lineup and strategic direction. A collaborative effort with its controlling shareholder, Caxton & CTP Limited Publishers and Printers ("Caxton") has been initiated to pinpoint and capitalise on prospects within Caxton and its clientele. This concerted approach signifies Cognitions' commitment to exploiting untapped potential during these difficult economic times. The Board is also working closely with Caxton to identify the most effective way of returning value to shareholders.

Rob Fedder
Chief Executive Officer

FINANCIAL DIRECTOR’S REPORT

Financial Performance

Revenue from continuing operations declined from R91.7 million down to R79,2 million, a 13.6% decline with Gross Profit reducing by 8.2% from R63.8 million to R58.6 million. As indicated above this is mostly due to the decline in Channel Incentives. Due to the right-sizing and significant operating cost reductions, staff costs declined by 7% from R43 million to R40 million and operating cost reduced by 32.7% from R20.3 million to R13.7 million. Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) increased from R470k to R4.8 million for continuing operations.

In addition, the Group did not need to impair intangible assets or goodwill in the period under review and did not incur any losses on the sale of subsidiaries as it did in the previous year. It further benefited from prevailing high interest rates which, with its substantial cash balance has resulted in significant income from interest, resulting in the Group being able to report Profit before Tax from continuing operations of R14,7 million as compared to a loss of R11.8 million in the previous period.

With the profit on the sale of Private Property the Group reported Profit from discontinued operations for the year of R59.1 million as compared to a loss in the previous period of R35.3 million. Consequently, the Group was able to report a Total Comprehensive Income for the year of R68.7 million compared to a prior year loss of R45.5 million.

Earnings per share, from continuing operations was 3.94 cents as compared to a loss of 4.53 cents for the previous year, with Headline Earnings per share, from continuing operations up to 3.98 cents as compared to a loss of 0.06 cents for the previous year.

Statement of Financial Position

The Group continues to maintain a prudent approach regarding the use and allocation of its resources and continues to maintain a healthy financial position with very limited long-term debt and a healthy cash balance.

Due to the sale of Private Property the Statement of Financial Position changed significantly with the Group’s Trade and Other Receivables decreasing 25.8% from R40.9 million down to R30.3 million and current liabilities reducing from R55.3 million to R27.7 million. Goodwill caried by the Group in the past mostly related to Private Property which has now reduced significantly from R55.6 million to R1.8million.

The Group’s cash resources increased from R113.9 million in the previous financial year to R214.6 million, an increase of 88.5% which was predominantly as a result of the sale of Private Property. The Group generated R7.5 million net cash from operating activities in the past year down from R14.4 million in the prior year which however included a full year of Private Property.

The Net Asset Value per share of the Group is 103.37 cents as compared to 73.06 cents in the previous year and the Net Tangible Asset Value per share increased from 41.25 cents to 102.11 cents per share.

Equity Movements

Cognition Holdings did not declare a dividend during the year, although one subsidiary did declare and pay a dividend resulting in a dividend to a non-controlling interest of R307 998.

As at 30 June 2023, the Company did not hold any treasury shares.

Going Concern

The Board has formally considered the going concern assertion for the year going forward by evaluating the Group’s forecasts and cash requirements and is of the opinion that it is appropriate

Conclusion

The business units are sustainable and the Group is in a healthy financial position with significant cash resources The Board is considering various future alternative opportunities, including the most effective manner of returning value to shareholders.

FINANCIAL DIRECTOR'S REPORT (CONTINUED)

5-year analysis

	Movement 2022/2023	30 June 2023	30 June 2022*	30 June 2021**	30 June 2020**	30 June 2019**
Financial position		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Total equity	22.9%	238 525	194 053	243 029	234 122	296 238
Total assets	6.2%	266 275	250 746	298 173	294 147	360 334
Total cash	88.5%	214 645	113 896	109 812	85 705	123 439
Total current assets	56.0%	245 280	157 254	148 224	128 359	175 012
Total liabilities	-51.1%	27 750	56 693	55 144	60 024	64 096
Total current liabilities	-49.9%	27 750	55 369	49 454	44 837	54 407
Operating results		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Gross Revenue	-19.2%	189 920	235 017	386 412	429 764	451 599
Revenue generated through Agency services	-22.8%	110 715	143 333	155 849	166 598	239 192
Revenue (Continuing operations)	-13.6%	79 205	91 684	230 563	263 166	212 407
Earnings before interest, tax, depreciation, amortisation and impairments (Continuing operations)	919.5%	4 801	471	29 034	27 386	27 698
Operating profit / (loss) (Continuing operations)	124.2%	3 481	(14 411)	16 489	(11 275)	16 070
Profit / (loss) for the year (Continuing operations)	195.0%	9 664	(10 175)	11 454	(12 298)	15 366
Profit / (loss) for the year attributed to owners of the parent	236.8%	69 496	(50 788)	2 064	(18 371)	12 920 277
Impairment of goodwill and investments (Continuing operations)	-100.0%	-	8 223	4 334	23 761	2 009
Net cash generated from operations	-88.7%	1 746	15 457	46 647	23 390	11 562
Depreciation & Amortisation	-59.9%	1 319	3 293	12 545	14 901	9 620
Staff Cost (Continuing operations)	-7.0%	40 056	43 092	92 221	106 348	78 290
Operating Expenditure (Continuing operations)	-32.7%	13 730	20 394	72 452	80 420	52 091
Financial ratios						
EBITDA margin	1 083.9%	6.06%	0.51%	12.59%	10.41%	13.04%
Operating (loss) / profit margin	128.0%	4.39%	-15.72%	7.15%	-4.28%	7.57%
Return on equity	196.0%	4.47%	-4.66%	4.80%	-4.64%	6.89%
Return on assets	200.8%	3.78%	-3.71%	3.87%	-3.76%	5.28%
Debt Equity Ratio	-60.2%	11.63%	29.22%	22.69%	25.64%	21.64%
Solvency Ratio	1574.4%	39.58%	2.36%	51.38%	43.92%	42.12%
Average debtors' days - Gross Revenue	-38.0%	53 days	86 days	47 days	38 days	44 days
Liquidity ratio	117.0%	9.6 times	4.4 times	5.4 times	4.9 times	5.6 times
Share performance						
Number of shares in issue at year-end	0.0%	229,273,021	229,273,021	229,273,021	229 273 021	243 398 421
Weighted average number of shares at year end	0.0%	229,273,021	229,273,021	229,273,021	232 501 927	179 059 401
Basic (loss) / earnings per share	236.8%	30.31 cents	-22.15 cents	0.90 cents	-7.78 cents	8.17 cents
Headline earnings per share	578.4%	3.15 cents	0.46 cents	3.03 cents	2.33 cents	9.31 cents
Net asset value per share	41.5%	103.37 cents	73.06 cents	95.21 cents	93.61 cents	116.08 cents
Tangible net asset value per share	147.5%	102.11 cents	41.25 cents	39.22 cents	34.15 cents	51.81 cents
Closing share price at year-end	29.3%	97 cents	75 cents	69 cents	90 cents	90 cents

***Restated for discontinued operations / ** Includes what is now discontinued operations**

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report sets out the governance principles and practices of Cognition.

The Board endorses the philosophies and principles of King IV Report ("King IV") and recognises its responsibility to conduct the affairs of the Company with integrity and accountability in accordance with generally accepted corporate practices. 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 complied with the provisions of the Companies Act, King IV and the provisions of the Listings Requirements of the Johannesburg Stock Exchange ("JSE Listings Requirements").

The Company operated in accordance with its Memorandum of Incorporation and other relevant constitutional documents.

Ethics and Values

Although the Board has not adopted a written code of ethics it has, in applying the principles set out in King IV, the Board 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 under the Investor Relations > Governance tab at www.cgn.co.za.

Board Changes During the Year

During the year under review Graham Groenewaldt, an executive director of the Company, reached retirement age and resigned as a director on 30 June 2023.

Board of Directors

The Board acts as the custodian of corporate governance and ensures that the Group is a responsible corporate citizen, cognisant of the impact its operations may have on the environment and society in which it operates, while acting in accordance with the board charter.

The Board is responsible and accountable for the performance of the Group and with full control over its subsidiaries. The responsibilities of the Chairman and CEO, and those of other non-executive and executive directors, are clearly separated to ensure a balance of power and prevent any one director from exercising unfettered powers of decision-making.

As at the date of the Annual Report, the Board consisted of two executive directors, three independent non-executive directors (of which one is the Chairman) and two non-executive directors. This is, in the opinion of the Board, an effective structure.

In accordance with the principles in King IV, the roles of the Chairman and CEO, are separate.

The Board has not formed a Nominations Committee to co-ordinate and evaluate appointments to the Board. Where vacancies do arise, the Board sets the criteria that a candidate would be required to meet for the position, which includes criteria relating to gender and race diversity.

Where vacancies arise, proposals for the appointment of a candidate to the Board are submitted to the Board together with a detailed CV of the candidate, including the candidate's relevant expertise, experience and qualifications.

Succession Planning

All executive contracts of employment, which includes the CEO, have a notice period of at least three months. The Board does not have a formal succession plan in place for executives. Should a vacancy arise at executive level the Board will appoint a third party to assist with the recruitment process.

Disclosure of Interests

Board members are required to disclose any interests in material contracts that involve the Group. This is done in accordance with the disclosure requirements of section 75 of the Companies Act. During the year under review no director or officer of the Group had an interest in any material contracts involving the Group.

Share Dealings and Conflicts of interest

Directors are obliged to disclose any shareholdings, additional directorships and appointments, potential conflicts of interest as well as any share dealings in the Company's securities to the Chairman and CEO. Prior to dealing, directors are required to obtain written clearance from the Chairman of the Board. The Chairman in turn requires written permission from the Chairman of the Audit Committee. The Company Secretary must be notified of any dealings in the Company's shares within three business days. This information must be published on SENS within 24 hours of the notification of such dealing. A register of share dealings by directors is maintained by the Company Secretary and reviewed by the Board.

All directors, senior executives and prescribed officers with access to financial and any other price sensitive information are prohibited from dealing in Cognition shares during "closed or prohibited periods", as defined by the JSE Listings Requirements, or while the company is trading under a cautionary. The Company Secretary informs all directors and all other relevant employees by email when the Company enters a "closed period".

Graham Groenewaldt sold 1 483 544 shares on 27 June 2023.

The basis of the Board's responsibilities and functions are derived from King IV which provides broad areas of evaluating and identifying key financial and non-financial risk areas of the Group.

The Board identifies principal performance and risk indicators which reflect resource planning, products, service and human resource. The Board is of the view that its members have the expertise and experience to fulfil their obligations to the Group.

The Board meets a minimum of four times a year. Additional meetings are constituted when required.

The executive directors of Cognition are responsible for the day-to-day management of the Group. Throughout the year, the Group had three executive directors: Rob Fedder, Pieter Scholtz and Graham Groenewaldt (now retired from the Board of Cognition Holdings but remains a director of Foneworx and BMi Research).

The remuneration of the executive directors is determined by the Remuneration Committee.

The executive directors are mandated and held accountable for:

- the implementation of strategies and key policies determined by the Board;
- managing and monitoring the business and affairs of the Company in accordance with approved business plans and budgets;
- prioritising the allocation of capital and other resources; and
- establishing the best managerial and operational practices.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' attendance at Board and committee meetings for the year under review

	Board		Audit and Risk Committee		Remuneration Committee		Social and Ethics Committee	
	Number of meetings	Attended	Number of meetings	Attended	Number of meetings	Attended	Number of meetings	Attended
P Jenkins	4	4			1	1	1	1
M Crisp	4	4	4	4	1	1		
S De Kock	4	4			1	1	1	1
S Naudé	4	4	4	4				
A Mwela	4	3						
D Lupambo	4	4	4	4				
R Fedder	4	4	4*	4*				
P Scholtz	4	4	4*	4*				
G Groenewaldt	4	4					1	1

(* By invitation)

Risk Identification and Management

The Audit and Risk Committee reviews the risks facing the Group on a regular basis.

Risk identification and the management of risk, which includes the action taken to mitigate risk, is undertaken by each subsidiary's executive team. The material risks of each subsidiary are consolidated and are then reviewed by the Audit and Risk Committee. The risks considered by the Audit and Risk Committee as being the most material risks are set out in the table below in order of priority together with the mitigating actions for each of the respective material risks.

Risk Category	Key Risk	Risk Mitigation
Technology	**Cyber Security**	• Consulting with industry experts to understand best practice and measure current environment against best practice • Setting goals in line with operational requirements and best practice • Review policies and standards and ensure that increased manual monitoring in place • Maintaining proper backups and restoration protocols
Operational - staff	**Developing and maintaining high calibre staff**	• Offer competitive and market related remuneration and benefits to attract and retain skilled and key staff • Ensure appointment of appropriately qualified and skilled staff that match Group strategy • Ensure appropriate succession planning • Create an environment where innovation is rewarded and encouraged and staff are remunerated for outcomes
Operational – Technology	**Keeping up to date with new technology and market trends**	• Ongoing evaluation of market trends and where applicable implementation of new products within the business units • Focus on identifying niche products offerings
Market	**Concentration of Revenue**	• Pursue new opportunities and products on an ongoing basis • Review existing products to ensure relevance • Develop alternative relevant service offerings • Broaden client base by diversifying products, services and base of pyramid • Diversify into new markets • Develop products and services capable of generating long term annuity income
Compliance	**Data Privacy**	• Raise awareness of POPIA and its requirements among staff • Conduct POPIA audit to assess personal information collected and flow of information • Update contracts to comply where necessary with POPIA

CORPORATE GOVERNANCE REPORT (CONTINUED)

Performance Evaluation

The Board carries out a self-evaluation every two years. The purpose of the evaluation is to ensure that the Board and its committees function as they should and that they have discharged their duties in accordance with the mandates contained in the respective charters.

The last self-evaluation showed that directors had the necessary balance of skills, experience, diversity, independence and knowledge required to discharge their responsibilities.

Independence of Directors

The Company assesses its directors' interests in the Group, their external shareholdings and any other directorships that they hold, on an annual basis to determine the existence of any actual or potential conflicts of interest. In addition, the agenda at each scheduled board meeting allows the Board to consider any conflicts arising from changes to the directors' declarations of interests.

For the period under review, the Board has satisfied itself that no relationships currently exist which could adversely affect the classification of its independent non-executive directors, and accordingly that the classifications of each directors are appropriate.

Company Secretary

All directors have access to the advice and services of the Company Secretary. The Company Secretary is Ms Felicia van der Merwe CA(SA).

The Company Secretary assists the Board in meeting its fiduciary obligations to the shareholders and is responsible for the functions specified in the Companies Act.

All meetings of shareholders, directors and Board sub-committees are properly recorded, as per the requirements of the Companies Act.

A formal evaluation of the Company Secretary was conducted by the Chief Executive Officer on behalf of the Board. The evaluation was in line with key legislative and governance principles and practices (Companies Act and King IV). The evaluation included a consideration on the competence, knowledge, experience and qualifications of the Company Secretary, Ms Felicia van der Merwe.

In line with the provisions of paragraph 3.84(h) of the JSE Listings Requirements, it is confirmed that the Company Secretary has the necessary qualifications and the requisite combined competence, knowledge, qualifications and experience to carry out the duties of a secretary of a public company. Considering the statutory duties imposed by the Companies Act, it is confirmed that the Company Secretary fulfilled the statutory duties in line with the statutes.

Rotation and Retirement from the Board

In terms of the Company's Memorandum of Incorporation, at each Annual General Meeting of the Company, one third of the non-executive directors is required to retire from office. The names of the directors eligible for re-election are submitted at the Annual General Meeting, accompanied by appropriate biographical details, as set out in the Integrated Report.

Remuneration

The details relating to directors' fees and remuneration are disclosed in the Remuneration Report on page 26 and note 23 of the financial statements. The fees that are proposed to be paid to the non-executive directors, subject to approval by the shareholders by way of a special resolution, are set out in the Remuneration Report and the Notice of Annual General Meeting which are attached hereto and which form part of this Annual Report. The basis on which the remuneration of the executives is determined is set out in the Remuneration Report. The remuneration of the executives, as approved by the Remuneration Committee, is disclosed fully in note 23 of the Annual Financial Statements.

BOARD COMMITTEES

The directors have delegated specific functions to committees, to assist the Board in meeting its governance responsibilities. The Board committees are constituted with sufficient non-executive representation. The Board committees are subject to evaluation by the Board to ascertain their level of performance and effectiveness.

The committees act in accordance with approved terms of reference, which are reviewed regularly.

Executive Committee

The Executive Committee ("Exco") meets weekly and is responsible for the day-to-day management of the Group.

Executive management and the Board work closely in determining the strategic objectives of the Group. Authority has been delegated to the Chief Executive Officer and the Exco by the Board for the implementation of strategy and the ongoing management of the business. The Board is appraised of progress through reporting at Board meetings and regular communication with management.

The responsibilities of the Executive Committee include:

- monitoring and managing risk;
- developing and implementing the Group's strategic plan;
- determining human resources policies and practices;
- preparing budgets and monitoring expenditure;
- monitoring operational performance against agreed targets; and
- adhering to financial and capital management policies.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Audit and Risk Committee

Members

- Mr S Naudé (Chairman)
- Mr M Crisp
- Mr D Lupambo

All three members of the Audit and Risk Committee are non-executive directors.

The independent external auditor attends the meetings as a standing invitee. The Chief Executive Officer and Financial Director attend the meetings by invitation.

The Audit and Risk Committee report can be found on pages 33 to 35.

The Audit and Risk Committee acts in accordance with approved terms of reference.

The Audit and Risk Committee met four times in the financial year. A record of attendance of committee meetings is available on page 13.

Internal Controls and Audit

The Group does not have a dedicated internal audit function, but the Audit and Risk Committee is mandated from time to time to require management to review and report on key operational controls. These reviews can be performed by internal staff that will report their findings independently to the Committee, or by external consultants.

The internal controls and systems that are maintained by the Group are designed to provide a reasonable degree of assurance regarding the integrity and reliability of the financial statements and are aimed at adequately safeguarding, verifying and maintaining accountability for the assets of the Group and its stakeholders.

Based on the tests carried out on the internal controls, nothing material has come to the attention of the Board or the external auditor to indicate that there has been any material breakdown in the functioning of the abovementioned internal controls and systems during the year under review.

The Audit and Risk Committee has recommended the Annual Report to the Board for approval.

The Audit and Risk Committee has considered and has satisfied itself as to the appropriateness of the expertise and experience of the Financial Director, Mr Pieter Scholtz, CA(SA).

IT Governance

The role of IT Operations is to ensure that IT is aligned with business operations and translates the requirements of the business into efficient and effective IT solutions. It is regarded as critical to the sustainability of the Group.

