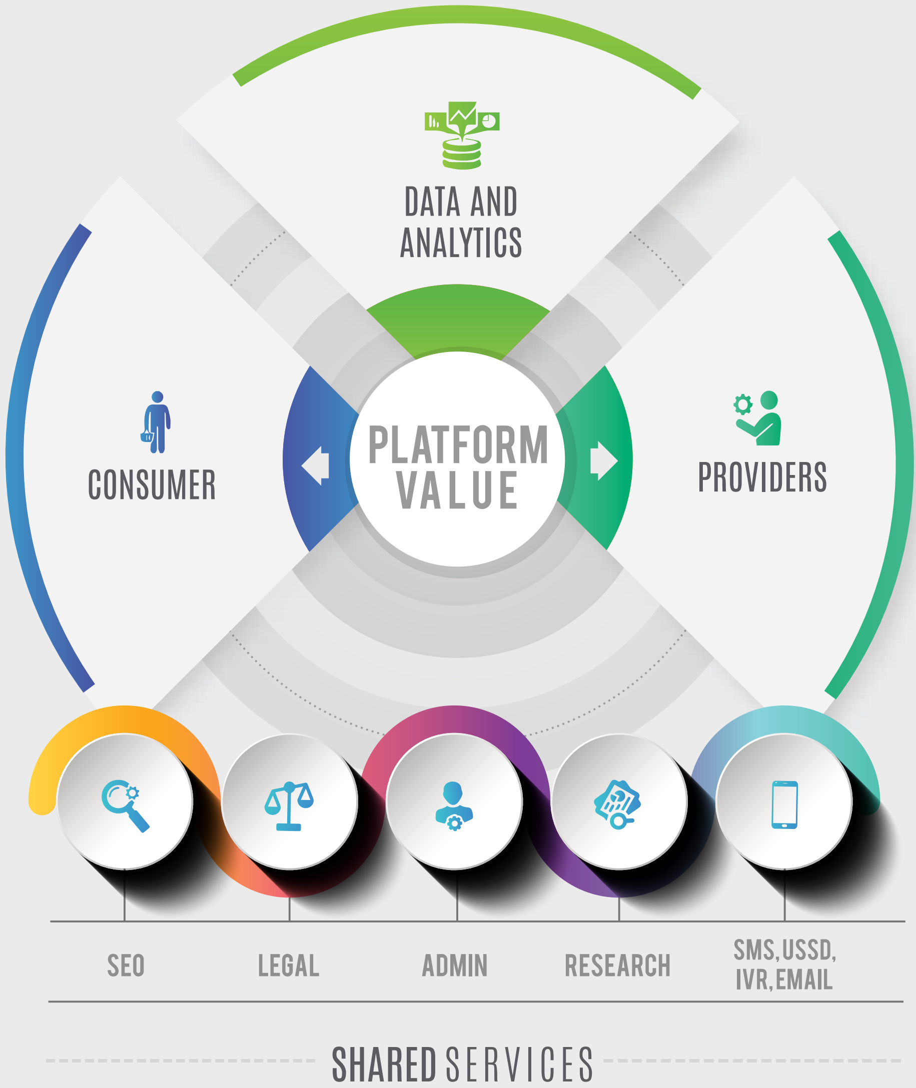

COGNITION HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration number 1997/010640/06)
Share code: CGN ISIN: ZAE000197042
("Cognition" or "the Group" or "the Company")

UNAUDITED CONSOLIDATED INTERIM RESULTS

for the six months ended 31 December 2019

HIGHLIGHTS

REVENUE *	**+75.1%**
GROSS PROFIT *	**+100.2%**
PROFIT BEFORE TAX *	**+24.6%**
PROFIT FOR THE PERIOD *	**+29.7%**
EARNINGS PER SHARE +	**-49.9%**

* Includes Private Property South Africa Proprietary Limited ("Private Property")

+ Decrease as a consequence of the dilutionary effect following the issue of 103 883 333 Cognition shares for the acquisition of Private Property in February 2019.

COMMENTARY

The board of directors of Cognition ("the Board") present the unaudited condensed consolidated interim financial results for the six months ended 31 December 2019 ("the period" or "the interim period"), which should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019.

