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

VOLUNTARY ANNOUNCEMENT – ACQUISITION OF A 63% STAKE IN THE BMI SPORT GROUP

1. INTRODUCTION

Shareholders are advised that the Company has acquired 63% of the issued share capital of BMi Sport Info Proprietary Limited, BMi Sponsorwatch Proprietary Limited and, once converted to a private company, Sponsor Value Research Services (collectively, "the BMi Sport Group") ("the Acquisition").

2. BACKGROUND AND RATIONALE FOR THE ACQUISITION

The BMi Sport Group is a group of companies with more than 25 years' experience in the tracking and media monitoring of sport and sport sponsorship and is the only research company in South Africa to focus on this segment of the market.

The BMi Sport Group provides research and media monitoring of South African sports in general and the South African sport sponsorship market in particular to most of South Africa's major sponsors, television channels, sporting goods companies, sport controlling bodies and sponsorship management companies.

It has also expanded into the fields of strategic advertising evaluation and consulting services covering all aspects of communication, research and strategy.

The BMi Sport Group offers a range of innovative products all aimed at maximising clients' strategic insights, which include SportTrack, SportScope, Music and Arts Track, SponsorTrack, MediaTrack, EventTrack and X-Track. These are all tracking mechanisms developed by the BMi Sport Group enabling them to evaluate brand awareness which in turn allows clients to measure the influence that their sponsorships have on consumers.

In addition, the BMi Sport Group offers a number of strategic consulting services tailored to channel sponsorship spend to maximum effect and benefit. These services include Rights Audits, Rights Value, PreValue, Rights Packaging and Strategic Fit Assessment services.

The services provided by the BMi Sport Group allow clients to assess their exposure and involvement in events that are sponsored by them by, *inter alia*, answering questions around:

- What a client should ideally sponsor to reach its target market;
- How to better focus sponsorship strategy;
- Whether a particular sponsorship is working for the client;
- What the right price to pay for sponsorship property is; and
- What sponsorship is doing for brand image and ultimately how a sponsorship impacts on consumer attitudes towards a brand.

The Acquisition will complement and enhance the strategic objectives of Cognition and will contribute tremendous value to the Company's Knowledge 350 degrees consultancy by assisting clients in better understanding customer needs, perceptions and realities, particularly in the areas of sport and sport sponsorship.

Knowledge 350 degrees, which incorporates both Organisations and Individuals methodologies of collecting, storing and using information, forms an important strategic direction for the Company particularly in light of the Protection of Personal Information Act, 2013 (Act 4 of 2013). This strategy will be driven using a 15 step roadmap incorporating strategic consulting and the implementation of technical solutions to execute the chosen business process outcomes. The BMi Sport Group will leverage an

important element of Knowledge 350 degrees which assists companies to “self-create” intangible assets, through its roadmap of tracking data through to knowledge.

The Acquisition will further allow Cognition to develop databases incorporating demographic and psychographic profiles of communities supporting defined sports and enable further products to be deployed in these markets.

The Company will continue to look at other similar acquisitions in the development of this new strategic direction and the accumulation of the necessary skill sets.

3. CLASSIFICATION OF THE ACQUISITION

The Acquisition, due to its size, falls below the transaction thresholds as set out in the Listings Requirements of JSE Limited and therefore does not require any formal disclosure. However, the Board would like to advise shareholders of this strategic acquisition.

Johannesburg
24 March 2015

Sponsor
Merchantec Capital