The Group has an IT Security Policy that covers access to information, information integrity and business support. In addition, the IT Security Policy also addresses information integrity by implementing hierarchical password access control, testing and change control of systems, anti-virus management and firewalls.

The responsibility for reporting on IT Security falls on the IT Manager and IT Systems and Architect Manager who report on a weekly basis to Exco and by invitation to the Board. It is the duty of the IT Managers to ensure that IT Security controls are in place and all risks associated with the IT Department and the Group's products and services are identified and, where appropriate, mitigated.

To provide for the risk associated with any possible disasters that may affect the Group's IT capacity, multiple distinct and diverse hosting environments are in operation. These sites operate as live sites for most of the Group's revenue. In addition, one of these sites provides a full back-up and stores all facets of services managed by the Group, remotely.

The Group also pays an external consultant to assist and advise on firewall protection and gateway and database management. In addition, the Group consults with external software security companies to provide input on security, hacking, phishing and the like.

The Company has, in addition to the Group's external auditor, contracted with B E Rees & Company to audit the control systems to ensure that these comply with the requirements of the Consumer Protection Act, 2008 (Act 68 of 2008) and WASPA Code of Conduct.

Social and Ethics Committee

Members

- Mr P Jenkins (Chairman)
- Mr S de Kock
- Mr G Groenewaldt

The Social and Ethics Committee met once during the year under review.

The Social and Ethics Committee acts in accordance with approved terms of reference. The Chairman of the Social and Ethics Committee reports to the Board after every meeting held. The Chairman of the Committee attends Annual General Meetings to answer shareholder questions.

The Social and Ethics Committee's roles and responsibilities include, but are not limited to:

- monitoring the Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice;
- good Corporate Citizenship;
- the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; and
- labour and employment.

The Committee reports to the Board and to shareholders on the matters that fall within its mandate.

During the year under review the Committee identified and considered the following issues:

- the Group and subsidiary Broad-Based Black Economic Empowerment ("B-BBEE") scorecards including in particular enterprise and supplier development and skills development;
- employee health and safety and compliance with the Occupational Health and Safety Act;
- a Group anti-corruption policy comprising three inter-related policies, being an Anti-Bribery Policy, Code of Ethics and Conduct and Whistleblowing Policy; and
- the Board Gender and Race Diversity Policy.

Remuneration Committee

Members

- Mr. P Jenkins
- Mr S de Kock
- Mr M Crisp

All the members of the Remuneration Committee are non-executive directors.

The Remuneration Committee met once in the financial year. Details on the attendance of the Remuneration Committee meetings are available on page 13. The Remuneration Committee acts in accordance with the approved terms of reference.

The salaries of the executive directors (CEO, Financial Director and Sales Director) are determined by the Remuneration Committee. The three executive directors are not included in the deliberations regarding their own remuneration.

The CEO and Financial Director recommend the salaries of senior management and staff and these recommendations are then tabled before the Remuneration Committee for discussion and approval.

The fees paid to the non-executive directors for attendance at the Board and Audit and Risk Meetings are set out in the Remuneration Report on page 28.

In considering appropriate remuneration packages for the executive directors, the Committee is guided by the Group's strategy, performance for the period under review, achievement of internal targets and an evaluation of external salary and bonus trends. In addition, the Committee also considers industry standards, trends in the marketplace and the personal input of each individual based on annual appraisal systems.

The Remuneration Committee's roles and responsibilities, as set out in the terms of reference, include but are not limited to:

- overseeing the setting and administering of remuneration at all levels in the Group. This is done on the recommendation of the CEO and Financial Director;
- overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance;
- reviewing the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;
- ensuring that the mix of fixed and variable pay, in cash and other elements, meet the Group's needs and strategic objectives and is market related;
- evaluating the performance of the Chief Executive Officer and other executive directors, both as directors and as executives in determining remuneration;
- selecting an appropriate comparative group when comparing remuneration levels; and
- overseeing the preparation and recommendation of the remuneration report to the Board for inclusion in the Integrated Report as to whether it:
  - is accurate, complete and transparent; and
  - provides a clear explanation of how the remuneration policy has been implemented

Remuneration structure

The remuneration structure is delegated as follows:

- the Remuneration Committee approves executive director remuneration;
- the Remuneration Committee approves senior management and staff remuneration, as proposed by the CEO and Financial Director; and
- Management approves employees' remuneration.

The Group's remuneration philosophy complements its business strategy. The Group employs high-calibre individuals with integrity, intellect and a sense of innovation. It is fundamental to our business culture that all employees subscribe to the values, ethics and philosophy of Cognition.

The remuneration of the Board, executive members and employees is fair and market related. The Board, with the assistance of the Remuneration Committee, will maintain this approach, so as to attract and retain suitable employees and Board members to the benefit of the stakeholders. The Board acknowledges the importance of motivating individual and team performance and therefore applies its remuneration philosophy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and personal performance.

The Group's remuneration policy is subject to non-binding advisory vote by shareholders at the Annual General Meeting each year. This enables shareholders to express their views on the remuneration policy and its implementation and for the Board to take these views into account.

Going Concern

All the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with very limited long term debt. The Board has formally considered the going concern assertion for the year going forward and is of the opinion that it is appropriate.

Board Diversity

The Board recognises that diversity of skills, experience, background, knowledge, thought, culture, race and gender are necessary to strengthen its ability to effectively carry out its duties and add value to all stakeholders and as such the Board has a policy that addresses gender and race diversity when vacancies arise on the Board.

Although the Board considers it a priority to meet the diversity targets in line with its policy, the Company's controlling shareholder has a decisive say in the nomination and appointment of directors.

Behavioural and Ethical Compliance

The Group adheres to the highest standards of ethical conduct. The Board-approved ethics framework, incorporates the Anti-Bribery and Corruption Policy, the Code of Conduct and Ethics and the Whistleblowing Policy. These Policies outline the standards of honesty, integrity and mutual respect which employees are required to observe. These policies are available on the Group's website at http://www.cgn.co.za/pages/display/governance.

There were no reported breaches of these policies during the year under review.

Investor Relations and Communication with Stakeholders

The Group believes that communication with its stakeholders is vital. Interim and final results are available on the Cognition website: www.cgn.co.za

The Group will continue to have an interactive relationship with shareholders, investors, analysts and regulators.

Sponsor

The Group's JSE Sponsor is Acacia Advisors.

Transfer Secretaries

The Group's appointed transfer secretaries are Computershare Investor Services Proprietary Limited. They assist with enquiries relating to shareholdings.

Shareholders can address shareholding related queries to Private Bag X9000, Saxonwold, 2132.

SUSTAINABILITY REPORT

Introduction

The Group embraces the philosophy of the King IV Report in pursuing its sustainability objectives. The Social and Ethics Committee has been mandated by the Board to take responsibility for the sustainability issues contained in this Report.

The sustainability strategy acknowledges that the Group is responsible to all stakeholders to ensure its long-term viability. The Group identifies and considers the impact of its business on its stakeholders in pursuing this strategy on an ongoing basis.

The Report aims to provide a balanced assessment of the strategic position and performance of the Group to enable all stakeholders to properly assess the Group's ability to continue creating value added sustainability into the future. As part of this, the Board has embraced integrated reporting, seeking to provide financial and relevant non-financial information applicable to a range of stakeholders. The Company's management has been mandated by the Board to ensure that sustainability principles are implemented and to report on progress and, where applicable, reasons for non-compliance.

Sustainability reporting is not independently assured in terms of a formal process. The Committee reviews the Group's sustainability objectives on an ongoing basis and provides management with the necessary guidance. The Board regards the assurance of sustainability reporting by the Committee as being appropriate and sufficient.

Scope of Sustainability Report

This Report covers the environmental , and social performance of the Group, with governance being addressed separately above for the year from 1 July 2022 to 30 June 2023. It is intended to provide this information to a wide range of stakeholders with an interest in its performance. These include existing and prospective shareholders and investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of our operations, contractors, suppliers, customers, business partners and the media.

People

Employees are the cornerstone of the Group and employee wellness and development are recognised as key factors that contribute to maintaining and building a sustainable business.

Staff are provided with the appropriate working conditions. Should the need arise, staff have open access to a Legal and Human Resource Manager to assist them.

Each of the main operating subsidiaries determines the benefits that it makes available to staff. Depending on which operating subsidiary they are employed by, staff may qualify for:

- Group cover (funeral, life, disability);
- Employee training / bursaries; and
- A performance-based bonus, provided certain agreed targets or conditions have been achieved or met.

The employee/employer relationship is governed by the customary human resource policies which are reviewed on a regular basis, i.e. safety, health, training and development.

Management aims to create an environment where people are encouraged to act in a responsible way, work hard, build friendships and be part of a working family. The Group employs individuals with passion, who are skilled in their fields, can contribute in meaningful ways to the Group and can identify with the Group's values.

The Group encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation.

To ensure that the Group has a ready pool of talent, management focuss on the key areas of skills development and training.

Transformation

	B-BBEE Compliance Level 2023	B-BBEE Compliance Level 2022
Cognition Holdings Limited	Level 4	Level 4

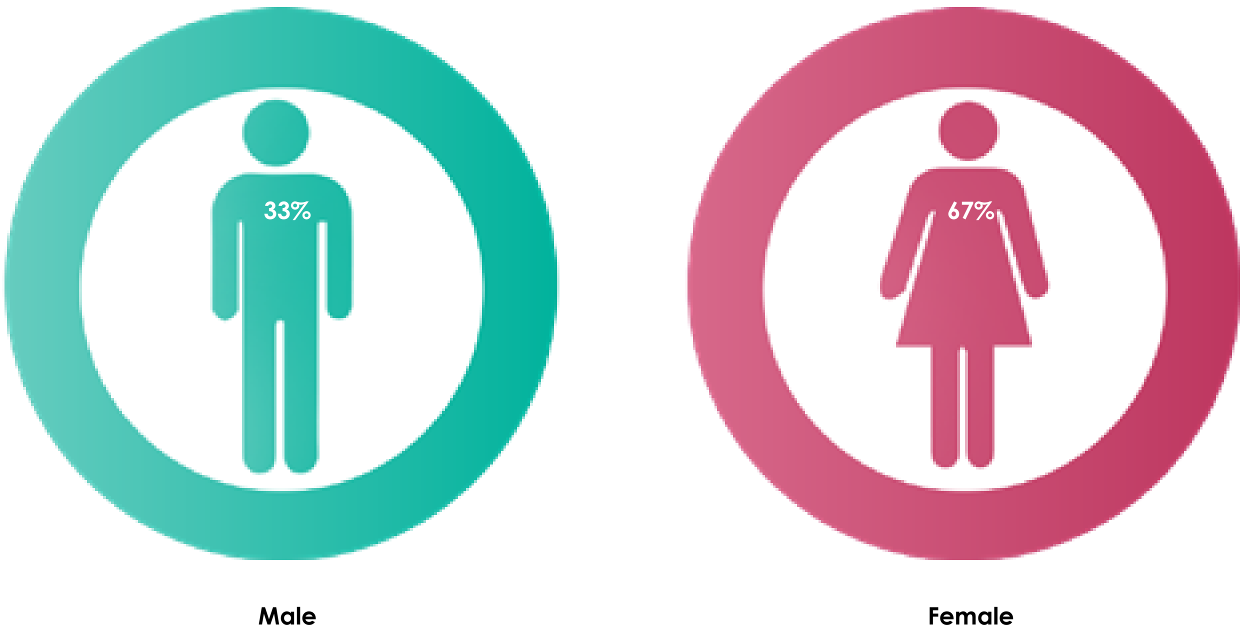
Ownership

Cognition has a majority shareholder and is dependent on flow through ownership from this shareholder for its ownership score. The Board and management continue to look for suitable partners that would be of benefit to all stakeholders.

Employment Equity

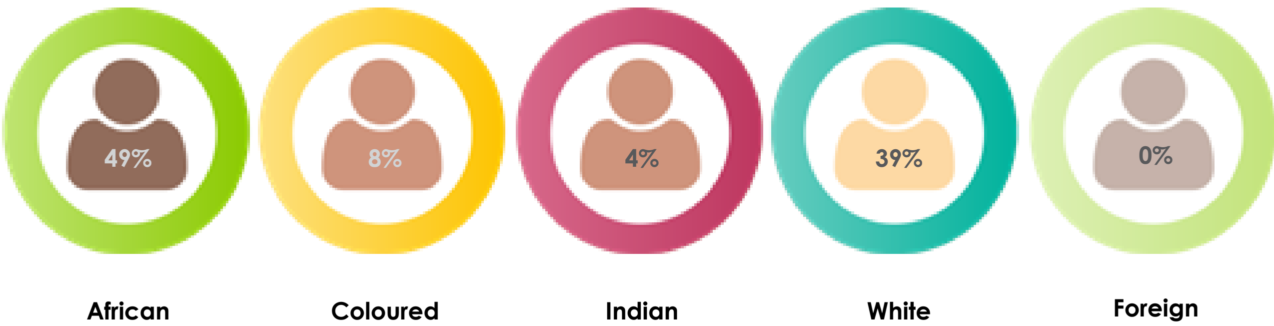
As at 30 June 2023, the Group employed a total of 85 staff. All staff are encouraged to reach their maximum potential irrespective of gender, age or race.

Workforce by Gender



The staff profile for the year under review was as follows:

	Male				Female				Foreign nationals		
Occupation Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Executive Management	-	-	-	2	-	-	-	-	-	-	2
Senior Management	1	-	-	5	-	-	1	6	-	-	13
Professionally qualified and experienced specialists mid-management	-	1	-	4	4	-	-	10	-	-	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	-	1	1	8	1	1	1	-	-	16
Semi-skilled and discretionary decision making	5	2	-	-	18	3	-	4	-	-	32
Unskilled and defined decision making	1	-	-	-	2	-	-	-	-	-	3
TOTAL	10	3	1	12	32	4	2	21	-	-	85



The Group is committed to increasing the participation of historically disadvantaged staff in its structures and to this end the Group's recruitment policy is aligned with current legislative and regulatory requirements. Approximately 60% of the Group's employees are from historically disadvantaged backgrounds. The Group continues to implement strategies aimed at achieving employment equity targets. These strategies include the implementation of an ongoing learning and development plan, in-service training, financial assistance toward further studies, internships and performance assessments.

The skills shortage, especially in the IT sector, continues to have an impact on the Group's ability to achieve the targeted growth rates within certain ethnic groups. The Group has very specific skills requirements that are developed in-house over time.

The Group's recruitment policy is based on:

- Recruitment being based on competency;
- Using targeted selection interviewing principles;
- Following a transparent process; and
- Fair and non-discriminatory recruitment and selection practices.

The employment equity and skills retention function falls within the mandate of nominated individuals who are responsible for monitoring the progress made in these areas and reporting to the Board thereon.

Skills Development

Male spend **R492 272**

Female spend **R825 305**

Each of the operating subsidiaries namely FoneWorx and BMi Research have different skills requirements relating to the market in which each operates. Each of the subsidiaries has accordingly adopted formal skills programmes to meet their specific needs. The skills programmes of each subsidiary are overseen by the management of the respective operating subsidiary to ensure that the training interventions that are implemented meet the specific skills needs of the operating subsidiary.

The following learning interventions took place during the year under review:

Course	NQF Level	Type	No of learners
Vuca Best Foot Forward Programme		Work readiness	3
National Certificate	3	Bookkeeping	1
Higher Certificate	5	Information Systems	1
Advanced Diploma	7	Computer Science	1
Bachelors Degree	7	HR / Accounting / Business Administration / Marketing / Education	3

Some of the training interventions implemented during the period under review include an internship program for existing staff wanting to enhance their existing skills and a work readiness programme that equips staff to reach their maximum potential in the work place.

In addition to assisting existing employees, the Group also assists non-employees with funding for their studies.

The Group complies with all legislation outlined in the Skills Development Act, Skills Levies Act and strives to achieve significant points in the Skills Development element.

Enterprise and Supplier Development

The Group's operating subsidiaries have implemented measures to identify and assist enterprise and supplier development beneficiaries. In this regard the following supplier development assistance has been provided:

- Assistance to a former employee to establish a transport business that provides transport services to the Group.
- Assistance to entities involved in field research services.

The operating subsidiaries have also identified beneficiaries for enterprise development. It is expected that over time these enterprise development beneficiaries will become suppliers to the Group.

Management Control

In line with the Group's Gender Diversity policy, the board of directors of BMi Research includes three female directors. The board of directors of LivingFacts comprises of two female directors.

As vacancies arise, suitable individuals will be identified for appointment to the Board to meet the Group's commitment to gender and race representation at Board level.

Appointments will be made where candidates can add value to the Board and increase the representation of designated groups.

Preferential Procurement

The nature of the services provided by the Group is such that most of the services are procured from the mobile and fixed line networks. These companies are mainly black empowered or black owned. Where possible, the remainder of the Group's spend is placed with qualifying SMMEs.

Environment

The Group acknowledges the importance of the communities who may be affected by its operations and the safe-guarding of the environment is considered in the business decision-making processes.

Legislators, regulators and other stakeholders demand an increasing attention to environmental issues. As a responsible corporate citizen, the Group has committed itself to maintaining and growing the business in an environmentally and socially responsible manner.

The business of the Group is conducted on ethical business practices and incorporates positive governance and social and environmental objectives. Greenhouse gases ("GHGs") are emitted primarily as a result of the consumption of electricity and diesel used for the back-up generators.

The process of managing the Group's environmental impact is overseen by the Executive Committee, under the leadership of the Chief Executive Officer.

The Group's Social and Ethics Committee is entrusted with ensuring greater integration between economic risk and opportunity assessment and the social and environmental impact of the business within the guidelines of King IV.

Carbon Footprint

The Group completed its first Carbon Footprint assessment for its baseline year in 2011.

The Carbon Footprint assessment was done internally and was not independently verified due to the small footprint of the Group (primarily electricity) and the materiality value.

The 2023 Carbon Footprint is estimated to be approximately 400 tonnes of CO_2.

Social Investment

During the year under review the Group provided support to a number of programs and organisations whose purpose is socio-economic upliftment of their communities. These included:

THE LIGHTHOUSE **Baby Shelter** **God's light in their darkness!**	A shelter for abandoned, abused and neglected children as well as HIV orphans.
TDSAG	A non-profit organisation that focuses on the best practices within the field of intellectual disability and aims to find ways to raise awareness and understanding about the genetic condition Down Syndrome and promotes the inherent rights of persons with Down Syndrome to enjoy full and dignified lives and be active participants in their communities and society.
ubuhle	A grassroots organisation established in July 2008 to make a difference in the lives of orphans and vulnerable children of farm-worker households, living in severe poverty on farmland.