The unaudited condensed consolidated interim financial results are available to be viewed on the Company's website: http://www.cgn.co.za/pages/display/interim_results.

The Group's Revenue for the interim period of R145.7 million was 75% higher than the R83.2 million reported in the comparative period with Gross Profit improving by 100% to R112 million up from R56 million in the comparative period. This was due to the inclusion of Private Property, which was acquired in February 2019, in this period results. Private Property contributed R81 million to Revenue growth and R70 million to the growth in Gross Profit. However, it also resulted in a significant increase in Operational Expenditure and Staff Cost for the Group. Operating Expenditure increased by more than 200% to R39.4 million from R13 million in the comparative period. Excluding Private Property, the Group's Operating Expenditure for the period was R9.7 million. Staff Cost increased by 82% from R29.7 million to R54.3 million which includes R28.4 million for Private Property.

The Group's Profit Before Tax increased by 24.35% from R13.9 million to R17.3 million for the period and Profit After Tax was up on the comparative period at R12.2 million (2018: R9.4 million). Cognition only owns 50.01% of Private Property and therefore Profit attributed to shareholders of Cognition declined from R9.3 million in the comparative period to R7.9 million. This, combined with the issue of shares to acquire Private Property, resulted in a dilution in shares with the result being that Earnings per Share decreased from 6.79 cents per share to 3.4 cents per share.

Cash and Cash Equivalents as at the reporting date decreased by R54.4 million from R123.4 million as at 30 June 2019. This is mostly due to the Group paying dividends amounting to R26.2 million of which R23 million was paid to shareholders of Cognition. Furthermore, the Group repurchased and cancelled Cognition shares to the value of R23.5 million.

OPERATIONAL OVERVIEW

In general, market conditions have deteriorated and business confidence is low, resulting in a challenging interim period across most of the Group's operating divisions.

A large portion of the Group's services depend on our traditional clients engaging in consumer engagement services, promotions or research projects. As they have been constrained in the difficult trading ecosystem with the resultant weak consumer spending, they have limited their consumer interactions drastically, which has had a "knock-on effect" on our Group's diverse operating assets. Notwithstanding this, Private Property was able to perform in line with its budget and new strategic objectives.

ACTIVE DATA EXCHANGE SERVICES

MediaWorx, via its proprietary technology, offers a "one-stop-platform" that provides a range of integrated promotions and campaigns ("services") to brands who want to engage with consumers.

Due to the downturn in the economy the majority of our traditional clients have reduced the number of these services during the period under review.

Despite this, MediaWorx, as a division, achieved R28 million in revenue are R18.6 million in Gross Profit.

It is evident that when there is a discernible downturn in the economy, brands need to deploy their resources with greater "pin-point" accuracy and enhanced Return on Investment. To achieve this, greater knowledge of the consumer is needed to enable personalised and focussed marketing as opposed to mass marketing.

This need for personalised and focussed marketing coincides with The Information Regulator (South Africa) requesting the President to declare the remaining provisions of the Protection of Personal Information Act ("POPIA") to commence around 1 April 2020.

This will create added impetus for MediaWorx and the Group's Knowledge Management services. The need to provide personalised consent driven or opt-in advertising will galvanise our efforts to accelerate the building up of rich up-to-date consumer databases.

DOCUMENT EXCHANGE

Document Exchange continued with its decline with the average rate per user reducing. Although the number of users is around 70,000, the use per user continues to decline in favour of scanning or email.

CHANNEL INCENTIVE AND LOYALTY

This division continues to show great opportunities particularly where brands need to incentivise staff or sales agents to promote their brands. These incentive programmes are well received in difficult economic conditions where additional revenue streams are needed by staff or sales agents.

The channel platforms maintain around 10,000 active users on the system with each user being issued with a branded debit card.

During the period under review, a policy change implemented by US President Donald Trump impacted negatively on one of our large client's mobile phone offerings which in turn negatively impacted on our incentive revenue from this client for four months. We are happy to report however, that their sales and corresponding incentives returned to normal in the last month of this reporting period and subsequent thereto. This operating division has shown resilience particularly in difficult trading conditions where brands need to increase sales.

We have continued to engage with a number of potential new clients for this division, all of which appear promising. However, we anticipate the on-boarding of new clients to be slow, given the state of the economy and the indecisiveness that accompanies this.

OPERATIONAL OVERVIEW

(Continued)

KNOWLEDGE MANAGEMENT

In the last month of the reporting period, a new company was formed as a joint venture between QSec Global Proprietary Limited ("QSec") and Cognition. The new entity will operate as Universal ID or UNiID (www.uniid.io). The purpose of this new joint venture is to promote the Personal Information Management System ("PIMS") platform which has already been built and which is aligned to our MediaWorx and Knowledge Management strategic objectives. QSec are specialists in: security governance, risk and compliance support, cybersecurity, fraud detection and mitigation and proactive security.

QSec's expertise aligns itself to our PIMS platform and enables the Group to offer services aligned to personal data management compliant to POPIA and the General Data Protection Regulations ("GDPR").

Our new offering under UNiID will be enhanced with QSec's guidance around international security standards and will open new markets in sectors such as: medical, retail, education, government, sport, research, insurance, information technology and telecommunications. It is anticipated that the first services will begin around May 2020.

When the much anticipated POPIA is fully implemented, it will accelerate the need for all the aforementioned sectors to adopt the services offered by UNiID.

PRIVATE PROPERTY

During the previous reporting period, shareholders were notified of the Group's intention to acquire a 50.01% shareholding in Private Property from CTP Limited ("CTP") in line with its platform strategy. Post the corresponding reporting period under review, shareholders were advised that on 7 February 2019, Cognition had successfully concluded the transaction.

The Private Property Board approved a strategy to enhance the platform and develop new growth areas and operational enhancement. We are pleased to report that this strategy is being well implemented and is already providing additional value to both buyers and sellers of properties, renters and estate agents. Private Property achieved a number of milestones which include: acquiring the Property Show, publication of the Property Guide and enhanced growth in the following key metrics:

- increased sessions
- improved unique browsers
- much improved sales leads

The Real Estate Industry Summit, hosted by Private Property, was a first for South Africa and created a platform for the local and international property sectors to meet and share valuable information about the property industry.

We believe the five year strategy is being well executed and will enable Private Property to become the leading and premier property portal.

OPERATIONAL OVERVIEW

(Continued)

RESEARCH AND ANALYTICS

The Group's research assets (BMi Research, BMi Sport and Livingfacts) were the business segments/areas of the Group most negatively impacted by the downturn in the economy. A number of their traditional clients were forced to either reduce spending, embark on retrenchments or curtail expansion projects. This resulted in a reduction in research work and the minimising of analytics projects.

BMi Research experienced the most challenging period with a decline in Revenue of 37% and a decline in Profit Before Tax of 135% followed by BMi Sport with a decline in Revenue of 21% and a decline in Profit Before Tax of 102%. Livingfacts had a decline in Revenue of 25% but through cost management, increased Profit Before Tax by 2.7%.

The decline in profitability in the Group's research assets had the most negative impact on the Group's results.

PROSPECTS

The protracted economic slowdown, with the consumer under pressure, is expected to continue in 2020. The country is battling rising unemployment, poverty and inequality and a continuously declining GDP. This has a net negative impact on consumer confidence and consumption resulting in many businesses curtailing expansion plans and expenditure.

Our strategy going forward is aimed at ensuring each operating asset "re-invents" and re-aligns itself to become more relevant to our current or potential clients in the context of the country's challenging economic environment.

New revenue streams and channels to market are being developed and deployed in an organic strategy. Our newly formed Universal ID (UNiID) holds great promise in a new economy which is forced to comply with enhanced privacy regulations and offer more focussed and personalised offerings.

We are optimistic that we can bring a number of new offerings (platforms) to the market in the next six months.

Costs will also be contained and the "shared services" strategy across the Group's assets will be enhanced.