Occupational Health and Safety

Employees of the Group work predominantly in an office environment with very limited exposure to machinery. Each operating subsidiary is entrusted with appointing a Health and Safety Officer that is responsible for ensuring safe working conditions and advising management on appropriate measures to avoid injuries.

First aiders and fire marshals that are responsible for ensuring the safety of staff have been appointed at Group Head Office. General health and safety risks are also communicated to employees.

The Group has a substance abuse policy to address and manage the potential impact that substance abuse may have on the individuals and Group's activities. Employees who may have a substance abuse problem are encouraged to undergo appropriate therapy.

Privacy

A Protection of Personal Information Policy has been developed and a number of measures have been implemented and continue to be implemented to ensure compliance with Protection of Personal Information Act, no 4 of 2013

Management is not aware of any substantiated complaints regarding breaches of customer privacy and losses of customer data during the reporting period.

REMUNERATION REPORT

In accordance with sections 66(8) and 66(9) of the Companies Act and the principles of King IV, the Remuneration Committee (the Committee) presents its report for the 2023 financial year. This includes the remuneration policy on which the shareholders will be requested to cast a non-binding advisory vote at the Company's Annual General Meeting.

This Remuneration Report comprises of three sections:

- background statement;
- overview of the remuneration policy for the year under review and the amendments that are proposed for the 2024 financial year; and
- remuneration implementation report showing actual remuneration paid based on the remuneration policy.

At the Annual General Meeting to be held on Friday, 17 November 2023, shareholders will be asked to vote on the remuneration policy and the remuneration implementation report. These votes enable shareholders to express their satisfaction or otherwise on the remuneration policy and the remuneration policy implementation report. If 25% or more votes are cast against a resolution, the Board undertakes to engage actively with such dissenting shareholders to address all legitimate and reasonable objections and concerns.

Notwithstanding the voting process, any shareholder who wishes to discuss the subject of remuneration is welcome to engage executive management at any time, in the interests of continuous improvement of the remuneration policy.

At the Annual General Meeting held on Friday, 4 November 2022, the non-binding advisory vote on the company's remuneration policy received a 100% vote in support of the policy and the non-binding advisory vote on the company's remuneration implementation report received a 100% vote in support of the policy.

BACKGROUND STATEMENT

The Committee operates under Terms of Reference that are reviewed and approved by the Board and encompass the provisions of the Companies Act and the requirements of King IV.

It is the responsibility of the Committee to ensure the alignment of remuneration with the interests of shareholders. To this end, the Committee is responsible for determining the remuneration; and incentive arrangements of executive directors and the executive management.

In addition, the Remuneration Committee is responsible for ensuring that remuneration levels are competitive enough to attract, retain and motivate executives and other key personnel.

The Committee also assists in the assessment of executive directors' performance in discharging their functions and responsibilities.

The Committee oversees the implementation of a remuneration policy at all levels in the Company.

It is the responsibility of the Remuneration Committee to ensure that the Remuneration Policy and its implementation are put to a non- binding advisory vote at the Annual General Meeting of shareholders once every year.

The attendance of meetings and composition of the Committee is set out in the Corporate Governance Report on page 13 and 15 respectively. A member of the Committee attends the Annual General Meeting and is available to address any queries, if necessary, from shareholders.

REMUNERATION POLICY

Introduction

The remuneration policy aims to support the Group's strategy of creating value for stakeholders both in the short-term and in the long-term through the implementation of a high-performance culture. Remuneration is aimed at attracting, retaining and motivating the correct calibre of individuals with consistently high levels of performance. To this end the Group:

- aims to maintain competitive salary levels with reference to the comparable market mean and facilitates exceptions dependent on particular qualifications, experience required and economic as well as operational circumstances that may arise from time to time;
- enables remuneration decisions that support its growth strategy;
- sanctions the continual development of internal talent that reinforces roles and general accountability in line with its growth strategy;
- rewards individuals that make the Group more competitive and generally important to our customers; and
- does not indulge in remuneration practices that facilitate the avoidance of applicable laws and regulations of the country.

In the opinion of the Committee the remuneration of the Board, Executive Directors and employees is fair and market related. The Committee acknowledges the importance of motivating individual and team performance and therefore applies its remuneration philosophy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and individual performance.

During the year under review remuneration comprised a fixed and variable component. The fixed component includes a salary, typically targeted at what comparable companies pay, while the variable component comprises a bonus based on the Group's performance. In addition, further benefits incorporated into the Group's total reward programme may include death and disability cover, assistance with studies to deserving staff who wish to undertake studies relevant to the Group's business, training and development initiatives, long service awards where applicable, cell phone and computer usage.

Non-Executive Directors

The remuneration of the non-executive Directors is set by the Remuneration Committee and approved at the Annual General Meeting.

All Independent Non-Executive directors earn a meeting fee and are also entitled to charge an hourly fee on an ad hoc basis for attending additional meetings and subcommittees.

In addition to the above the chairman of the Audit and Risk Committee earns a monthly retainer.

The shareholders authorised the remuneration of independent non-executive directors by means of a special resolution at the Annual General Meeting held on 4 November 2022.

REMUNERATION REPORT (CONTINUED)

During the year under review the fees paid were as follows:

Position	Monthly retainer	Fee per meeting
Chairman of the Audit Committee	R6 000	R16 000
Members of the Audit and Risk Committee		R16 000

Proposed retainer fee per month in ZAR from 1 January 2024	Proposed meeting fee from 1 January 2024	Expected total fee for the year ending 2024
R6 500+	R16 800*	R145 200+ / R67 200*

+ - payable to the Chairman of the Audit and Risk Committee

* - fee for attendance of both the Board and Audit Committee Meetings

Executive Directors

The remuneration packages for Executive Directors are market related. Executive Director remuneration comprises a fixed salary and a performance bonus which is not guaranteed.

Remuneration and other benefits of Executive Directors are based on the following criteria:

Salary

- The division's performance for which the Director is responsible; and
- The Director's overall contribution to the Group.

Performance bonus

- The overall performance of the Group;
- The Board sets annual targets that have to be achieved by the Group before any bonus provision is made for Directors;
- Bonuses are therefore included as an expense accrual in the year to which they relate or as an expense in the following year based on accruals in that year;
- The division's performance for which the Director is responsible; and
- The Director's overall contribution to the Group.

REMUNERATION REPORT (CONTINUED)

Employees

Except for sales staff, employee remuneration comprises a fixed salary and a performance bonus which is not guaranteed. The remuneration of sales staff is mainly commission-based with only a small percentage of salary being fixed.

Increases are considered annually.

When increases are considered the Executive Committee of the Group submits the information relating to performance evaluations for each employee to the Remuneration Committee for review and consideration in terms of the remuneration policy.

The following factors are considered when determining salary increases:

Salary

- The division's performance within the Group;
- The individual's performance within his/her division; and
- The individual's overall contribution to the Group.

Performance bonus

- The overall performance of the Group;
- The division's performance within the Group;
- The individual's performance within his/her division; and
- The individual's overall contribution to the Group.

IMPLEMENTATION REPORT

The remuneration implementation report with executive directors' and prescribed officers' remuneration as well as non-executive directors' fees for the year under consideration is disclosed in note 23 of the Annual Financial Statements.

APPROVAL

The Committee and the Board approved this report on 12 October 2023. The Committee and the Board are satisfied that there were no material deviations from the remuneration policy during the 2023 financial year.

On behalf of the Remuneration Committee

M Crisp
Member of the
Remuneration Committee

12 October 2023

CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

IN COMPLIANCE WITH PARAGRAPH 3.84(K) OF THE JSE LISTINGS REQUIREMENTS

Each director, whose names are stated below, hereby confirm that–

- The Annual Financial Statements set out on pages 45 to 91, fairly present in all material respects the financial position, financial performance and cash flows of Cognition in terms of IFRS;
- To the best of our knowledge and believe, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Cognition and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Cognition;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

Rob Fedder
Chief Executive Officer

Pieter Scholtz
Financial Director

STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 40 to 44.

The annual financial statements set out on pages 45 to 91, which have been prepared on the going concern basis, were approved by the board of directors on 12 October 2023 and were signed on their behalf by:

Paul Jenkins
Chairperson

Rob Fedder
Chief Executive Officer

Pieter Scholtz
Chief Financial Officer

12 October 2023

DECLARATION BY COMPANY SECRETARY

In terms of the Companies Act, 2008 (Act 71 of 2008) as amended ("Companies Act"), I declare that, to the best of my knowledge, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public Company in terms of the Companies Act and that all such returns are true, correct and up to date in respect of the financial year reported upon.

Felicia van der Merwe
Company Secretary

12 October 2023

AUDIT AND RISK COMMITTEE REPORT

Members of the Audit and Risk Committee

For the year under review the members of the Audit and Risk Committee were:

Mr. Steve Naudé

Mr. Miles Crisp

Mr. Dennis Lupambo

All members of the Committee are independent non-executive directors.

The Board is satisfied that the members have the required knowledge and experience as set out in section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations.

Meetings

The Audit and Risk Committee met four times during the year under review.

The CEO and Financial Director were invited to attend meetings of the Audit Committee during the year under review. In addition to the Chief Executive Officer and Financial Director, the Group Auditor was also invited from time to time.

Roles and Responsibilities

In the conduct of its duties, the Committee has performed the following statutory duties:

- reviewed and recommended for approval the Annual Financial Statements;
- considered and satisfied itself of the appropriateness of the expertise and experience of the Financial Director;
- confirmed the going concern basis of preparation of the Annual Financial Statements;
- assessed the effectiveness of internal financial controls and systems and formed the opinion that there were no material breakdowns in internal control;
- confirmed that the Company has, with consideration to all entities included in the consolidated Group IFRS Financial Statements, established appropriate financial reporting procedures and that those procedures are operating to ensure that it has access to all the information of the issuer to effectively prepare and report on the financial statements;
- nominated, for reappointment as external auditor of the Company, BDO South Africa Incorporated ("BDO"), a registered auditor which, in the opinion of the Committee, is independent of the Company;
- determined the fees to be paid to the external auditor and its terms of engagement;
- ensured that the appointment of the external auditor complies with the Companies Act, and any other legislation and regulations relating to the appointment of auditors;
- determined the nature and extent of those non-audit services that the external auditor may, from time to time, provide to the Company;
- pre-approved any proposed agreement with the external Auditor for the provision of non-audit services to the Company;
- review and consider the recommendation of the latest JSE Pro-active monitoring feedback report;
- considered whether there were any concerns or complaints, whether from within or outside the Company, relating to the accounting practices of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company or any related matter; and
- made submissions to the Board on matters concerning the Company's accounting policies, financial controls, records and reporting.

External Auditor

BDO served as the Company's external auditor for the period under review.

The auditor's terms of engagement were approved prior to the audit. The Committee satisfied themselves that the external auditor's appointment complies with the Companies Act and the Auditing Professions Act.

The Committee has reviewed sections 3, 8, 13, 15 and 22 and schedule 8 of the JSE Listings Requirements and confirms that the Committee was satisfied that:

(i) the audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle;

(ii) the auditor has provided to the Committee the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and

(iii) both the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent and scope of the work required.

Internal Audit

The Group does not have an internal audit function. The Committee nevertheless undertakes an annual review on the feasibility of establishing an internal audit function. In undertaking the review, the Committee considers:

- the operational necessity of having an internal audit function that can operate and report independently to the Committee;
- the possible risk that the Company may incur by not having an internal audit function, considering all compensating controls that management has put in place;
- the findings contained in the management report prepared by the external auditor during their annual financial audit; and
- the cost of having an internal audit function that can report independently to the Committee.

In the absence of an internal audit function, the Committee may, from time to time, require management to review and report on key operational controls. These reviews can be performed either by internal staff that will report their findings independently to the Committee or by external consultants.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Going Concern

The Committee was satisfied that all the operating companies in the Group have sufficient working capital and the Group is in a healthy financial position with limited debt. Accordingly, the Committee recommended to the Board that the Company will be a going concern in the foreseeable future.

Annual Financial Statements

The Committee reviewed the financial statements of the Group and is satisfied that they comply, in all material respects, with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Following the review of the Annual Financial Statements, the Audit Committee recommends the Board's approval thereof.

On behalf of the Audit Committee.

Mr. S Naudé
Audit Committee Chairman

12 October 2023

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ended 30 June 2023.

Nature of Business

Cognition Holdings Limited 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.

Authorised Share Capital

The authorised share capital of the Company is made up of 1 250 000 000 ordinary shares of no par value.

Stated Share Capital

At 30 June 2023, the stated capital was R159 420 500 divided into 229 273 021 ordinary shares of no par value.

Directors

The Directors of the Company for the year ended 30 June 2023 and up to the date of this report were:

Director	Role	Age	Other significant board memberships	Length of service
Paul Jenkins	Non-Executive Director Chairman	64	Caxton and CTP Publishers and Printers Limited	9 years
Miles Crisp	Independent Non-Executive Director	65	None	2 years
Dennis Lupambo	Independent Non-Executive Director	60	Managing Director of MMT Africa (Pty) Ltd, a subsidiary of the Mint Management Technologies Group	5 years
Steve Naudé	Independent Non-Executive Director	72	Brikor Limited	2 years
Amasi Mwela	Non-Executive Director	42	None	3 years
Servaas de Kock	Non-Executive Director	49	None	2 years
Rob Fedder	Chief Executive Officer	41	African Media Entertainment Limited	2 years
Pieter Scholtz	Financial Director	47	None	14 years
Graham Groenewaldt Resigned on 30 June 2023	Executive Director	65	None	25 years

Dividend

The Company did not declare a dividend during the period under review

Shareholding

Director's Shareholding

30 June 2023

	Direct Beneficial '000	Indirect beneficial '000	Total '000
P Scholtz	485	-	485
	485	-	485

30 June 2022

	Direct Beneficial '000	Indirect beneficial '000	Total '000
G Groenewaldt	1 484	-	1 484
P Scholtz	485	-	**485**
	1 969	-	**1 969**

There have been no changes to the directors' shareholding between the end of the financial year and the date of approval of the annual report.

DIRECTORS' REPORT (CONTINUED)

Shareholder spread at 30 June 2023

	Number of Shareholders	%	Total Shares Held '000	%
1 - 100 000	1 584	96.8%	5 118	2.3%
100 001 – 500 000	43	2.6%	10 080	4.4%
500 001 – 10 000 000	5	0.3%	4 228	1.8%
10 000 001 +	5	0.3%	209 847	91.5%
	1 637	**100%**	**229 273**	**100%**

Shareholding of ordinary shares at 30 June 2023

	Number of Shareholders	%	Total Shares Held '000	%
Public	1 631	99.6%	29 249	12.8%
Non-Public				
- Directors	1	0.1%	485	0.2%
- Non-Directors	5	0.3%	199 539	87.0%
	1 637	**100%**	**229 273**	**100%**

Major Shareholders

* Shareholders other than Directors who, insofar as is known, were directly or indirectly interested in 5% or more of the Company's issued share capital as at 30 June 2023 were as follows:

	Total Shares Held '000	%
CTP Limited	105 833	46.2%
Caxton & CTP Publishers and Printers Limited	67 114	29.3%
Lazio Holdings SA	15 219	6.6%
Mark Allan Smith	11 373	5.0%

Special Resolutions

Four Special Resolutions were passed at the Annual General Meeting held on 4 November 2022.

SPECIAL RESOLUTION NUMBER 1 – GENERAL AUTHORITY FOR COMPANY AND/OR SUBSIDIARY TO ACQUIRE THE COMPANY'S OWN SHARES

""Resolved that: The Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

• the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

• at any point in time the Company may only appoint one agent to effect any repurchases on the Company's behalf;

• the Company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 in the Listings Requirements of the JSE;

• this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

• a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;

• acquisitions of ordinary shares by the Company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the Company's issued share capital at any one time; and

• in determining the price at which ordinary shares issued by the Company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected."

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

"Resolved that: The remuneration of the non-executive directors for the year 1 January 2023 to 31 December 2023 to be as follows:

Proposed retainer fee per month from 1 December 2022	Proposed meeting fee in ZAR for from 1 December 2022	Expected total fee in ZAR for the year ending 2022
R6 000+	R16 000*	R136 000+ / R64 000*

+ - payable to the Chairman of the Audit and Risk Committee

* - fee for attendance of both the Board and Audit Committee Meeting

SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company."

Explanation: The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE FOR SUBSCRIPTION FOR OR PURCHASE OF SECURITIES BY RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company for the subscription for or purchase of securities in the Company or in any company or corporation that is related or inter-related to the Company."

One Special Resolution was passed at the General Meeting held on 11 November 2022.

Special resolution number 1 "Resolved that the Company be and is hereby authorised to implement the Disposal on the terms and conditions set out in the Agreements and this Circular".

Events Subsequent to the Financial Year End

The directors are not aware of any other material events which occurred after the reporting date and the date of this report.

Litigation Statement

The Directors, whose names are on pages 3 to 5, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least 12 months, a material effect on the Group's financial position.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF COGNITION HOLDINGS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Cognition Holdings Limited (the group and company) set out on pages 45 to 91, which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Cognition Holdings Limited as at 30 June 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 *Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements* section of our report. We are independent of the group and 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 statements 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cognition Holdings Limited Cognition Holdings Ltd Annual Report 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained, 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 Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and 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 group and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor'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 consolidated and separate financial statements.