We continue to look for appropriate and relevant acquisitions in line with our overall platform strategy.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Growth	Unaudited as at 31 Dec 2019 R'000	Unaudited as at 31 Dec 2018 R'000	Audited as at 30 Jun 2019 R'000
ASSETS				
Non-current assets	206.8%	**188 880**	**61 564**	**179 796**
Property, plant and equipment	14.0%	16 552	14 519	17 158
Intangible assets	-0.3%	12 006	12 045	13 325
Goodwill	371.8%	143 098	30 332	143 098
Right of use Assets		11 564	-	-
Investment in associates	-1.0%	4 299	4 343	4 320
Unlisted investment		250	-	-
Deferred tax asset		1 111	325	1 895
Current assets	-17.1%	**126 545**	**152 619**	**175 011**
Inventory		85	-	-
Current tax receivable	732.2%	1 681	202	955
Trade and other receivables	-24.1%	55 795	73 497	50 617
Cash and cash equivalents	-12.6%	68 984	78 920	123 439
Total assets		**315 425**	**214 183**	**354 807**
EQUITY AND LIABILITIES				
Capital and reserves	72.2%	**260 379**	**151 193**	**297 950**
Stated capital	184.2%	159 485	56 110	182 968
Accumulated profits	-12.1%	94 175	107 175	112 455
Change in ownership	0.0%	(12 892)	(12 892)	(12 892)
Attributable to the equity holders of the parent	60.1%	**240 768**	**150 393**	**282 531**
Non-Controlling interests		19 611	800	15 419
Non-current liabilities	407.1%	**12 687**	**2 502**	**2 452**
Lease Liabilities		10 051	-	-
Cash Settled Share Based Payment		1 660	-	1 119
Other financial liabilities	100%	-	872	-
Deferred tax liability	-40.1%	976	1 630	1 333
Current liabilities	-30.0%	**42 359**	**60 488**	**54 405**
Trade and other payables	-10.4%	32 800	36 605	38 740
Provisions	16.1%	2 059	1 774	1 984
Tax payable		967	2 100	637
Unclaimed dividends	33.7%	262	196	209
Third Party Prize money	-78.7%	4 223	19 795	12 835
Current portion of other financial liabilities		2 048	18	-
Total equity and liabilities		**315 425**	**214 183**	**354 807**
Net asset value per share (cents)	-3.95%	104.97	109.28	116.05
Net tangible asset value per share (cents)	-52.42%	37.35	78.49	51.80
Number of shares in issue	66.67%	229 363 021	137 615 798	243 449 131

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Growth Restated	Unaudited six months ended 31 Dec 2019 R'000	Unaudited six months ended 31 Dec 2018 R'000	Audited year ended 30 Jun 2019 R'000
Revenue*	75.1%	**145 739**	**83 239**	**215 149**
Cost of Sales	23.1%	(33 315)	(27 074)	(59 824)
Gross profit*	100.2%	**112 424**	**56 165**	**155 325**
Other operating income	-6.4%	803	858	2 755
Staff costs	82.8%	(54 294)	(29 703)	(78 291)
Depreciation and amortisation expense	34.8%	(4 842)	(3 592)	(7 243)
Other operating expenses	202.1%	(39 376)	(13 032)	(52 092)
Impairment of goodwill		-	-	(2 009)
Finance costs	2708.7%	(646)	(23)	(174)
Income from equity accounted investment	3.0%	170	165	381
Investment income	0.8%	3 124	3 098	7 181
Profit before tax*	24.6%	**17 363**	**13 936**	**25 833**
Income tax expense	14.1%	(5 179)	(4 540)	(8 756)
Profit for the period*	29.7%	**12 184**	**9 396**	**17 077**
Total comprehensive income for the year	29.7%	**12 184**	**9 396**	**17 077**
Profit attributable to:				
Non-controlling interest		**4 192**	**47**	**2 447**
Owners of the parent	-14.5%	**7 992**	**9 349**	**14 630**
Weighted average number of shares in issue	71.0%	**235 291 431**	**137 615 798**	**179 079 268**
Basic earnings per share (cents) +	-49.9%	**3.40**	**6.79**	**8.17**
Headline earnings per share (cents) +	-50.4%	**3.37**	**6.79**	**8.17**
Diluted earnings per share (cents)	-49.9%	**3.40**	**6.79**	**8.17**

* Includes Private Property

+ Decrease as a consequence of the dilutionary effect following the issue of 103 883 333 Cognition shares for the acquisition of Private Property in February 2019.