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 consolidated and separate financial statements, 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 group's and 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 group's and 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 auditor's report to the related disclosures in the consolidated and separate financial statements 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 auditor's report. However, future events or conditions may cause the group and /or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Cognition Holdings Limited for thirteen years.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Kathryn Luck
Director

Registered Auditor

12 October 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position

as at 30 June 2023

Figures in Rand	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	1 286 795	2 099 990	-	-
Goodwill	4	1 888 394	55 645 257	-	-
Intangible assets	5	995 506	17 287 467	-	-
Investments in subsidiaries	6	-	-	18 795 821	105 051 794
Investment in associate	7	2 990 155	3 121 648	2 156 816	2 156 816
Deferred tax asset	8	2 029 630	3 456 899	559 899	1 284 393
		9 190 480	**81 611 261**	**21 512 536**	**108 493 003**
Current Assets					
Inventories	11	24 037	60 493	-	-
Loans to group companies	10	-	-	121 628 419	-
Trade and other receivables	12	30 346 498	40 921 145	7 494 286	13 424 016
Lease receivable	9	-	117 588	-	-
Current tax receivable	29	264 153	2 258 467	-	230 406
Cash and cash equivalents	13	214 645 283	113 896 119	83 101	1 603 792
		245 279 971	**157 253 812**	**129 205 806**	**15 258 214**
Non-current assets held for sale	14	11 804 312	11 880 638	-	-
Total Assets		**266 274 763**	**250 745 711**	**150 718 342**	**123 751 217**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital/stated capital	15	159 420 500	159 420 500	159 420 500	159 420 500
Equity due to change in ownership	16	(6 135 484)	(6 135 484)	-	-
Retained income (accumulated loss)		83 717 207	14 221 402	(18 307 398)	(74 617 378)
		237 002 223	167 506 418	141 113 102	84 803 122
Non-controlling interest	17	1 522 507	26 546 243	-	-
		238 524 730	**194 052 661**	**141 113 102**	**84 803 122**
Liabilities					
Non-Current Liabilities					
Deferred tax liability	8	-	1 323 431	-	-
Current Liabilities					
Loans from group companies	18	-	-	7 839 457	34 619 585
Trade and other payables	19	17 265 190	37 923 050	1 358 353	4 095 804
Current tax payable	29	174 725	157 258	174 724	-
Dividend payable		232 706	232 706	232 706	232 706
Third party prize money	13	10 077 412	17 056 605	-	-
		27 750 033	**55 369 619**	**9 605 240**	**38 948 095**
Total Liabilities		**27 750 033**	**56 693 050**	**9 605 240**	**38 948 095**
Total Equity and Liabilities		**266 274 763**	**250 745 711**	**150 718 342**	**123 751 217**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	Group 2023	Group 2022 *	Company 2023	Company 2022**
Continuing operations					
Revenue	20	79 204 753	91 684 205	3 675 139	7 042 715
Cost of sales		(20 646 452)	(27 909 343)	(2 901 785)	(6 125 367)
Gross profit		**58 558 301**	**63 774 862**	**773 354**	**917 348**
Other operating income		127 643	210 233	-	-
Other operating (losses) gains	21	(99 181)	(28 184)	61 612 798	-
Other operating expenses		(13 730 269)	(20 394 045)	(2 155 317)	(46 501 714)
Depreciation and amortisation expense		(1 319 786)	(3 293 186)	-	-
Staff costs		(40 055 614)	(43 091 942)	-	(778 963)
Impairment on intangible assets		-	(8 222 394)	-	-
Loss on disposal of subsidiaries		-	(3 365 838)	-	(7 300 952)
Operating profit (loss)	22	**3 481 094**	**(14 410 494)**	**60 230 835**	**(53 664 281)**
Investment income	24	11 173 203	1 728 731	243 201	9 047 245
Finance costs	25	(222)	-	-	-
Income from equity accounted investments		106 928	800 920	-	-
Profit (loss) before taxation		**14 761 003**	**(11 880 843)**	**60 474 036**	**(44 617 036)**
Taxation	26	(5 096 846)	1 704 891	(4 164 056)	1 135 754
Profit (loss) from continuing operations		**9 664 157**	**(10 175 952)**	**56 309 980**	**(43 481 282)**
Profit (loss) from discontinued operations	40	59 103 304	(35 317 455)	-	-
Profit (loss) for the year		**68 767 461**	**(45 493 407)**	**56 309 980**	**(43 481 282)**
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		**68 767 461**	**(45 493 407)**	**56 309 980**	**(43 481 282)**
Profit (loss) attributable to:					
Owners of the parent:					
From continuing operations		9 039 239	(10 388 749)	56 309 980	(43 481 282)
From discontinued operations		60 456 566	(40 399 724)	-	-
		69 495 805	**(50 788 473)**	**56 309 980**	**(43 481 282)**
Non-controlling interest:					
From continuing operations		624 918	212 797	-	-
From discontinued operations		(1 353 262)	5 082 269	-	-
		(728 344)	**5 295 066**	-	-
Total comprehensive income (loss) attributable to:					
Owners of the parent		69 495 805	(50 788 473)	56 309 980	(43 481 282)
Non-controlling interest		(728 344)	5 295 066	-	-
		68 767 461	**(45 493 407)**	**56 309 980**	**(43 481 282)**
Per share information					
Basic and diluted earnings/(loss) per share (cents)	33	30.31	(22.15)	-	-

**Restatement due to discontinued operations*

***Restatement due to reclassification*

Statement of Changes in Equity

for the year ended 30 June 2023

Figures in Rand	Stated capital	Equity due to change in ownership	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
Group						
Balance at 01 July 2021	**159 420 500**	**(12 892 945)**	**71 767 336**	**218 294 891**	**24 734 559**	**243 029 450**
Loss for the year	-	-	(50 788 473)	(50 788 473)	5 295 066	(45 493 407)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(50 788 473)**	**(50 788 473)**	**5 295 066**	**(45 493 407)**
Disposal of subsidiaries	-	6 757 461	(6 757 461)	-	-	-
Dividends	-	-	-	-	(3 483 382)	(3 483 382)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**6 757 461**	**(6 757 461)**	**-**	**(3 483 382)**	**(3 483 382)**
Balance at 01 July 2022	**159 420 500**	**(6 135 484)**	**14 221 402**	**167 506 418**	**26 546 243**	**194 052 661**
Profit for the year	-	-	69 495 805	69 495 805	(728 344)	68 767 461
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**69 495 805**	**69 495 805**	**(728 344)**	**68 767 461**
Disposal of subsidiary (note 28)	-	-	-	-	(23 987 394)	(23 987 394)
Dividends	-	-	-	-	(307 998)	(307 998)
Balance at 30 June 2023	**159 420 500**	**(6 135 484)**	**83 717 207**	**237 002 223**	**1 522 507**	**238 524 730**
Notes	15	16			17	

Figures in Rand	Stated capital	Accumulated loss	Total attributable to equity holders of the company	Total equity
Company				
Balance at 01 July 2021	**159 420 500**	**(31 136 096)**	**128 284 404**	**128 284 404**
Loss for the year	-	(43 481 282)	(43 481 282)	(43 481 282)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	**-**	**(43 481 282)**	**(43 481 282)**	**(43 481 282)**
Balance at 01 July 2022	**159 420 500**	**(74 617 378)**	**84 803 122**	**84 803 122**
Profit for the year	-	56 309 980	56 309 980	56 309 980
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**56 309 980**	**56 309 980**	**56 309 980**
Balance at 30 June 2023	**159 420 500**	**(18 307 398)**	**141 113 102**	**141 113 102**
Note	15			

Statement of Cash Flows

Figures in Rand	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Cash flows from operating activities					
Cash generated from operations	27	1 746 705	15 457 125	32 233 575	72 902 623
Interest income		12 170 697	3 758 624	4 780	3 425
Dividend income		-	-	238 421	9 043 820
Dividend from associate		238 421	476 841	-	-
Finance costs		(222)	(113 457)	-	-
Tax paid	29	(6 663 923)	(5 177 062)	(3 034 432)	(256 158)
Net cash from (used in) operating activities		**7 491 678**	**14 402 071**	**29 442 344**	**81 693 710**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(1 586 231)	(1 554 339)	-	-
Sale of property, plant and equipment	3	135 515	29 002	-	-
Disposal of subsidiaries	28	96 638 427	(2 816 262)	147 868 771	-
Purchase of intangible assets	5	(1 712 395)	(2 751 579)	-	-
Sale of intangible assets	5	371	-	-	-
Loans to group companies advanced		-	-	(121 628 419)	(151 032)
Lease receivable	9	89 796	258 926	-	-
Net cash from (used in) investing activities		**93 565 483**	**(6 834 252)**	**26 240 352**	**(151 032)**
Cash flows from financing activities					
Proceeds of loans from group companies		-	-	48 553 997	21 653 109
Repayment of loans from group companies		-	-	(105 757 384)	(102 645 543)
Dividends paid	30	(307 998)	(3 483 382)	-	-
Net cash used in financing activities		**(307 998)**	**(3 483 382)**	**(57 203 387)**	**(80 992 434)**
Total cash movement for the year		**100 749 164**	**4 084 437**	**(1 520 691)**	**550 244**
Cash at the beginning of the year		113 896 119	109 811 682	1 603 792	1 053 548
Total cash at end of the year	13	**214 645 283**	**113 896 119**	**83 101**	**1 603 792**

Group Accounting policies

1. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the South African financial reporting requirement and the requirements of the South African Companies Act and the JSE Listings Requirements. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. These financial statements are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1. Significant judgements and sources of estimation uncertainty

In the process of applying the Group's accounting policies, management has made the following judgements, which in certain cases involve estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgements are as follows:

Revenue of Research Services - Management applies judgement to estimate benchmarks as follows, work completed over estimate work required to complete the service, the cost incurred at a period end over the total estimated cost to complete the service. This is applied on an individual project basis. (note 20)

Revenue on Campaign service development - Management applies judgement to determine if the service is setup and provisioned. No judgement involved with regards to the timing and amount of management fees. (note 20)

Below are sources of estimated uncertainty

Impairment

The recoverable amount of goodwill and intangible assets that are not yet available for use is estimated annually. The recoverable amount of an asset is calculated as the higher of its fair value less costs to sell and its value in use.

In assessing the value in use, the expected future cashflows from the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

The discount rate applied is based on managements' estimate and is subject to change. An impairment loss is recognised in profit or loss whenever the carrying amount of the assets exceed its recoverable amount.

Group Accounting Policies (Continued)

1.1. Significant judgements and sources of estimation uncertainty (continued)

Residual value and useful life

Property, plant and equipment and intangible assets are depreciated or amortised over their estimated useful lives taking into account residual values following the requirements of International Accounting Standards (IAS 16) Property, plant and equipment as well as (IAS 38) Intangible Assets. Estimated useful lives and the residual values are re-assessed at each financial year end. The actual lives and residual values of those assets can vary depending on a variety of factors.

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Deferred tax assets

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future.

Assessing the recoverability of deferred tax requires the Group to make significant estimates related to expectations of future taxable income.

Recoverability of deferred tax assets requires estimates of future taxable income based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

1.2. Basis of consolidation

The Group financial statements consolidate those of the parent and all of its subsidiaries as of 30 June 2023. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Business combinations

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 of the acquisition-date 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.

1.3. Goodwill

Goodwill is carried at cost less impairment losses.

At each reporting date or whenever there is an indicator of impairment the Group reviews the carrying amount of goodwill and determine whether there is an indication of impairment.

1.4. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on a straight-line basis over their useful lives as follows:

Item	Average useful life
Land	Is not depreciated
Buildings	20 years
Leasehold improvements	5 years
Plant and machinery	5 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	3 - 5 years
IT equipment	3 - 5 years on average
Call centre equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each financial year.

1.5. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The indefinite intangible assets are tested for impairment annually, all other intangible assets are tested for impairment when there is an indicator of possible impairment.

The amortisation period and the amortisation method for intangible assets are reviewed every year-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Bespoke Services	5 years
Incentive Programme	5 years
Computer software	5 years
MediaWorx Platform	5 - 6.67 years on average
Property Buyers Show	Indefinite
Property platform and domain name	5 - 10 years on average
Private Property Brand Value	5 years
Private Property Platform	5 years
Private Property Client Relationship	5 years
Rights of use of Property Buyers Show	Indefinite

1.6. Internally generated intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed.

1.7. Impairment of assets

The Group reviews the carrying amount of its tangible and intangible assets whenever there is an indicator of impairment except for intangible assets that are not yet available for use, intangible assets with indefinite useful life and goodwill that is evaluated at each reporting date to determine whether there is an 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 it belongs.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Impairments to goodwill are never subsequently reversed.

Recoverable amount is the higher of fair values less cost to sell 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 or cash-generating unit for which the estimates of future cashflows have not been adjusted. 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 profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or (cash generating unit) is increased to the revised estimate of its recoverable amount, but 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.

1.8. Investments in subsidiaries

Company financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination.

1.9. Investments in associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries. Investments in associates are accounted for using the equity method.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however a gain on acquisition is recognised immediately in profit or loss.

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment.

1.10. Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Note 36 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Loans to group companies

Classification

Loans to group companies (note 10), are classified as financial assets measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans to group companies are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

1.11. **Financial instruments (continued)**

Definition of default

- A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on the number of factors including various liquidity and solvency ratios.

Significant increase in credit risk (SICR) assessment

- This assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default on a demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately (meaning that the risk of default is very low, possibly close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%).

Credit impaired indicators

- A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Write off policy

Write-off is considered on a case-by-case basis taking into consideration the age of the loan and the potential for a reasonable recovery or part recovery.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets measured at amortised cost (note 12).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade receivables on a simplified approach at an amount equal to lifetime expected credit losses (lifetime ECL). The Group made use of the practical expedient available under IFRS 9 and calculated the allowance using a provision matrix.

The Group measures the loss allowance for other receivables on a general approach when the receivable amount is raised.

1.11. Financial instruments (continued)

Significant increase in credit risk (SICR) assessment

This assessment is performed qualitatively by reference to the counter-party's:

- Overall credit rating that is determined via publicly available information;
- Agreed payment terms with increased risk associated with longer payment terms measured in 30 day increments.
- Payment history and adherence to current payment terms that increases the relative risk and resulting expected credit loss.

Trade Receivables are specifically impaired when management has exhausted all practical measures to recover the amounts outstanding.

Write off policy

Write-off is considered on a case by case basis taking into consideration the age of the outstanding amount and the potential for a reasonable recovery.

Loans from group companies

Classification

Loans from group companies (note 18) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from group companies are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 25).

Loans from group companies expose the Group to liquidity risk and interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

1.11. Financial instruments (continued)

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments arrangements entered into. Cash and cash equivalents are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.11. Tax Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income where it includes items of income and expenses that are accounted for in other periods and it further excludes items that are not taxable or deductible. The Group liability for current tax is calculated using rates currently enacted and substantially enacted at financial year end.

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the comprehensive liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit or loss nor the accounting profit or loss. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it's probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are off-set when there is a legally enforceable right to set off current tax against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss or where they arise from the initial accounting for a business combination.

In the case of a business combination, the effect is taken into account in calculating goodwill or in determining the gain or bargain purchase.

1.12. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the lease receivables that are held by the lessor. Lease receivables may not be used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

1.13. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Group re-acquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Transaction costs incurred on such transactions are netted off or deducted from equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Dividends are recognised as a liability in the Group in the period in which they are declared.

1.14. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15. Revenue

The Group provides a wide variety of services that enables the Group's clients to interact with its users (note 20).

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.

The Group often enters into transactions involving a range of the Group's services. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative stand-alone selling prices. Revenue is recognised as/or when the Group satisfies performance obligations by transferring the promised service to its customers.

Other revenue

Other revenue is incidental revenue transactions that is not related to the core revenue generating activities of the Group, is recognised on the accrual basis in accordance with the substance of the relevant agreements and measured at fair value of the consideration receivable.

Where the Group enters into sales transactions involving a range of the Group's services, the Group 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.

Dividends

Dividends are recognised, in profit or loss, when the Group's right to receive payment has been established.

1.16. Interest income

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

1.17. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

1.18. Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

1.19. Cost of services

The related cost of providing services recognised as revenue in the current period is included in cost of sales when incurred.

1.20. Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.21. Inventories

Inventories are stated at the lower of cost and net realisable value and comprise of stockholding for incentive operations.

1.22. Non-current assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

2. New Standards and Interpretations

2.1. Standards and interpretations not yet effective

The following standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2023 or later periods. None of these are expected to have a significant impact on the Group.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non- Current)	In January 2020, the IASB issued 01 January 2023 amendments to IAS 1, which clarify how an entity classifies liabilities as current or noncurrent. The amendments initially had an effective date of 1 January 2022, however, in July 2020 this was deferred until 1 January 2023 as a result of the COVID-19 pandemic. These amendments are not expected to have a significant impact for the Group as the group does not have any covenant related borrowings and has very limited non-current liabilities if any.	01 January 2024
IAS 1 Presentation of Financial Statements (Amendment - Disclosure of Accounting Policies)	The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	01 January 2023
Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates) IAS 8 Accounting Policies, Changes in	The amendments clarify how companies 01 January 2023 should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	01 January 2023

2.2. New and amended standards adopted by the Group

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Conceptual Framework for Financial Reporting (Amendments to IFRS 3)	In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. In the South African context transition provisions have not yet been finalised and the impact on the Group is unknown at this stage.	01 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment	In May 2020, the IASB issued amendments to IAS 37, which specify the costs a company includes when assessing whether a contract will be loss-making and is, therefore, recognised as an onerous contract. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.	01 January 2022

3. Property, plant and equipment

Group	2023 Cost	2023 Accumulated depreciation	2023 Carrying value	2022 Cost	2022 Accumulated depreciation	2022 Carrying value
Plant and machinery	-	-	-	578 547	(578 547)	-
Furniture and fixtures	74 276	-	74 276	1 442 361	(1 402 394)	39 967
Motor vehicles	164 211	(164 211)	-	183 730	(183 730)	-
Office equipment	106 290	(35 437)	70 853	1 933 732	(1 343 314)	590 418
IT equipment	2 064 940	(923 274)	1 141 666	18 622 617	(17 408 192)	1 214 425
Leasehold improvements	-	-	-	1 205 946	(950 766)	255 180
Call centre equipment	-	-	-	1 197 441	(1 197 441)	-
Total	**2 409 717**	**(1 122 922)**	**1 286 795**	**25 164 374**	**(23 064 384)**	**2 099 990**

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposal of subsidiaries (note 28)	Disposal	Depreciation	Total
Furniture and fixtures	39 967	74 277	-	(23 146)	(16 822)	74 276
Office equipment	590 418	32 498	(421 776)	(12 676)	(117 611)	70 853
IT equipment	1 214 425	1 479 456	(955 582)	(13 819)	(582 814)	1 141 666
Leasehold improvements	255 180	-	-	(206 725)	(48 455)	-
	2 099 990	**1 586 231**	**(1 377 358)**	**(256 366)**	**(765 702)**	**1 286 795**

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Disposal of subsidiaries (note 28)	Disposals	Non-current assets held for sale (note14)	Depreciation	Total
Land	2 200 000	-	-	-	(2 200 000)	-	-
Buildings	9 756 965	-	-	-	(9 680 639)	(76 326)	-
Furniture and fixtures	67 685	-	-	-	-	(27 718)	39 967
Office equipment	112 258	739 473	(23 122)	-	-	(238 191)	590 418
IT equipment	1 339 063	814 866	(68 343)	(2 348)	-	(868 813)	1 214 425
Leasehold improvements	308 040	-	-	-	-	(52 860)	255 180
	13 784 011	**1 554 339**	**(91 465)**	**(2 348)**	**(11 880 639)**	**(1 263 908)**	**2 099 990**

A detailed register of assets is available for inspection at the registered office of the Group.