The Group has initially applied IFRS 16 at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 15 is recognised in retained earnings at the date of the initial application.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital / Stated Capital R'000	Share Premium R'000	Change in ownership R'000	Total Share Capital R'000	Retained Income R'000	Attri-butable to Equity Holders R'000	Non-Controlling Interest R'000	Total Equity R'000
Audited balance at 1 July 2018	**137**	**55 973**	**(12 892)**	**43 218**	**106 081**	**149 299**	**753**	**150 052**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	9 349	9 349	47	9 396
Non-controlling interest as a result of acquisition	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(8 255)	(8 255)	-	(8 255)
Total changes	**-**	**-**	**-**	**-**	**1 094**	**1 094**	**47**	**1 141**
Unaudited balance at 1 January 2019	**137**	**55 973**	**(12 892)**	**43 218**	**107 175**	**150 393**	**800**	**151 193**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	5 281	5 281	2 400	7 681
Issue of shares	127 000	-	-	127 000	-	127 000	-	127 000
JSE Listing fee	(143)	-	-	(143)	-	(143)	-	(143)
Conversion to no par value shares	55 973	(55 973)	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	12 219	12 219
Dividends	-	-	-	-	-	-	-	-
Total changes	**182 830**	**(55 973)**	**-**	**126 857**	**5 281**	**132 138**	**14 619**	**146 757**
Audited balance at 1 July 2019	**182 967**	**-**	**(12 892)**	**170 075**	**112 456**	**282 531**	**15 419**	**297 959**
Changes in equity								
Total comprehensive income for the period	-	-	-	-	7 992	7 992	4 192	12 184
Repurchase of shares	(23 483)	-	-	(23 483)	-	(23 483)	-	(23 483)
Dividends	-	-	-	-	(26 272)	26 272)	-	(26 272)
Total changes	**(23 483)**	**-**	**-**	**(23 483)**	**(18 280)**	**(41 763)**	**4 192**	**(37 571)**
Unaudited balance at 31 December 2019	**159 484**	**-**	**(12 892)**	**146 592**	**94 176**	**240 768**	**19 611**	**260 379**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Unaudited six months ended 31 Dec 2019 R'000	Unaudited six months ended 31 Dec 2018 R'000	Audited year ended 30 Jun 2019 R'000
Cash flow from operating activities	**(1 666)**	**(16 457)**	**7 272**
Net cash generated from operations	273	(15 101)	11 562
Finance costs	-	(23)	(174)
Investment income	3 124	3 098	7 181
Normal tax paid	(5 063)	(4 431)	(11 297)
Cash flow from investing activities	**(1 588)**	**(833)**	**22 999**
Purchase of property, plant and equipment	(515)	(252)	(3 073)
Purchase of intangible asset	(1 014)	(581)	(4 257)
Net Cash acquired in business combination	-	-	29 663
Purchase of unlisted investment	(250)	-	-
Dividend from associate	191	428	666
Cash flow from financing activities	**(51 201)**	**(8 609)**	**(11 223)**
Share issue cost	-	-	(143)
Repayment of other financial liabilities	-	-	(2 473)
Repayment of interest-bearing liabilities	-	(354)	(372)
Repayment of lease liabilities	(852)	-	-
Finance cost - right of use asset	(646)	-	-
Repurchase of shares	(23 483)	-	-
Dividends paid	(26 220)	(8 255)	(8 235)
Net increase in cash and cash equivalents	(54 455)	(25 471)	19 048
Cash and cash equivalents at beginning of the period	123 439	104 391	104 391
Cash and cash equivalents at the end of the period	**68 984**	**78 920**	**123 439**

BASIS OF PREPARATION

The unaudited condensed consolidated interim results for the six months ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Companies Act applicable to condensed financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contain information required by IAS 34 Interim Financial Reporting. The accounting policies applied in preparation of these condensed consolidated interim results are consistent with those applied in the previous annual financial statements except for the adoption of IFRS 16: Leases.

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in note 2.

These financial statements have been compiled under the supervision of the Financial Director, Pieter Scholtz.

The unaudited condensed consolidated interim results for the six months ended 31 December 2019 have not been reviewed by the Group's auditor.