4. Goodwill

Group	2023			2022		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	15 241 950	(13 353 556)	1 888 394	109 846 963	(54 201 706)	55 645 257

Reconciliation of goodwill - Group - 2023	Opening balance	Disposal of subsidiaries (note 28)	Total
Goodwill - BMi Research	1 888 394	-	1 888 394
Goodwill - Private Property	53 756 863	(53 756 863)	-
	55 645 257	**(53 756 863)**	**1 888 394**

Reconciliation of goodwill - Group - 2022	Opening balance	Impairment loss	Total
Goodwill - BMi Research	1 888 394	-	1 888 394
Goodwill - Private Property	95 357 232	(41 600 369)	53 756 863
	97 245 626	**(41 600 369)**	**55 645 257**

The Group disposed of its shareholding in Private Property South Africa in the year under review.

For the purpose of annual impairment testing the goodwill was matched with the cash generating unit that gave rise to the goodwill.

BMi Research

BMi Research's goodwill is tested for impairment by determining the current value of the future projected cashflow for 5 years including the calculation of a terminal value after the period using an average revenue growth rate of 5.5% (2022: 4.5%) and terminal growth rate of 5.0% (2022: 4.5%).

The recoverable amount of the cash generating unit was calculated to be R27 562 460 (2022: R28 895 691) which relates to a goodwill value of R1 888 395 (2022: R 1 888 395). If the future growth rate is increased by 1% then the value of the asset value calculated will be R34 093 311 (2022: R33 967 352). If the future growth rate is decreased by 1% then the value of the asset value calculated will be R24 256 445 (2022: R24 213 947).

The cashflow projections are in line with the normal rates achieved by the asset in the past. BMi Research is reported within the Knowledge Creation and Management Segment.

The pre-tax discount rate of 28.95% (2022: 29.93%) used reflect the appropriate costs of capital and risks associated with the asset. If the discount rate is increased by 1% then the value of the asset value calculated will be R27 324 195 (2022: R28 599 991). If the discount rate is decreased by 1% then the value of the asset value calculated will be R27 810 101 (2022: R29 202 629).

Private Property

In the previous financial year PPSA elected to reinvest most of the cash that it generates through operations back into its core systems and processes to ensure long term sustainability and to ensure the they position themselves as a world class property marketing platform. Due to this, the cash flows used in the calculation of the company's goodwill has significantly reduced when compared to previous periods and as such management evaluated goodwill for impairment. The recoverable amount of the cash generating unit was calculated to be R86 001 190 for the 50.01% of the shares held in the company by using an average growth rate of 5.5% and a terminal growth rate of 4.5% and a pre-tax discount rate of 24.19% with a resulting impairment of goodwill of R41 855 152 million. The Group disposed of its interest in Private Property at 18 November 2022.

Notes to the Financial Statements (CONTINUED)

5. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 317 448	(1 237 003)	80 445	6 433 574	(6 077 846)	355 728
Incentive Programme*	4 714 592	(4 146 128)	568 464	4 714 592	(3 792 337)	922 255
MediaWorx platform*	2 116 878	(1 770 281)	346 597	2 116 878	(1 654 749)	462 129
Private Property Brand Value	-	-	-	7 856 710	(5 368 752)	2 487 958
Private Property Client Relationships	-	-	-	16 801 473	(11 481 007)	5 320 466
Private Property Platform	-	-	-	2 311 662	(2 016 282)	295 380
Property Buyers Show	-	-	-	2 655 240	-	2 655 240
Software platform and domain name	-	-	-	4 788 311	-	4 788 311
Total	**8 148 918**	**(7 153 412)**	**995 506**	**47 678 440**	**(30 390 973)**	**17 287 467**

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Disposals	Disposal of subsidiaries (note 28)	Amortisation	Impairment loss	Total
Computer software	5 144 039	1 712 395	(371)	(6 500 706)	(274 912)	-	80 445
Incentive Programme*	922 255	-	-	-	(353 791)	-	568 464
MediaWorx platform*	462 129	-	-	-	(115 532)	-	346 597
Private Property Brand Value	2 487 958	-	-	(1 885 610)	(602 348)	-	-
Private Property Client Relationship	5 320 466	-	-	(4 032 353)	(1 288 113)	-	-
Private Property Platform	295 380	-	-	(118 153)	(177 227)	-	-
Property Buyers Show	2 655 240	-	-	-	-	(2 655 240)	-
	17 287 467	**1 712 395**	**(371)**	**(12 536 822)**	**(2 811 923)**	**(2 655 240)**	**995 506**

Reconciliation of intangible assets - Group - 2022

	Opening balance	Additions	Disposals of subsidiaries (note 28)	Amortisation	Impairment loss	Total
Bespoke services*	4 184 081	880 210	-	(363 055)	(4 701 236)	-
Computer software	4 811 116	367 009	(305 655)	(995 584)	(3 521 158)	355 728
Incentive Programme*	1 865 174	-	-	(942 919)	-	922 255
Knowledge 350*	48 154	-	-	(48 154)	-	-
MediaWorx platform*	782 891	-	-	(320 762)	-	462 129
Private Property Brand Value	4 059 300	-	-	(1 571 342)	-	2 487 958
Private Property Client Relationship	8 680 760	-	-	(3 360 294)	-	5 320 466
Private Property Platform	757 712	-	-	(462 332)	-	295 380
Property Buyers Show	2 655 240	-	-	-	-	2 655 240
Software platform and domain name	3 283 951	1 504 360	-	-	-	4 788 311
	31 128 379	**2 751 579**	**(305 655)**	**(8 064 442)**	**(8 222 394)**	**17 287 467**

5. Intangible assets (continued)

Impairment of intangible assets

In line with the Group's accounting policy, the Group evaluated the recoverable amount of its intangible assets which resulted in the impairment of The Property Buyers Show from R2 655 240 to Nil due to the uncertain viability of the show in the short term. In the previous year the Group re-evaluation its strategic growth prospects and management were off the view that it is unlikely that the related Bespoke Services and Computer Software would have produced any significant future economic benefits and as a result the related assets it was impaired to Nil.

*Internally generated assets are assets developed by the Group for its own use that will enable the Group to generate future economic benefits from the assets.

Average remaining useful life

	Average remaining useful life 2023	Average remaining useful life 2022
Incentive Programme*	1.80 years	2.80 years
Computer software	Less than 1 year	Less than 1 year
MediaWorx Platform*	3.00 years	4.00 years
Property Buyers Show**	Disposed	Indefinite
Software platform and domain name**	Disposed	5 - 10 years
Private Property Brand Value**	Disposed	1.60 years
Private Property Platform**	Disposed	Less than 1 year
Private Property Client Relationship	Disposed	1.60 years

*Internally generated assets
**Disposal as a result of disposal of subsidiary

6. Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

2023 **The holding Company's investment in subsidiaries is as follows:**	Issued share capital R	Group effective interest %	Cost of investment R
FoneWorx Proprietary Limited	100	100%	100
Four Rivers Trading 123 Proprietary Limited	100	100%	2 310 100
MiVoucher Proprietary Limited	100	100%	100
Survey On line Proprietary Limited	100	100%	100
Cognition Analytics Proprietary Limited	100	100%	100
Carbonworx Proprietary Limited	100	70%	70
VM Advertising Proprietary Limited	100	100%	100
FoneWorx Kenya Limited	5 000 000	60%	100
BMi Research Proprietary Limited	100	100%	16 484 751
FoneWorx Global Communications Limited (Nigeria)	10 000 000	70%	100
FoneWorx Zambia Limited	5 000 000	60%	100
FoneWorx Namibia Proprietary Limited	100	100%	100
			18 795 821

6. Investment in subsidiaries (continued)

2022 The holding Company's investment in subsidiaries is as follows:	Issued share capital R	Group effective interest %	Cost of investment R
FoneWorx Proprietary Limited	100	100%	100
Four Rivers Trading 123 Proprietary Limited	100	100%	2 310 100
MiVoucher Proprietary Limited	100	100%	100
Survey On Line Proprietary Limited	100	100%	100
Cognition Analytics Proprietary Limited	100	100%	100
Carbonworx Proprietary Limited	100	70%	70
VM Advertising Proprietary Limited	100	100%	100
FoneWorx Kenya Limited	5 000 000	60%	100
BMi Research Proprietary Limited	100	100%	16 484 751
FoneWorx Global Communications Limited (Nigeria)	10 000 000	70%	100
FoneWorx Zambia Limited	5 000 000	60%	100
FoneWorx Namibia Proprietary Limited	100	100%	100
Private Property South Africa Proprietary Limited	25 000	50.01%	86 255 973
			105 051 794

2023 Reconciliation of Investment in subsidiaries	Opening balance	Disposal	Impairments	Closing balance
FoneWorx Proprietary Limited	100	-	-	100
Four Rivers Trading 123 Proprietary Limited	2 310 100	-	-	2 310 100
MiVoucher Proprietary Limited	100	-	-	100
Survey On line Proprietary Limited	100	-	-	100
Cognition Analytics Proprietary Limited	100	-	-	100
Carbonworx Proprietary Limited	70	-	-	70
VM Advertising Proprietary Limited	100	-	-	100
FoneWorx Kenya Limited	100	-	-	100
BMi Research Proprietary Limited	16 484 751	-	-	16 484 751
FoneWorx Global Communications Limited (Nigeria)	100	-	-	100
FoneWorx Zambia Limited	100	-	-	100
FoneWorx Namibia Proprietary Limited	100	-	-	100
Private Property South Africa Proprietary Limited	86 255 973	(86 255 973)	-	-
	105 051 794	**(86 255 973)**	**-**	**18 795 821**

6. Investment in subsidiaries (continued)

2022

Reconciliation of Investment in subsidiaries	**Opening balance**	**Disposals**	**Impairments**	**Closing balance**
FoneWorx Proprietary Limited	100	-	-	100
Four Rivers Trading 123 Proprietary Limited	2 310 100	-	-	2 310 100
UnilD Proprietary Limited)	850 100	(850 100)	-	-
MiVoucher Proprietary Limited	100	-	-	100
Survey On line Proprietary Limited	100	-	-	100
Cognition Analytics Proprietary Limited	100	-	-	100
Carbonworx Proprietary Limited	70	-	-	70
VM Advertising Proprietary Limited	100	-	-	100
FoneWorx Kenya Limited	100	-	-	100
BMi Sport Group	5 350 668	(5 350 668)	-	-
BMi Research Proprietary Limited	16 484 751	-	-	16 484 751
FoneWorx Global Communications Limited (Nigeria)	100	-	-	100
FoneWorx Zambia Limited	100	-	-	100
FoneWorx Namibia Proprietary Limited	100	-	-	100
Private Property South Africa Proprietary Limited	127 000 000	-	(40 744 027)	86 255 973
	151 996 589	**(6 200 768)**	**(40 744 027)**	**105 051 794**

The principle location of the Group is in South Africa. All the above entities are private companies. The Group makes use of a network of commercial business associates in order to deliver services throughout Africa.

BMi Research Group

The investment in BMi Research Group is tested for impairment by determining the current value of the future projected cashflow for 5 years, including the calculation of a terminal value after the period using an average revenue growth rate of 5.5% (2022: 4.5%) and terminal growth rate of 5.0% (2022: 4.5%) and a pre-tax discount rate of 28.95% (2022: 29.93%) with the determined recoverable amount being R19 679 462 (2022: R16 484 751).

Private Property

In the previous financial year PPSA elected to reinvest most of the cash that it generates through operations back into its core systems and processes to ensure long term sustainability and to ensure the they position themselves as a world class property marketing platform therefore, the Group impaired the investment in Private Property South Africa in the prior year by R40 744 027 down to a recoverable amount of R86 255 973 which was based on a growth rate of 5.5% (2021: 5.5%) and terminal growth rate of 4.5% for the forthcoming five years and applying a pre-tax discount rate of 24.19%. The Company disposed of its interest in Private Property at 18 November 2022.

7. Investment in associate

The following table lists all of the associates in the group:

Group

Name of company	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023	Carrying amount 2022
LivingFacts Proprietary Limited	47.70 %	47.70 %	2 990 155	3 121 648

Company

Name of company	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023	Carrying amount 2022
LivingFacts Proprietary Limited	47.70 %	47.70 %	2 156 816	2 156 816

The investment in LivingFacts Proprietary Limited is tested for impairment by determining the current value of the future projected cashflow for 5 years, including the calculation of a terminal value after the period using an average revenue growth rate of 5.5% (2022: 5.0%) and terminal growth rate of 5.0% (2022: 4%) and a pre-tax discount rate of 28.67% (2022: 29.70%) with the determined recoverable amount being R3 103 263 (2022: R6 571 350).

The summarised financial information in respect of the Group's principle associate is set out below.

Summarised Statement of Profit or Loss and Other Comprehensive Income	LivingFacts Proprietary Limited	
	2023	2022
Revenue	7 657 974	10 961 226
Profit after taxation from continuing operations	378 389	1 679 078

Summarised Statement of Financial Position	LivingFacts Proprietary Limited	
	2023	2022
Assets		
Non-current	218	948
Current	3 764 009	3 979 069
Total assets	3 764 227	3 980 017
Liabilities		
Current	1 167 473	1 971 245
Total net assets	2 596 753	2 008 772

Associates with different reporting dates

The end of the reporting year of Cognition Holdings Limited is 30 June 2023. The year end of LivingFacts Proprietary Limited is 28 February 2023. The information above was obtained from the management accounts of LivingFacts Proprietary Limited for 30 June 2023.

	2023	2022
Group's share of opening net assets	1 370 144	1 046 065
Goodwill - included in initial investment	1 751 504	1 751 504
Share of profit from equity accounted investment	106 928	800 920
Dividend received	(238 421)	(476 841)
	2 990 155	**3 121 648**

The principle place of business of LivingFacts is in Sandton and does operate independantly with limited oversight by the Group.

8. Deferred tax

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
Deferred tax asset				
Deferred tax liability	-	(1 323 431)	-	-
Deferred tax asset	2 029 630	3 456 899	559 899	1 284 383
Total net deferred tax asset	**2 029 630**	**2 133 468**	**559 899**	**1 284 383**
Reconciliation of deferred tax asset				
At beginning of year	2 133 468	602 435	1 284 393	265 854
Property, plant and equipment	826	(2 690)	-	-
Intangible assets	2 381 770	2 934 297	-	-
Accruals	(976 359)	(777 967)	(9 448)	(30 644)
Revenue accrual	(484 223)	153 844	-	-
Prepaid expenses	24 804	-	-	-
Tax losses available for set off against future taxable income	(1 050 656)	(776 451)	(715 046)	1 049 183
	2 029 630	**2 133 468**	**559 899**	**1 284 393**
Categories of temporary differences				
Property, plant and equipment	(1 911)	(2 737)	-	-
Intangible assets	(247 067)	(2 628 837)	-	-
Accruals	1 411 378	2 387 737	225 762	235 210
Revenue accrual	560 093	1 044 316	-	-
Prepaid expenses	(27 000)	(51 804)	-	-
Taxable losses available for set off against future taxable income	334 137	1 384 793	334 137	1 049 183
	2 029 630	**2 133 468**	**559 899**	**1 284 393**

Deferred tax assets are only raised by the Group from entities that management believes will be profitable in the foreseeable future.

9. Lease receivable

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
Lease receipt due				
- within one year	-	160 000		
Gross investment in the leases	-	160 000		
Less: Unearned interest income	-	(42 412)		
Present value of lease receipts	**-**	**117 588**		
Reconcilliation of lease receivable				
Balance at beginning of the year	117 588	376 514		
Lease receipts (excluding finance component)	(89 796)	(258 926)		
Disposal of subsidiary	(27 792)	-		
Balance at end of year	**-**	**117 588**		

The Group has classified the lease as a finance lease, because the lease is for whole of the remaining life of the asset.

10. Loans to group companies

	2023			2022		
	Book value	Allowance for expected credit loss	Carrying value	Book value	Allowance for expected credit loss	Carrying value
MiVoucher Proprietary Limited *	535 228	(535 228)	-	858 316	(858 316)	-
VM Advertising Proprietary Limited *	823 984	(823 984)	-	823 984	(823 984)	-
Cognition Analytics Proprietary Limited *	113 524	(113 524)	-	112 354	(112 354)	-
FoneWorx Proprietary Limited#	121 628 419	-	121 628 419	-	-	-
UniID Proprietary Limited	-	-	-	467 331	(467 331)	-
	123 101 155	**(1 472 736)**	**121 628 419**	**2 261 985**	**(2 261 985)**	**-**

All the above entities are private companies.

All of the above loans are unsecured, interest free and have no fixed repayment terms. The directors consider the carrying amounts of the amounts owing from group companies to approximate their fair value, due to short term nature thereof the effect of discounting is considered immaterial.

*The loans to these companies have been subordinated. They have been assessed on a stage 3 basis and as such a 100% is expected as a credit loss and an allowance be made accordingly.

#The loan to this company has been assessed on a stage 1 basis with low credit risk as the loan is fully supported by cash and cash equivalent assets.

The Group applies IFRS 9 general model of recognising lifetime expected credit losses for loans to group companies. The expected credit loss is determined on a company by company basis.

The impairment reversal recognised in the current period relating to the provision against the loan amounts to R 321 918 (2022: R 21 364) is due to MiVoucher Proprietary Limited that repaid a portion of the outstanding loan.

11. Inventories

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Inventories	24 037	60 493	-	-

12. Trade and other receivables

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Financial instruments:				
Trade receivables	29 657 141	36 542 063	7 416 977	13 445 683
Expected credit losses	(87 013)	(765 201)	(17 787)	(21 667)
Trade receivables at amortised cost	29 570 128	35 776 862	7 399 190	13 424 016
Deposits	63 434	101 509	-	-
Other receivables	40 651	818 574	-	-
Staff loans	21 050	112 583	-	-
Shares loans	818 368	818 368	818 368	818 368
Expected credit losses for shares loans	(818 368)	(818 368)	(818 368)	(818 368)
Non-financial instruments:				
VAT	74 539	78 516	-	-
Prepayments	576 696	4 033 101	95 096	-
Total trade and other receivables	**30 346 498**	**40 921 145**	**7 494 286**	**13 424 016**

12. Trade and other receivables (continued)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	Group		Company	
Figures in Rand	2023	2022	2023	2022
At amortised cost	29 695 263	36 809 528	7 399 190	13 424 016
Non-financial instruments	651 235	4 111 617	95 096	-
	30 346 498	**40 921 145**	**7 494 286**	**13 424 016**

Exposure to credit risk

The Group and 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 Group and Company continuously monitors the credit quality of customers. Where available, external credit checks on customers are obtained and used. The Group and Company's policy is to deal only with credit worthy counterparties. The credit terms are 30 and 90 days. The ongoing credit risk is managed through regular review of ageing analysis.

Staff loans are repayable over terms of less than 120 days. The outstanding share loan has no specific repayment period, is unsecured and therefore fully impaired.

2023 Group Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.10%	0.37%	0.42%	0.63%	0.91%	0.29%
Gross carrying amount	15 841 604	4 947 604	4 152 990	2 542 604	2 172 339	29 657 141
Lifetime expected credit loss	15 920	18 187	17 277	15 964	19 665	87 013

2022 Group Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.27%	6.60%	9.08%	0.51%	18.63%	2.09%
Gross carrying amount	26 564 629	4 929 747	683 226	2 805 474	1 558 987	36 542 063
Lifetime expected credit loss	73 005	325 530	62 013	14 178	290 475	765 201

2023 Company Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.09%	0.50%	0.60%	0.00%	0.90%	0.24%
Gross carrying amount	5 064 952	949 999	1 351 050	-	50 976	7 416 977
Lifetime expected credit loss	4 471	4 750	8 106	-	460	17 787

2022 Company Trade receivables amount due	**Current**	**More than 30 days**	**More than 60 days**	**More than 90 days**	**More than 120 days**	**Total**
Expected credit loss rate	0.08%	0.50%	0.60%	0.70%	0.88%	0.16%
Gross carrying amount	11 813 653	102 196	48 784	627 011	854 039	13 445 683
Lifetime expected credit loss	8 945	511	293	4 388	7 530	21 667

The directors consider the carrying amount of trade and other receivables to approximates their fair values, due to the short term nature thereof.

The sale of the Private Property has led to a significant alteration in both the total carrying value and the lifetime expected loss value of the Group's trade receivables. This change is a result of aligning these values more closely with the core operations of the remaining businesses within the Group.

12. Trade and other receivables (continued)

Other receivables

Other receivables - Management evaluated the expected credit losses from other receivables by evaluating them on a case by case basis and have found that there are no material expected credit losses except for the share loans of R818 368 (2022: R818 368) that has an expected credit loss of R818 368 (2022: R818 368).

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Expected credit loss reconciliation				
Opening balance	765 201	614 192	21 667	18 511
Provision raised on new trade receivables	21 423	174 564	-	3 156
Disposal of subsidiary	(693 913)	-	-	-
Provision reversed on settled trade receivables	(5 698)	(23 555)	(3 880)	-
Closing balance	**87 013**	**765 201**	**17 787**	**21 667**

13. Cash and cash equivalents

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Cash and cash equivalents consist of:				
Cash on hand	29 216	26 866	-	-
Bank balances	204 538 655	96 812 648	83 101	1 603 792
Third party prize money	10 077 412	17 056 605	-	-
	214 645 283	**113 896 119**	**83 101**	**1 603 792**

Third party prize money relates to cash held on behalf of customers as prizes for specific campaigns. These amounts are restricted for use for only these campaigns and not for use by the Group. This amount corresponds third party prize money liability in the Statement of Financial Position.

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. The banks credit rating ranges from Baa2 to Baa3 which is considered adequate and does not require the recognition of expected credit losses.

14. Non-current assets held for sale

At the reporting date the Group was in the process of selling its Office Building as it no longer required the office accommodation and hosting infrastructure. The transaction is expected to be concluded towards the end of October 2023. The value of the asset is accounted for at the carrying value of held for sale assets and is R11 804 312 (2022: R11 880 638) which is lower than the fair value off the asset less cost to sell the asset.

On 26 June 2023, the company entered into an agreement with Luma Proprietary Limited in terms of which it will, subject to the conditions precedent, dispose of 100% of the issued share capital of its subsidiary Four Rivers Trading 123 Proprietary Limited for R11 875 000, the sole asset of which is the property known as Cognition House, situated at the corner of Bram Fischer Drive and Will Scarlett Avenue, Ferndale, Randburg.

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Non-current assets held for sale				
Buildings	9 604 312	9 680 638	-	-
Land	2 200 000	2 200 000	-	-
	11 804 312	**11 880 638**	**-**	**-**

Notes to the Financial Statements (CONTINUED)

15. Share capital

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
Authorised				
1 250 000 000 Ordinary shares of no par value	1 250 000 000	1 250 000 000	1 250 000 000	1 250 000 000
Issued				
229 273 021 Ordinary shares of no par value	159 420 500	159 420 500	159 420 500	159 420 500

16. Equity due to change in ownership

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
BMi Research Proprietary Limited	6 135 484	6 135 484	-	-

17. Non-controlling interest

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
Private Property South Africa Proprietary Limited	-	25 340 524	-	-
BMI Research Proprietary Limited	1 522 507	1 205 719	-	-
	1 522 507	**26 546 243**	**-**	**-**
Non-controlling interest in Private Property South Africa Proprietary Limited				
Principle place of business		RSA	-	-
Non-controlling interest		49,99%	-	-
Revenue	-	149 259 844	-	-
Profit for the year	-	10 166 571	-	-
Total comprehensive income	-	10 166 571	-	-
Profit allocated to non-controlling interest	-	5 082 269	-	-
Non-current assets	-	10 206 747	-	-
Current assets	-	59 634 718	-	-
Current liabilities	-	20 227 667	-	-
Net assets	-	49 613 798	-	-
Net asset attributable to non-controlling interest	**-**	**24 811 860**	**-**	**-**
Net Cash generated from operating activities	-	6 866 843	-	-
Net Cash utilised in investing activities	-	(2 437 893)	-	-
Dividend paid	-	7 430 031	-	-

Notes to the Financial Statements (CONTINUED)

18. Loans from group companies

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Subsidiaries				
FoneWorx Proprietary Limited	-	-	-	28 472 268
Four Rivers Trading 123 Proprietary Limited	-	-	6 046 297	4 694 274
SurveyOnLine Proprietary Limited	-	-	1 793 160	1 453 043
	-	**-**	**7 839 457**	**34 619 585**

All the above entities are private companies. The loans are recorded in South African Rands as this is the currency in which the transactions are concluded.

All of the above loans are unsecured, interest free and have no fixed repayment terms. The directors consider the carrying amounts of the amounts owing to group companies to approximate their fair value, due to short term nature thereof.

19. Trade and other payables

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Financial instruments:				
Trade payables	3 269 621	15 335 375	-	-
Accrued employee costs	-	5 838 116	-	-
Accruals	5 892 566	8 334 641	539 720	2 862 241
Audit and drafting fee accrual	1 013 890	1 726 116	782 633	1 000 000
Non-financial instruments:				
Amounts received in advance	6 160 058	4 591 054	-	-
VAT	929 055	2 097 748	36 000	233 563
	17 265 190	**37 923 050**	**1 358 353**	**4 095 804**
Amounts received in advance				
Balance at the beginning of the year	4 591 054	6 218 338	-	-
Amounts recognise as revenue	(4 591 054)	(6 218 338)	-	-
Amounts received in advance *	6 160 058	4 591 054	-	-
Balance at the end of the year	**6 160 058**	**4 591 054**	**-**	**-**

*Revenue relating to these services has not been recognised by the Group. Revenue will only be recognised once the service has been rendered and is accounted for in line with the performance obligation and timing measurement as set out in note 20 which is normally within 12 months after the amount in advance has been paid.

20. Revenue

Revenue from contracts with customers

The Group derives revenue from offering multiple services to customers.

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services. All invoices are due and payable within payment on presentation of invoice between 30 and 90 days except for a single multinational that has arrange longer payment terms not exceeding 120 days. Therefore, the Group has elected to apply the practical expedient as there are no significant financing components.

Revenue is derived from fees charged to customers for the following service offerings:

- Online Platform Services
- Research Services
- Communication Service Revenue
- Campaign service development
- Supplementary Services

The Group does not encounter any revenue reversal due to returns, refunds, rebates and other similar obligations. An analysis of the Group's revenue streams are as follows:

Revenue stream	Performance obligation	Timing measurement	Judgement
Online Platform Services	The Group has various platforms that are used by its clients to enhance and promote their service to a large consumer base.	Access to the online platform is based on a monthly fee that is recognised by the Group over time on a straight line basis. Platform services are invoiced on a prepaid basis or within the month that the service is rendered. Transaction-based services that are offered on the online platform are recognised when the transaction takes place at a point in time and invoiced when the service is rendered or within the month that the service is rendered.	Platform service delivery is largely automated as is the related billing. Judgement is therefore not required to estimate the amount or timing of the revenue recognised.
Research Services	Qualitative and quantitative research services.	Continued data collection, collation and research analytics into monthly reports are recognised over time and invoiced in the month that the service is rendered. Where a research project spans more than one month, revenue is recognised upon achievement of the benchmarks set within the project. Depending on the agreement a percentage of the invoicing takes place upon commissioning of the project and the remaining balance as the benchmarks are achieved. All invoicing that has not been recognised as revenue yet is recognised and disclosed as amounts received in advance within trade and other payables.	No judgement is required with regards to the timing and amount of ongoing data collection, collation and research analytics services. Management applies judgement to estimate benchmarks as follows: Work completed compared to the estimated work required to complete the service. The cost incurred at a period end over the total estimated cost to complete the service. This is applied on an individual project basis.

20. Revenue (continued)

Revenue stream	Performance obligation	Timing measurement	Judgement
Communication Service Revenue	Provision of communication services such as SMS, USSD, IVR, Whatsapp, App push and Fax services to users.	Revenue is recognised at a point in time when the transaction takes place. Invoicing takes place within the same month as the service is rendered.	No judgement is required with regards to the timing and amount as these services are automated.
Campaign service development	This represents fees for setting up and managing digital services used for business and marketing purposes.	The setup of a service is recognised at the point in time when the service is provisioned and is invoiced within the same month. Revenue related to the management of services is invoiced within the month that the recognition takes place and is recognised by the Group over time.	Management applies judgement to determine if the service is setup and provisioned. No judgement required with regards to the timing and amount of management fees.
Supplementary Services	Other revenue earned by the Group on services that are supplementary to the services above.	Other revenue relates to the sale of supplementary services that are recognised at a point in time.	No judgement required relating to the timing and amount of supplementary services.

Continuing operations	Group 2023	Group 2022*	Company 2023	Company 2022
Rendering of services	189 920 097	235 017 324	3 675 139	7 042 715
Less: Agency revenue	(110 715 344)	(143 333 119)	-	-
	79 204 753	**91 684 205**	**3 675 139**	**7 042 715**
Disaggregation of revenue from contract with customers				
The group disaggregates revenue from customers as follows:				
Rendering of service				
Africa revenue	485 140	14	-	-
South African revenue	78 719 613	91 684 191	3 675 139	7 042 715
	79 204 753	**91 684 205**	**3 675 139**	**7 042 715**
Timing of revenue recognition Over time				
Research Services	36 465 728	40 260 030	-	-
Campaign services	10 585 291	12 740 766	-	-
	47 051 019	**53 000 796**	**-**	**-**
At a point in time				
Online Platform Services	10 822 656	13 168 213	3 675 139	7 042 715
Communication Services	5 469 252	10 537 105	-	-
Campaign services	13 751 743	12 978 182	-	-
Supplementary Services	2 110 083	1 999 909	-	-
	32 153 734	**38 683 409**	**3 675 139**	**7 042 715**
Revenue from contracts with customers - continuing operations	**79 204 753**	**91 684 205**	**3 675 139**	**7 042 715**

*Restated for discontinued operations

Notes to the Financial Statements (CONTINUED)

20. Revenue (continued)

Agency revenue

The Group offers services that are classified as agency revenue in terms of IFRS 15 and as such the Group discloses these services separately in the note for enhanced disclosure purposes.

Online platform services, research services and certain supplementary services are accounted for in the Knowledge Management segment with the remaining revenue accounted for in the Active Data Exchange Services segment.

21. Other operating (losses) gains

		Group		Company	
Figures in Rand		2023	2022	2023	2022
Gains (losses) on disposals					
Property, plant and equipment	3	(120 851)	26 654	-	-
Investments in subsidiaries	28	-	(3 365 837)	61 612 798	(7 300 952)
		(120 851)	**(3 339 183)**	**61 612 798**	**(7 300 952)**
Foreign exchange gains (losses)					
Other		21 670	(54 838)	-	-
Total other operating (losses) gains		**(99 181)**	**(3 394 021)**	**61 612 798**	**(7 300 952)**

22. Operating profit (loss)

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:				
Employee costs				
Continuing operations	40 055 614	43 091 942	1 021 550	778 963
Discontinued operations	19 304 082	54 246 451	-	-
Total employee costs	**59 359 696**	**97 338 393**	**1 021 550**	**778 963**
Depreciation and amortisation				
Depreciation of property, plant and equipment	575 551	622 712	-	-
Amortisation of intangible assets	744 234	2 670 474	-	-
	1 319 785	**3 293 186**	**-**	**-**
Other				
Insurance	898 385	1 189 288	-	-
Annual fees relating to listing on JSE	552 585	645 946	552 585	645 946
Telecommunication charges	1 524 296	2 959 687	-	-
Legal fees	33 462	2 152 111	-	-
Advertising	460 356	379 975	-	-

23. Directors' emoluments

Executive

2023

Directors' emoluments	Emoluments	Non-executive director emoluments	Travel allowance and other benefits	Bonus	Total	Paid by Caxton and CTP Group
Services as director or prescribed officer						
G Groenewaldt***	2 525 856	-	-	-	2 525 856	-
PA Scholtz***	2 299 536	-	120 000	-	2 419 536	-
R Fedder***	720 000	-	-	-	720 000	1 942 576
S de Kock	-	-	-	-	-	969 103
P Jenkins*	-	-	-	-	-	1 463 666
A Mwela***	1 192 284	-	-	242 298	1 434 582	-
D Lopambo*	-	62 000	-	-	62 000	-
M Crisp*	-	86 900	-	-	86 900	-
S Naude*	-	152 650	-	-	152 650	-
	6 737 676	**301 550**	**120 000**	**-**	**7 401 524**	**4 375 345**

2022

Directors' emoluments	Emoluments	Non-executive director emoluments	Travel allowance and other benefits	Bonus	Gains on exercise of share options for PPSA	Total	Paid by Caxton and CTP Group
Services as director or prescribed officer							
G Groenewald***	2 525 168	-	-	-	-	2 525 168	-
MA Smith***3	2 733 890	-	-	-	-	2 733 890	-
PA Scholtz***	2 298 708	-	120 000	-	-	2 418 708	-
SA Kleynhans^4	1 123 611	-	25 000	-	-	1 148 611	-
R Fedder***1,2	450 000	-	-	-	-	450 000	932 645
AG Mancha*5	-	78 650	-	-	-	78 650	-
R Pitt*5	-	49 950	-	-	-	49 950	-
G Mooney**5	-	-	-	-	-	-	-
S de Kock1,6	-	-	-	-	-	-	799 290
P Jenkins*1	-	-	-	-	-	-	1 391 556
M du Plessis1,7	-	-	-	-	-	-	394 667
A Mwela***	2 927 503	-	121 951	1 325 000	3 224 791	7 599 245	-
T Ahier**8	-	-	-	-	-	-	-
D Lopambo*	-	43 600	-	-	-	43 600	-
M Crisp*6	-	75 800	-	-	-	75 800	181 700
S Naude*9	-	80 100	-	-	-	80 100	-
	12 058 880	**328 100**	**266 951**	**1 325 000**	**3 224 791**	**17 203 722**	**3 699 858**

* Independent Non-Executive Directors.
^ Prescribed Officer
** These directors do not receive remuneration from companies in the Group.
*** These salaries are an expense of a Cognition Holdings Limited subsidiary. These are the only prescribed officers in the Group.

1. These directors were remunerated by companies within the Caxton and CTP Group and not by the Cognition Group.
2. Appointed 10 December 2021
3. Resigned 20 January 2022
4. Resigned 30 April 2022
5. Terms ended 26 November 2021
6. Appointed 2 September 2021
7. Resigned 2 September 2021
8. Resigned 5 August 2021
9. Appointed 26 November 2021

24. Investment income

Dividend income	Group 2023	Group 2022	Company 2023	Company 2022
Subsidiaries local	-	-	238 421	9 043 820
Interest income				
Bank and other cash	11 173 203	1 728 731	4 780	3 425
Total investment income	**11 173 203**	**1 728 731**	**243 201**	**9 047 245**

25. Finance costs

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Supplier account	222	-	-	-

26. Taxation

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Major components of the tax expense (income)				
Current				
Local income tax - current period	5 136 368	2 972 120	-	-
Local income tax - recognised in current tax for prior periods	(65 280)	(117 215)	3 439 562	(117 215)
Capital Gains Tax	3 439 562	-		
	8 510 650	**2 854 905**	**3 439 562**	**(117 215)**
Deferred				
Originating and reversing temporary differences	(676 694)	(2 855 900)	(256 304)	(1 018 539)
Changes in tax rates	76 195	-	45 871	-
Arising from Capital Gain Taxation	934 927	-	934 927	-
	334 428	**(2 855 900)**	**724 494**	**(1 018 539)**
	8 845 078	**(995)**	**4 164 056**	**(1 135 754)**
Reconciliation of the tax (income) expense				
Reconciliation between accounting profit (loss) and tax expense (income).				
Accounting profit (loss)	77 612 539	(45 494 402)	60 474 036	(44 617 036)
Tax at the applicable tax rate of 27% (2022: 28%)	20 955 385	(12 738 433)	16 327 990	(12 492 770)
Tax effect of adjustments on taxable income				
Non-tax-deductible expenditure *	1 570 959	363 266	594 516	559 889
Local Income tax - recognised in current tax for prior periods	934 927	-	934 927	(117 215)
Change in tax rates	76 195	-	45 871	-
Impairment of intercompany loans	-	-	(304 934)	(5 982)
Income from associate	(106 928)	(224 258)	-	-
Dividends received	-	-	(238 421)	(2 532 270)
Impairment of goodwill	-	11 648 103	-	11 408 328
Loss on disposal of investments	(14 585 460)	950 327	(13 195 893)	2 044 266
	8 845 078	**(995)**	**4 164 056**	**(1 135 754)**

*Non-tax deductible relate to listing and legal fees incurred as a result of disposal of subsidiaries and the relates cost for maintaining a listing.

Gross estimated tax losses of certain subsidiaries at 30 June 2023, available for offset against future taxable income amounted to R 20 381 (2022: R 2 496). A deferred tax asset has not been raised in respect of these losses due to the uncertainty around those subsidiaries' ability to generate future taxable profits against which the deferred tax asset may be utilised. Had a deferred tax asset been raised it would have amounted to R5 503 (2022: R699).

The build-up reserves held by the Group can be distributed to its shareholders by a dividend that will be subject to dividend tax of 20% unless the shareholder is exempt from local dividend tax.