CHANGE IN ACCOUNTING POLICY

IFRS 16: Leases

The Group has initially adopted IFRS 16 Leases from 1 July 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group determined the low value exemption to be R100 000. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents right-of-use assets as a separate class of asset.

The Group presents lease liabilities as a separate class of liabilities in the statement of financial position.

Transition

The Group has a single five year term lease and used an incremental borrowing rate of 8%.

At transition, the lease was classified as an operating lease under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the relevant incremental borrowing rate as at 1 July 2019.

The Group excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

BASIS OF PREPARATION

(Continued)

Impact on Transition

The table below reflects information relating to the impact of the adoption of IFRS 16 using the modified retrospective approach:

	Unaudited as at 1 Jul 2019 R'000
Assets	
Right of use assets	12 951
Liabilities	
Lease Liability	12 951

Ongoing Impact

	Unaudited six months ended 31 Dec 2019 As disclosed R'000	Unaudited six months ended 31 Dec 2019 IFRS 16 Impact R'000	Unaudited six months ended 31 Dec 2019 Excluding IFRS 16 R'000
Reconciliation of adjusted IFRS 16			
Revenue	**145 739**	**-**	**145 739**
Cost of Sales	(33 315)	-	(33 315)
Gross profit	**112 424**	**-**	**112 424**
Other operating income	803	-	803
Staff costs	(54 294)	-	(54 294)
Depreciation and amortisation expense	(4 842)	1 388	(3 454)
Other operating expenses	(39 376)	(1 498)	(40 874)
Finance costs	(646)	646	-
Income from equity accounted Investment	170	-	170
Investment income	3 124	-	3 124
Profit before tax	**17 363**	**536**	**17 899**
Income tax expense	(5 179)	(150)	(5 329)
Profit for the period	**12 184**	**386**	**12 570**
Profit attributable to:			
Non-controlling interest	4 192	192	4 384
Owners of the parent	7 992	194	8 186
Basic earnings per share (cents)	3.40	0.08	3.48
Headline earnings per share (cents)	3.37	0.08	3.45
Diluted earnings per share(cents)	3.40	0.08	3.48

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised R11.5 million of right-of-use assets and R12.1 million of lease liabilities as at 31 December 2019. Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 31 December 2019, the Group recognised R1.388 million of amortisation charges and R645 753 of interest costs from these leases.

BASIS OF PREPARATION

(Continued)

CASH GENERATED (USED IN) OPERATIONS

	Unaudited six months ended 31 Dec 2019 R'000	Unaudited six months ended 31 Dec 2018 R'000	Audited year ended 30 Jun 2019 R'000
A RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS			
Profit before taxation	**17 363**	**13 936**	**25 833**
Adjustments for:	**2 725**	**246**	**2 882**
Depreciation	3 454	3 592	7 243
Provisions	75	(106)	104
Finance costs excluding IFRS 16 finance cost	-	23	174
(Profit) / Loss on disposal of property, plant and equipment	(87)	-	24
Amortisation – IFRS 16 right-of-use asset	1 388	-	-
Finance cost – IFRS 16	646	-	-
Income from associates	(170)	(165)	(381)
Impairment loss	-	-	2 009
Cash-settled share-based payment	543	-	890
Investment income	(3 124)	(3 098)	(7 181)
Operating profit before working capital changes			
Working capital changes	**(19 815)**	**(29 283)**	**(17 153)**
Decrease in inventory	(85)	**-**	-
Decrease / (Increase) in trade and other receivables	(5 178)	(15 764)	3 909
(Decrease) / Increase in Third Party Prize Money	(8 612)	(5 803)	(12 763)
(Decrease) in trade and other payables	(5 940)	(7 716)	(8 299)
Cash utilised in / generated from operations	**273**	**(15 101)**	**11 562**