27. Cash generated from operations

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Profit (loss) before taxation	-	-	-	-
Continuing operations	14 761 003	(11 880 843)	60 474 036	(44 617 036)
Discontinued operations	62 851 536	(33 613 559)	-	-
Adjustments for:				
Depreciation and amortisation	3 653 951	9 328 350	-	-
Loss (profit) on disposal of property, plant and equipment	120 851	(26 654)	-	-
(Profit) loss on disposal of subsidiaries	(66 759 344)	3 365 838	(61 612 798)	7 300 952
Income from equity accounted investments	(106 928)	(800 920)	-	-
Dividend income	-	-	(238 421)	(9 043 820)
Interest income	(12 170 697)	(3 758 624)	(4 780)	(3 425)
Finance costs	222	113 457	-	-
Impairment of goodwill	-	41 600 369	-	-
Impairment of investment	-	-	-	40 744 027
Impairment of intangible assets	2 655 240	8 222 394	-	-
Non cash loans repaid by group company	-	-	30 423 259	-
Cash-settled share-based payment reversal	-	(1 675 612)	-	-
Changes in working capital:				
Inventories	(41 866)	828 970	-	-
Trade and other receivables	2 329 481	(4 850 265)	5 929 730	2 041 422
Trade and other payables	1 432 449	5 452 849	(2 737 451)	76 480 503
Third party prize money	(6 979 193)	3 151 375	-	-
	1 746 705	**15 457 125**	**32 233 575**	**72 902 623**

28. Disposal of subsidiaries

The Group disposed of its 50.01% interest in Private Property South Africa effective 18 November 2022 for a cash consideration of R150 million. The rationale for the sale is based on Private Property's growth prospects and related business imperatives that would have required an allocation of considerable additional resources in technology and marketing. The sale presented an opportunity for the company to return significant value to shareholders through the sale of its interest.

In the previous financial year, the Group disposed of its interest in the BMi Sport Group. The COVID 19 pandemic's impact on the Sport Sponsorship industry over the past two years has resulted in the BMi Sport Group being under severe financial distress and consuming its built-up accumulated reserves. Accordingly, the Group sold its interest in the BMi Sport Group to a company controlled by the Managing Director of the BMI Sport Group, effective 1 October 2021, for minimal consideration and with adequate resources to ensure that the Sport Group can deliver on all its contractual and staff obligations. In addition to the above the Group sold its interest in UnilD to an external party for a minimal consideration.

	Group 2023	Group 2022	Group 2022	Group 2022
Carrying value of assets sold	**Private Property South Africa**	**BMi Sport Group**	**UnilD**	**Total**
Property, plant and equipment	1 377 358	91 465	-	91 465
Intangible assets	12 536 822	305 655	-	305 655
Deferred tax assets / liabilities	(230 591)	1 160 534	-	1 160 534
Inventories	78 322	-	-	-
Trade and other receivables	8 245 166	442 816	155 120	597 936
Trade and other payables	(22 090 309)	(1 606 014)	-	(1 606 014)
Current tax receivables	165 054	-	-	-
Cash and cash equivalents	51 230 343	2 816 262	-	2 816 262
Lease receivable	27 792	-	-	-
Goodwill	53 756 863	-	-	-
Total identifiable asset value	**105 096 820**	**3 210 718**	**155 120**	**3 365 838**
Non-controlling interest in identifiable asset value	(23 987 394)	-	-	-
Total identifiable asset value related to Cognition	**81 109 426**	**3 210 718**	**155 120**	**3 365 838**
Shareholders Consideration received	150 000 000	-	-	-
Related transaction cost	(2 131 230)	-	-	-
Total identifiable asset value disposed off	(81 109 426)	(3 210718)	(155 120)	(3 365 838)
Profit (loss) on disposal of subsidiaries	**66 759 344**	**(3 210 718)**	**(155 120)**	**(3 365 838)**

The profit on disposal of these subsidiaries, by the Company, was R61 612 798 (2022: R7 300 952 loss), being the excess of the consideration received relative to the book value of the investment.

Cash generated from the sale of Private Property was R96 638 427 being the R150 000 000 received from the sale less cash and cash equivalents within Private Property of R51 230 343 less the related transaction cost from the sale of R2 131 230.

29. Tax paid

	Group		Company	
Figures in Rand	**2023**	2022	**2023**	2022
Balance at beginning of the year	2 101 209	(220 948)	230 406	(142 967)
Current tax for the year recognised in profit or loss	(8 510 650)	(2 854 905)	(3 439 562)	117 215
Disposal of subsidiary	(165 054)	-	-	-
Balance at end of the year	(89 428)	(2 101 209)	174 724	(230 406)
	(6 663 923)	**(5 177 062)**	**(3 034 432)**	**(256 158)**

30. Dividends paid

Figures in Rand	Group 2023	Group 2022	Company 2023	Company 2022
Balance at beginning of the year	(232 706)	(232 706)	(232 706)	(232 706)
Dividends paid by subsidiary to non-controlling interest	(307 998)	(3 483 382)	-	-
Balance at end of the year	232 706	232 706	232 706	232 706
	(307 998)	**(3 483 382)**	**-**	**-**

31. Changes in liabilities and assets arising from financing activities

Reconciliation of liabilities arising from financing activities - Company - 2023

	Opening balance	Cash payments (repayments)	Cash receipts (proceeds)	Non-cash	Closing balance
Loans from group companies	34 619 585	(48 553 997)	105 757 385	(30 423 259)	7 839 457
Loans to group companies	-	121 628 419	-	-	121 628 419

Reconciliation of liabilities arising from financing activities - Company - 2022

	Opening balance	Cash payments (repayments)	Cash receipts (proceeds)	Non-cash	Closing balance
Loans from group companies	38 563 196	(102 645 543)	21 653 109	77 048 823	34 619 585

32. Related parties

Related parties are those that control or have significant influence over the Group and Company, including major investors and key management personnel and parties that are significantly controlled or influenced by the Group or Company, including subsidiaries.

Related-party relationships where control exists are:

Related party	Nature of relationship
FoneWorx Proprietary Limited	Subsidiary
Four Rivers Trading 123 Proprietary Limited	Subsidiary
MiVoucher Proprietary Limited	Subsidiary
SurveyOnLine Proprietary Limited	Subsidiary
Cognition Analytics Proprietary Limited	Subsidiary
Carbonworx Proprietary Limited	Subsidiary
VM Advertising Proprietary Limited	Subsidiary
BMi Research Proprietary Limited	Subsidiary
Adcheck Proprietary Limited	Subsidiary
Living Facts Proprietary Limited	Associate
Fusion Agency Solutions Proprietary Limited	Subsidiary
Caxton and CTP Publishers and Printers Limited	Ultimate holding company
CTP Limited	Significant shareholder

32. Related parties (continued)

Directors of Cognition Holdings Limited

Executive Directors and Management

Rob Fedder

Pieter Albertus Scholtz

Graham Groenewaldt (Resigned 30 June 2023)

Non-executive Directors

Paul Jenkins

Dennis Lupambo

Servaas de Kock

Miles Crisp

Steve Naudé

Amasi Mwela

Related party balances and transactions Directors

Directors' emoluments are set out in note 23. There are no other key management personnel.

Investments and loans

Related party investments and loans of the holding company are reflected in the following notes 6, 7, 10 & 18.

Dividends

Dividends were received from Adcheck Proprietary Limited amounting to R492 000 (2022: R307 500) and LivingFacts Proprietary Limited of R 238 421 (2022: R 476 841).

Transactions

Transactional purchases paid to FoneWorx Proprietary Limited amounting to R23 984 107 (2022: R66 564 704).

33. (Loss)/earnings per share

	2023	2022
Earnings / (loss) per share (cents)	30.31	22.15
Earnings / loss - continuing operations (cents)	3.94	(4.53)
Earnings / loss - discontinued operations (cents)	26.37	(17.62)
Headline earnings / (loss) per share (cents)	3.15	0.46
Headline earnings / loss - continuing operations (cents)	3.98	(0.06)
Headline loss / earnings - discontinued operations (cents)	0.83	0.52
Diluted earnings / (loss) per share (cents)	30.31	(22.15)
Diluted earnings/loss - continuing operations (cents)	3.94	(4.53)
Diluted earnings / loss - discontinued operations (cents)	26.37	(17.62)
The calculation of the earnings / (loss) per share for the Group is based on the following:		

Earnings / (loss) per share (R)

	Group	
Figures in Rand	2023	2022
Earnings / loss - continuing operations	9 039 239	(10 388 749)
Earnings / loss - continuing operations	60 456 566	(40 399 724)
	69 495 805	**(50 788 473)**

34. (Loss)/earnings per share (continued)

Reconciliation between earnings and headline earnings

2023	Gross	NCI	Tax	Net
Continuing operations				
Profit attributable to ordinary shareholders of parent	-	-	-	9 039 239
Loss on disposal of property, plant and equipment	120 851	-	(32 630)	88 221
Net Headling earnings from continuing operations	**-**	**-**	**-**	**9 127 460**
Discontinued operations	**Gross**	**NCI**	**Tax**	**Net**
Profit attributable to ordinary shareholders of parent	-	-	-	60 456 566
(Profit) on disposal of subsidiary	(66 759 343)	-	3 439 561	(63 319 782)
Impairment of intangible assets	2 655 239	(1 327 354)	(358 917)	968 968
Net Headline (loss) from discontinued operations	**-**	**-**	**-**	**(1 894 248)**
Total Net Headline earnings	**-**	**-**	**-**	**7 233 212**

2022	Gross	NCI	Tax	Net
Continuing operations				
(Loss) attributable to ordinary shareholders of parent	-	-	-	(10 388 749)
Loss on disposal of subsidiary	3 365 838	-	-	3 365 838
(Profit) on disposal of property, plant and equipment	(26 654)	-	7 463	(19 191)
Impairment of intangible assets	8 222 394	-	(1 316 346)	6 906 048
Net Headline (loss) from continuing operations	**-**	**-**	**-**	**(136 054)**
Discontinued operations	**Gross**	**NCI**	**Tax**	**Net**
(Loss) attributable to ordinary shareholders of parent	-	-	-	(40 399 724)
Impairment of goodwill	41 600 369	-	-	41 600 369
Net Headling earnings from discontinued operations	**-**	**-**	**-**	**1 200 645**
Total Net Headline earnings	**-**	**-**	**-**	**1 064 591**

	Group		Company	
Figures in Rand	2023	2022	2023	2022
Weighted average number of shares in issue	229 273 021	229 273 021		
Diluted weighted average number of shares in issue	229 273 021	229 273 021		

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

* Restated for discontinued operations

34. Dividends per share

No Dividends were paid in the period under review that is attributable to the equity holders of the parent (2022: Nil). The weighted average shares in issue for the period was 229 273 021 (2022: 229 273 021).

35. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023	Notes	Non-financial asset	Amortised cost	Total
Trade and other receivables	12	651 235	29 695 263	30 346 498
Cash and cash equivalents	13	-	214 645 283	214 645 283
		651 235	**244 340 546**	**244 991 781**

Group - 2022	Notes	Non-financial asset	Amortised cost	Total
Lease receivable	9	117 588	-	117 588
Trade and other receivables	12	4 111 617	36 809 528	40 921 145
Cash and cash equivalents	13	-	113 896 119	113 896 119
		4 229 205	**150 705 647**	**154 934 852**

Company - 2023	Notes	Non-financial asset	Amortised cost	Total
Loans to group companies	10	-	121 628 419	121 628 419
Trade and other receivables	12	95 096	7 399 190	7 494 286
Cash and cash equivalents	13	-	83 101	83 101
		95 096	**129 110 710**	**129 205 806**

Company - 2022	Notes	Non-financial asset	Amortised cost	Total
Trade and other receivables	12	-	13 424 016	13 424 016
Cash and cash equivalents	13	-	1 603 792	1 603 792
		-	**15 027 808**	**15 027 808**

35. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2023	Notes	Non-financial liability	Amortised cost	Total
Trade and other payables	19	7 089 113	10 176 077	17 265 190
Dividend payable		-	232 706	232 706
Third party prize money	10	-	10 077 412	10 077 412
		7 089 113	**20 486 195**	**27 575 308**

Group - 2022	Notes	Non-financial liability	Amortised cost	Total
Trade and other payables	19	6 688 801	31 234 249	37 923 050
Dividend payable		-	232 706	232 706
Third party prize money	9	-	17 056 605	17 056 605
		6 688 801	**48 523 560**	**55 212 361**

Company - 2023	Notes	Non-financial liability	Amortised cost	Total
Trade and other payables	19	36 000	1 322 353	1 358 353
Loans from group companies	18	-	7 839 457	7 839 457
Dividend payable		-	232 706	232 706
		36 000	**9 394 516**	**9 430 516**

Company - 2022	Notes	Non-financial liability	Amortised cost	Total
Trade and other payables	19	233 563	3 862 241	4 095 804
Loans from group companies	18	-	34 619 585	34 619 585
Dividend payable		-	232 706	232 706
		233 563	**38 714 532**	**38 948 095**

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Debt is managed on a project by project basis by the board, and is only used to acquire high value, long term assets.

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and premium, reserves and retained income as disclosed in notes 15 and 16, respectively. The Group has no externally imposed capital requirements.

35. Financial instruments and risk management (continued)

Financial risk management Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is managing the risk by adopting a policy of only extending credit facilities to creditworthy trade customers. The directors believe that these customers are all able to finance their debt adequately furthermore cash and cash equivalents are held at credit worthy and reputable South African banks.

The total loans to group companies amounts to R 121 628 419 (2022: R nil). Financial assets exposed to credit risk at year end were as follows:

Group		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Lease receivable	9	-	-	-	117 588	-	117 588
Trade and other receivables	12	30 600 644	(905 381)	29 695 263	38 393 097	(1 583 569)	36 809 528
Cash and cash equivalents	13	214 645 283	-	214 645 283	113 896 119	-	113 896 119
		245 245 927	**(905 381)**	**244 340 546**	**152 406 804**	**(1 583 569)**	**150 823 235**

Company		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loans to group companies	10	123 101 155	(1 472 736)	121 628 419	2 261 985	(2 261 985)	-
Trade and other receivables	12	8 235 345	(836 155)	7 399 190	14 264 051	(840 035)	13 424 016
Cash and cash equivalents	13	83 101	-	83 101	1 603 792	-	1 603 792
		131 419 601	**(2 308 891)**	**129 110 710**	**18 129 828**	**(3 102 020)**	**15 027 808**

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group - 2023		Less than 1 year*	Total	Carrying amount
Current liabilities				
Trade and other payables	19	10 176 077	10 176 077	10 176 077
Dividend payable		232 706	232 706	232 706
Third party prize money		10 077 412	10 077 412	10 077 412
		20 486 195	**20 486 195**	**20 486 195**

Group - 2022		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	19	31 202 747	31 202 747	31 202 747
Dividend payable		232 706	232 706	232 706
Third party prize money		17 056 605	17 056 605	17 056 605
		48 492 058	**48 492 058**	**48 492 058**

35. Financial instruments and risk management (continued)

Company - 2023		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	19	1 322 353	1 322 353	1 322 353
Loans from group companies	18	7 839 457	7 839 457	7 839 457
Dividend payable		232 706	232 706	232 706
		9 394 516	**9 394 516**	**9 394 516**

Company - 2022		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	19	3 862 241	3 862 241	3 862 241
Loans from group companies	18	34 619 585	34 619 585	34 619 585
Dividend payable		232 706	232 706	232 706
		38 714 532	**38 714 532**	**38 714 532**

***Disaggregation of liabilities in segments shorter than 1 year cannot be accurately measured in shorter period since it is dependent on third parties.**

Interest rate risk

Fluctuating interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested in a manner to achieve returns while minimising risks.

The Group's exposure to interest rates on financial assets are R214.6 million (2022: R113.9 million) and financial liabilities are R nil (2022: R nil).

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on exposure to interest rates at the reporting date.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year under review would have increased by R1 642 707 (2022: R1 118 889).

If interest rates had been 100 basis points lower and all other variables were held constant, the Group's profit for the year under review would have decreased by R1 642 707 (2022: R1 118 889).

The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in cash and cash equivalents reserves.

Foreign exchange risk

The Group exposure to foreign exchange risk arises primarily of US Dollar and arises when future commercial transactions or liabilities are denominated in a currency that is not South African Rand. Forward foreign currency exchange contracts are entered into to manage exposure and fluctuations on specific transactions. Should the Rand Exchange rate had been 1% better then the rand appreciation would result in additional gains of R3 036 and had the exhange rate depreciate by 1% then the loss would have been an additional (R3 036).

36. Segment reporting

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

Active Data Exchange Services - a unified messaging system that integrates and delivers a suite of messaging services through a single hosted platform.

Knowledge Creation and Management - Building permission-based marketing strategies to enhance singular customer profiles, with deep granularity in line with privacy legislation. Using technology to establish a "new asset class" by collecting data, adding content and meaning to create information and providing insights, inferences and experiences to culminate in knowledge.

The Knowledge creation and management segment houses the research assets of the Group being BMi Research Group. The Goodwill related to these assets have been impaired as disclosed in note 4.

	2023		2022	
Gross Revenue	**Continuing operations**	**Discontinued operations**	**Continuing operations**	**Discontinued operations**
Active Data Exchange Services	37 444 237	-	43 990 023	-
Knowledge Creation and Management	152 475 859	60 811 090	191 027 301	149 259 843
	189 920 096	**60 811 090**	**235 017 324**	**149 259 843**
Revenue generated as agency services				
Active Data Exchange Services	(3 542 921)	-	(5 735 800)	-
Knowledge Creation and Management	(107 172 423)	-	(137 597 319)	-
	(110 715 344)	**-**	**(143 333 119)**	**-**
Revenue				
Active Data Exchange Services	39 901 316	-	38 254 223	-
Knowledge Creation and Management	45 303 436	60 811 090	53 429 982	149 259 843
	85 204 752	**60 811 090**	**91 684 205**	**149 259 843**
Cost of services				
Active Data Exchange Services	(6 725 144)	-	(11 101 849)	-
Knowledge Creation and Management	(13 919 987)	(1 794 263)	(16 807 494)	(5 604 649)
	(20 645 131)	**(1 794 263)**	**(27 909 343)**	**(5 604 649)**
Gross Profit				
Active Data Exchange Services	27 176 172	-	27 152 374	-
Knowledge Creation and Management	31 383 449	59 016 827	36 622 488	143 655 194
	58 559 621	**59 016 827**	**63 774 862**	**143 655 194**

The accounting policies applied to the operating segments are the same as those described in the basis of preparation paragraph above. All of the Group's assets are located in South Africa, therefore no geographical segment is provided.

Both segments share the use of the Group's assets and liabilities as well as the same operating environment and therefore the Group is not in a position to report on the Assets and Liabilities of each segment nor analyse the operating expenditure separately.

Notes to the Financial Statements (CONTINUED)

37. Securities and guarantees

First Rand Bank has issued the following guarantees on behalf of the Group:

Facilities

First National Bank Limited

- Credit card allocation of R500 000.
- Pre-settlement facility of R250 000.
- Settlement facitlity of R100 000.