SEGMENTAL REPORTING

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

- **Active Data Exchange Services**
- **Knowledge Creation and Management**

	Unaudited six months ended 31 Dec 2019 R'000	Unaudited six months ended 31 Dec 2018 R'000	Audited year ended 30 Jun 2019 R'000
Gross Revenue			
Active Data Exchange Services	32 512	67 877	95 407
Knowledge Creation and Management	221 549	142 777	358 934
	254 061	**210 654**	**454 341**
Revenue Generated as agency service			
Active Data Exchange Services	(1 651)	(30 228)	(33 329)
Knowledge Creation and Management	(106 671)	(97 187)	(205 953)
	(108 322)	**(127 415)**	**(239 192)**
Revenue			
Active Data Exchange Services	30 861	37 649	62 168
Knowledge Creation and Management	114 878	45 590	152 981
	145 739	**83 239**	**215 149**
Cost of sales			
Active Data Exchange Services	(9 940)	(11 295)	(12 273)
Knowledge Creation and Management	(23 375)	(15 779)	(47 551)
	(33 315)	**(27 074)**	**(59 824)**
Gross profit			
Active Data Exchange Services	20 921	26 354	49 895
Knowledge Creation and Management	91 503	29 811	105 430
	112 424	**56 165**	**155 325**

The accounting policies applied to the operating segments are the same as those described in the basis of preparation paragraph above. Active Data Exchange Services are provided within South Africa as well as in 36 African countries ("Africa sales"). During the period, 2.93% (2018: 7.8%) of the Company's revenue can be attributed to Africa sales. The Company allocates revenue to each country based on the relevant domicile of the client. All of the Company's assets are located in South Africa.

The reconciliation of Gross Profit to Profit before Taxation is provided in the Statement of Comprehensive Income. The CODM reviews these income and expense items on a Group basis and not per individual segment. All assets and liabilities are reviewed on a Group basis by the CODM.

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS

	Unaudited six months ended 31 Dec 2019 R'000	Unaudited six months ended 31 Dec 2018 R'000	Audited year ended 30 Jun 2019 R'000
The calculation of earnings per share is based on profits of R7.9 million attributable to equity holders of the parent (2018: R9.3 million) and a weighted average of 235 291 431 (2018: 137 615 798) ordinary shares in issue during the period.	3.40 Cents	6.79 Cents	8.17 Cents
The calculation of headline earnings per share is based on profits of R7.9 million attributable to equity holders of the parent (2018: R9.3 million) and a weighted average of 235 291 431 (2018: 137 615 798) ordinary shares in issue during the period.	3.37 Cents	6.79 Cents	14.88 Cents
Reconciliation between earnings and headline earnings			
Profit attributable to equity holders of the parent	7 992	9 349	14 630
After Tax effect on profit on disposal of property, plant and equipment:	(63)	-	(28)
Headline earnings	7 929	9 349	14 602
The calculation of diluted earnings per share is based on profits of R7.9 million attributable to equity holders of the parent (2018: R9.3 million) and a weighted average of 235 291 431 (2018: 137 615 798) ordinary shares in issue during the period.		6.79 Cents	
There were no instruments issued during the current period that have a dilutive impact.			

DIVIDEND POLICY

Although an interim dividend was declared in 2017, the Group traditionally only pays an annual dividend. The Board has decided to not declare an interim dividend and to rather preserve cash for acquisition purposes.

DIRECTORATE

There were no changes to the Board during the interim period.

SUBSEQUENT EVENTS

The Board is not aware of any material events that have occurred between the end of the interim period and the date of this report.

APPRECIATION

We would like to thank our customers, partners, dealers, staff and other service providers for their continued support, loyalty and dedication.

For and on behalf of the Board

Ashvin Mancha Chairman	Mark Smith Chief Executive Officer	Pieter Scholtz Financial Director

Johannesburg

11 March 2020

Directors: Ashvin Mancha#* - Chairman,
Mark Smith – Chief Executive Officer, Pieter Scholtz - Financial Director,
Gaurang Mooney#* (Botswana), Graham Groenewaldt – Sales Director,
Paul Jenkins#*, Roger Pitt#*, Marc du Plessis#, Piet Greyling#, Trevor Ahier#*, Dennis Lupambo#*

Non-executive
* *Independent*

Website: www.cgn.co.za

Company Secretary: Stefan Kleynhans

Sponsor: Merchantec Capital

Transfer Secretaries: Computershare Investor Services Proprietary Limited

COGNITION
HOLDINGS LTD