Pledge

- FirstRand Deposit R 200 000

38. Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and the date of this report.

39. Going concern

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

40. Discontinued operations

Discontinued operations - Statement of Comprehensive Income

	Group	
Figures in Rand	2023	2022
Revenue	60 811 090	149 259 844
Cost of sales	(1 792 942)	(5 599 011)
Gross profit	**59 018 148**	**143 660 833**
Operating expenditure	(58 934 045)	(131 668 752)
Depreciation and amortisation expense	(2 334 165)	(6 035 164)
Impairment of goodwill	-	(41 600 369)
Impairment of intangible assets	(2 655 239)	-
Profit from disposal of subsidiary	66 759 343	-
Investment income	997 494	2 029 893
Profit (loss) before tax	**62 851 536**	**(33 613 559)**
Income tax expense	(3 748 232)	(1 703 896)
Profit (loss) after tax relating to discontinued operations	**59 103 304**	**(35 317 455)**
Cash flows from operating activities	1 787 391	6 866 843
Cash flows from investing activities	94 530 559	(2 437 893)
Cash flows from financing activities	-	(7 440 031)

41. Reclassification prior year figures

Group

Statement of Profit or Loss and Other Comprehensive Income	As previously reported	Adjustment	As stated
Revenue	240 944 048	(149 259 843)	91 684 205
Cost of sales	(33 513 992)	5 604 649	(27 909 343)
Gross profit	**207 430 056**	**(143 655 194)**	**63 774 862**
Other operating income	208 931	1 302	210 233
Other operating losses	(28 183)	(1)	(28 184)
Allowance for expected credit losses	(38 409)	38 409	-
Other operating expenses	(97 657 540)	77 263 495	(20 394 045)
Depreciation and amortisation expense	(9 328 350)	6 035 164	(3 293 186)
Staff costs	(97 338 393)	54 246 451	(43 091 942)
Impairment of goodwill	(41 600 369)	41 600 369	-
Impairment of intangible assets	(8 222 394)	-	(8 222 394)
Loss on disposal of subsidiaries	(3 365 838)	-	(3 365 838)
Operating loss	**(49 940 489)**	**35 529 995**	**(14 410 494)**
Investment income	3 758 624	(2 029 893)	1 728 731
Finance costs	(113 457)	113 457	-
Income from equity accounted investments	800 920	-	800 920
Loss before taxation	**(45 494 402)**	**33 613 559**	**(11 880 843)**
Taxation	995	1 703 896	1 704 891
Loss from continuing operations	**(45 493 407)**	**35 317 455**	**(10 175 952)**
Discontinued operations			
Loss from discontinued operations	-	(35 317 455)	(35 317 455)
Loss for the year	**(45 493 407)**	**-**	**(45 493 407)**
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**(45 493 407)**	**-**	**(45 493 407)**
Total comprehensive (loss) income attributable to:			
Owners of the parent	(50 788 473)	-	(50 788 473)
Non-controlling interest	5 295 066	-	5 295 066
	(45 493 407)	**-**	**(45 493 407)**

Company

Previously the Company disclosed R7 300 952 as other operating losses, but it is now included in other operating expenditure.

Statement of Profit or Loss and Other Comprehensive Income	As previously reported	Adjustment	As stated
Other operating (losses)	(7 300 952)	7 300 952	-
Other operating expenses	(39 200 762)	(7 300 952)	(46 501 714)
	(46 501 714)	-	(46 501 714)

NOTICE OF ANNUAL 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")

Notice is hereby given that the annual general meeting of shareholders of the Company ("the AGM") will be held in the boardroom, Cognition House, 386 Jan Smuts Drive, Craighall, Randburg at 10:00 on Friday, 17 November 2023.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the AGM is Friday, 6 October 2023, and the record date for determining which shareholders are entitled to participate in and vote at the AGM is Friday, 10 November 2023. The last day to trade in order to be eligible to vote at the AGM is accordingly Tuesday, 7 November 2023.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you may attend the AGM in person;
- alternatively, you may appoint a proxy to represent you at the AGM by completing the enclosed form of proxy in accordance with the instructions it contains and returning it to Computershare Investor Services Proprietary Limited, Rosebank Towers,15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) ("transfer secretaries") or email to proxy@computershare.co.za to be received not later than 48 (forty-eight) hours (excluding Saturdays, Sundays and gazetted South African public holidays) prior to the AGM for administrative purposes or thereafter to the Company by hand no later than 10:00 on Wednesday, 15 November 2023; alternatively, it may be handed to the chairman of the AGM immediately prior to the commencement of voting at the AGM.

If you hold dematerialised shares which are not registered in your name:

- and wish to attend the AGM, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP") or broker;
- and do not wish to attend the AGM but would like your vote to be recorded at the AGM, you should contact your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the enclosed form of proxy.

A shareholder who is entitled to attend and vote at the AGM is entitled, by completing the enclosed form of proxy and delivering it to the Company in accordance with the instructions on that form of proxy, to appoint a proxy to attend, participate in and vote at the AGM in that shareholder's place. A proxy need not be a shareholder of the Company.

All AGM participants (including shareholders and proxies) may be required to provide satisfactory identification to the chairman of the AGM. Forms of identification include valid identity documents, passports and driver's licences.

ELECTRONIC PARTICIPATION AT THE AGM

The Company intends to make provision for the shareholders of the Company or their proxies to participate in the AGM by way of electronic communication. Should you wish to participate in this manner, you will need to contact the Company at 011 293 0000 by 10:00 on Wednesday, 15 November 2023, alternatively, contact the transfer secretaries by 10:00 on Wednesday, 15 November 2023, so that the Company can make the necessary arrangements for electronic communication. **Should you be participating by electronic communication, kindly ensure that the voting proxies are sent to the Company or the transfer secretaries by 10:00 on Wednesday, 15 November 2023 at the address set out at the end of this notice of meeting as electronic voting will not be allowed**.

PURPOSE OF AGM

The purpose of this AGM is to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

ORDINARY RESOLUTIONS

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

Voting requirement: *In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at the AGM. The quorum for the AGM is 25% of the issued share capital of the Company.*

1. ORDINARY RESOLUTION NUMBER 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"Resolved that:

The annual financial statements of the Company and the group for the year ended 30 June 2023 be and are hereby approved."

Explanation: The reason for and effect of ordinary resolution number 1 is to receive and approve the annual financial statements for the Company and the group for the year ended 30 June 2023.

2. ORDINARY RESOLUTION NUMBER 2: TO PLACE THE UNISSUED SHARES OF THE COMPANY UNDER THE CONTROL OF THE DIRECTORS

"Resolved that:

All the unissued shares in the capital of the Company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of the Company as a general authority in terms of the Companies Act, No 71 of 2008, as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the Company to those persons, upon such terms and conditions as the directors in their sole discretion deem fit, until the next AGM and subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("the JSE")."

Explanation: In terms of the general authority to issue shares in terms of the Act, the authority given at the previous AGM needs to be renewed.

3. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DIRECTORS

"Resolved that:

3.1 Mr Miles Crisp, who retires by rotation in terms of the Memorandum of Incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

3.2 Mr Amasi Mwela, who retires by rotation in terms of the Memorandum of Incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

3.3 Mr Dennis Lupambo, who retires by rotation in terms of the Memorandum of Incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

Explanation: The reason for ordinary resolution number 3 is that the Memorandum of Incorporation requires that no fewer than a third of the Company's non-executive directors retire at the AGM. A retiring director, if eligible, may be re-elected.

Brief biographies of these directors appear on pages 3 and 4 of the Integrated Annual Report ("the IAR"). The ordinary resolutions number 3.1, 3.2 and 3.3 will be considered separately.

4. ORDINARY RESOLUTION NUMBER 4: REAPPOINTMENT OF INDEPENDENT AUDITORS

"Resolved that:

BDO South Africa Incorporated be and is hereby reappointed as independent auditors of the Company and Ms K Luck is appointed as the designated auditor, from the conclusion of this AGM until the conclusion of the next AGM of the Company."

Explanation: The reason for ordinary resolution number 4 is that the Company, being a listed public company, must appoint independent auditors and have its annual financial statements audited.

5. ORDINARY RESOLUTION NUMBER 5: ELECTION OF THE AUDIT AND RISK COMMITTEE CHAIRMAN AND MEMBERS

"Resolved that:

5.1 Mr S Naudé be and is hereby re-elected as a member and chairman of the Audit and Risk Committee until the conclusion of the next AGM.

5.2 Mr M Crisp be and is hereby re-elected as a member of the Audit and Risk Committee until the conclusion of the next AGM.

5.3 Mr DC Lupambo be and is hereby re-elected as a member of the Audit and Risk Committee until the conclusion of the next AGM."

Explanation: To elect Messrs M Crisp, DC Lupambo and S Naudé who are recommended by the Board and whose appointments automatically terminate on the day of the AGM. The reason for ordinary resolution number 5 is that at each AGM a public company must elect an Audit and Risk Committee comprising at least three members, all of whom must be independent non-executive directors.

Brief biographies of these directors appear on pages 3 and 4 of the IAR.

The ordinary resolutions number 5.1, 5.2 and 5.3 will be considered separately.

6. ORDINARY RESOLUTION NUMBER 6: AUTHORITY TO SIGN DOCUMENTATION

"Resolved that:

Any director of the Company or the Company Secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the AGM."

SPECIAL RESOLUTIONS

To consider, and, if deemed fit, approve the following special resolutions with or without modification.

***Voting requirement**: In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at the AGM. The quorum for the AGM is 25% of the issued share capital of the Company.*

7. SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY FOR COMPANY AND/OR SUBSIDIARY TO ACQUIRE THE COMPANY'S OWN SHARES

"Resolved that:

The Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

- at any point in time the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 in the Listings Requirements of the JSE;
- this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the Company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the Company's issued share capital at any one time; and
- in determining the price at which ordinary shares issued by the Company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected."

The general authority to repurchase the Company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that, for a period of at least 12 (twelve) months after the date of this notice:

- the Company and the group will be able in the ordinary course of business to pay its debts;
- the assets of the Company and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the Company and the group for a period of 12 (twelve) months after the date of this notice of AGM; and
- the ordinary capital and reserves of the Company and the group will be adequate for the purposes of the Company's and the group's businesses, respectively; and the working capital of the Company and the group will be adequate for their requirements.

Explanation: The reason for and effect of special resolution number 1 is to give a mandate to the directors to repurchase or purchase ordinary shares issued by the Company.

8. SPECIAL RESOLUTION NUMBER 2: APPROVAL OF INDEPENDENT NON-EXECUTIVE DIRECTORS' FEES

"Resolved that:

The remuneration of the independent non-executive directors for the year 1 January 2024 to 31 December 2024 to be as follows:

Proposed retainer fee per month from 1 January 2024	Proposed meeting fee in ZAR for from 1 January 2024	Expected total fee in ZAR for the year ending 2024
R6 500+	R16 800*	R145 200+ / R67 200*

+ - payable to the Chairman of the Audit and Risk Committee

* - fee for attendance of both the Board and Audit Committee Meeting

Explanation: The reason for and effect of special resolution number 2 is to grant the Company the authority to pay fees to its non-executive directors for their services as directors.

9. SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company."

Explanation: The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

10. SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE FOR SUBSCRIPTION FOR OR PURCHASE OF SECURITIES BY RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company for the subscription for or purchase of securities in the Company or in any company or corporation that is related or inter-related to the Company."

Explanation: The reason for and effect of special resolution number 4 is to grant the directors of the Company the authority to cause the Company to provide financial assistance for the subscription for or purchase of securities to any entity that is related or inter-related to the Company. This special resolution number 4 does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

11. NON-BINDING ADVISORY RESOLUTION NUMBER 1: APPROVAL OF REMUNERATION POLICY

"Resolved that:

The Company's remuneration policy as set out in the corporate governance and risk management report be and is hereby approved."

Explanation: The remuneration policy is tabled to enable shareholders to express their views on the remuneration policy adopted. This resolution is advisory in nature but will be taken into consideration when considering the Company's remuneration policy in the future.

12. NON-BINDING ADVISORY RESOLUTION NUMBER 2: APPROVAL OF IMPLEMENTATION OF THE REMUNERATION POLICY

"Resolved that:

The implementation of the Company's remuneration policy for the year ended 30 June 2022 be and is hereby approved."

Explanation: The resolution is tabled to enable shareholders to express their views on the implementation of the remuneration policy adopted. This resolution is advisory in nature but will be taken into consideration when considering the Company's remuneration policy in the future.

Shareholders are reminded that, in terms of King IV, the passing of advisory resolutions number 1 and 2 is by way of a non-binding vote. Should 25% or more of the votes be cast against either of the resolutions, the Company undertakes to engage with shareholders as to the reasons therefor.

Notice of Annual General Meeting (CONTINUED)

Additional disclosure requirements in terms of the Listings Requirements of the JSE

As per section 11.26(b) of the Listings Requirements of the JSE, shareholders are referred to the following sections in the IAR to which this notice of AGM is attached:

- Details of directors on pages 3 and 4;
- Directors' interests in securities on page 37 (there are no non-beneficial interests);
- Major shareholders on page 37; and
- The share capital note 15 on page 74.

Litigation statement

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the Company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice.

Directors' responsibility statement

The directors, whose names appear on pages 3 and 4 of the IAR, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts which 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 resolution contains all information relevant to special resolution number 1.

Material changes

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

By order of the Board

F van der Merwe
Company Secretary

12 October 2023

Registered office

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

PO Box 3386, Pinego**wrie, 2123**

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
Private Bag X9000,
Saxonwold, 2132

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, NO 71 OF 2008 ("COMPANIES ACT"), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' AGM on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at an AGM) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' AGM (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the company at least 48 hours before the AGM commences.

6. Irrespective of the form of instrument used to appoint a proxy:

    6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)(4)(a));

    6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

    6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:

    10.1 the invitation must be sent to every shareholder entitled to notice of the AGM at which the proxy is intended to be exercised (section 58(8)(a));

    10.2 the invitation or form of proxy instrument supplied by the company must:

        10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

        10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b) (ii)); and

        10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the AGM, or is to abstain from voting (section 58(8)(b)(iii));

    10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

    10.4 the proxy appointment remains valid only until the end of the AGM at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

Form of proxy

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

For use by certificated shareholders and dematerialised shareholders with own name registration at the AGM of the holders of ordinary shares in the Company to be held in the boardroom, 368 Jan Smuts Avenue, Craighall at 10:00 on Friday, 17 November 2023.

I/We (full names)

of (address)

being the registered holder/s of ordinary shares in the capital of the Company, hereby appoint (see note 1):

1. or failing him/her,

2. or failing him/her,

the chairman of the AGM, as my/our proxy to act for me/us at the AGM for the purposes of considering, and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against such resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

		For	Against	Abstain
	Ordinary resolutions			
1.	To adopt the annual financial statements for the year ended 30 June 2023			
2.	To place the unissued ordinary shares of the Company under the control of the directors			
3.1	To re-elect Mr M Crisp as a director of the company			
3.2	To re-elect Mr A Mwela as a director of the company			
3.3	To re-elect Mr D Lupambo as a director of the company			
4.	To re-appoint BDO South Africa Incorporated as the independent auditors and to register Ms K Luck as the designated auditor			
5.1	To re-elect Mr S Naudé as member and chairman of the Audit and Risk Committee			
5.2	To re-elect Mr M Crisp as member of the Audit and Risk Committee			
5.3	To re-elect Mr DC Lupambo as member of the Audit and Risk Committee			
6.	To authorise any director or the Company Secretary to sign documentation to effect the ordinary and special resolutions passed			
	Special resolutions			
1.	To approve the general authority for the Company and/or subsidiary to acquire the Company's own shares			
2.	To approve the remuneration of the non-executive directors			
3.	To approve financial assistance to related or inter-related entities			
4.	To approve financial assistance to related or inter-related entities for subscription for or purchase of securities			
	Non-binding advisory resolutions			
1.	To approve the remuneration policy as set out in the corporate governance and risk management report			
2.	To approve the implementation of the remuneration policy as set out in the corporate governance and risk management report			

Signed at on 2023

Signature

Assisted by (where applicable)

Each Cognition shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s) of the Company to attend, speak and vote in his/her stead at the AGM.

Please read the notes on the reverse hereof.

NOTES

1. A Cognition shareholder may insert the name of a proxy or the names of two alternative proxies of his/ her choice in the space/s provided, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholder concerned. The person whose name appears first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those names that follow.
2. The shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that shareholder wishes to vote by inserting an "X" in the relevant box unless a shareholder wishes to split his/ her votes. In this case, the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the AGM as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
3. A Cognition shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the AGM, if the chairman is the authorised proxy, to vote in favour of any resolution proposed at the AGM or any other proxy to vote or abstain from voting at the AGM as he/she deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited (Rosebank Towers,15 Biermann Avenue Rosebank, Johannesburg, 2196 or Private Bag X9000, Saxonwold, 2132) or by email proxy@computershare.co.za, to be received by no later than 10:00 on Wednesday, 15 November 2023 for administrative purposes or thereafter to the Company by hand no later than 10:00 on Friday, 17 November 2023; alternatively it may be handed to the chairman of the AGM immediately prior to the commencement of voting at the AGM.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the chairman of the AGM.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant ("CSDP") or broker of the manner in which you wish to vote in order for them to notify the Company Secretary by no later than 10:00 on Wednesday, 15 November 2023 for administrative purposes or thereafter to the Company by hand no later than 10:00 on Friday, 17 November 2023; alternatively it may be handed to the chairman of the AGM immediately prior to the commencement of voting at the AGM. Only registered certificated shareholders recorded in the main register of members of the Company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the AGM.
8. Dematerialised shareholders who are not registered under their own names who wish to attend the AGM or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.
9. The chairman of the AGM may reject or accept any form of proxy that is completed and/or received other than in compliance with the Memorandum of Incorporation of the Company or these notes.

Shareholder Diary

Financial year end	30 June 2023
Annual report and financial statements	12 October 2023
Annual general meeting	17 November 2023
Half-year report	March 2024

CORPORATE INFORMATION

Cognition Holdings Limited

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

Registered address

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

PO Box 3386, Pinegowrie, 2123

Company Secretary

F van der Merwe CA(SA)

Auditors

BDO South Africa Incorporated

The Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg, 2196

Attorneys

Fluxmans Inc.
30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

Bankers

First National Bank Limited
Investec Bank Limited

Sponsor

AcaciaCap Advisors Proprietary Limited
Registration number 2006/033725/07

20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191
Suite # 439, Private Bag X29, Gallo Manor, 2052

Transfer Secretaries

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Rosebank Towers,
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Rosebank,
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COGNITION
HOLDINGS LTD