



4SIGHT HOLDINGS LIMITED

(Incorporated in the Republic of Mauritius)
(Registration number: C148335 C1/GBL)
("4Sight Holdings" or "the Company")
ISIN Code: MU0557S00001 JSE Code: 4SI

ACQUISITION OF 100% OF XWES PROPRIETARY LIMITED T/A NTSIKA ICT SECURITY

1. Introduction

The board of directors of 4Sight Holdings is pleased to announce that Foursight Holdings Limited ("Foursight South Africa"), a wholly-owned subsidiary of the Company, has entered into an agreement and addenda thereto with Ntsika ICT Holdings Proprietary Limited (33%); TV Bensch (27%); Pfortner Consulting Proprietary Limited (20%) ("Pfortner"); BV Nditha (8%); Sui Cura Trust (5%); MJ Clark (3%); and AJ Hartley (4%) ("**Vendors**") for the acquisition of 100% of the shares in XWES Proprietary Limited t/a Ntsika ICT Security ("Ntsika") (the "**Acquisition**") with effect from 1 April 2018 ("**Effective Date**"). The Vendors are not related parties to 4Sight Holdings. Ntsika will become a subsidiary of Foursight South Africa and will adhere to the provisions of paragraph 10.21 of Schedule 10 of the JSE Listing Requirements.

2. Description of Ntsika

Ntsika was formed in 2017 and it is an Internet of Things ("IoT") cyber security start-up, specialising in building security solutions addressing risk appropriate multifactor authentication, secure and encrypted communications and early warning threat detection solutions for industrial control system and IoT deployments. Ntsika is focused on bridging the gap between operational technology and information technology security requirements, enabling the extraction of value from secure digitization and industry4.0 initiatives.

3. Terms and conditions

The aggregate purchase consideration will be paid primarily on an Earn-out basis ("**Purchase Consideration**") in 4Sight Holdings shares as set out below, subject to the number of Earn-out shares being limited to such number of 4Sight Holdings shares that would not oblige the Vendors to make an offer to all 4Sight shareholders in accordance with the provisions of the Companies Act, No. 71 of 2008:

- 3.1 Actual net profit after tax for the 9-month period from 1 April 2018 until 31 December 2018, multiplied by a price earnings ratio of 6, divided by 3;
- 3.2 Actual net profit after tax for the 12-month period commencing on 1 January 2019 until 31 December 2019 multiplied by a price earnings ratio of 6, divided by 3; and
- 3.3 Actual net profit after tax for the 12-month period commencing on 1 January 2020 until 31 December 2020, multiplied by a price earnings ratio of 6, divided by 3.

4. Rationale for the Acquisition

4Sight has an exclusivity agreement to take Pfortner's Cyber tech into Mining, Manufacturing, Telco and to introduce it into China. Ntsika has the commercial rights for Authlogics. Authlogics and Pfortner are leading brands in the Cyber technology space. Cyber Security is a critical element that needs to be addressed with any digitisation initiative, especially in the convergence of the Information Technology and Operational Technology sectors of mining and manufacturing companies.

5. Conditions precedent

The Acquisition is subject to the fulfilment of the following conditions precedent by no later than 30 April 2018 ("**Closing Date**"):

5.1 approval by the board of directors of 4Sight Holdings; and

5.2 any regulatory or JSE approval, to the extent necessary.

6. Financial information

There is no prior financial information as Ntsika is a newly formed entity which only started operations late 2017.

The Vendors have provided a gross profit forecast for the periods ending 31 December 2018, 31 December 2019 and 31 December 2020 as follows:

Period	Gross profit forecast
9 months ending 31 December 2018	R1 383 804
Year ending 31 December 2019	R4 060 659
Year ending 31 December 2020	R7 204 932

The forecasts are considered to be stretch targets and are considered optimistic. The forecasts have accordingly not been warranted by the Vendors.

7. Classification of the transaction

The Acquisition is classified as a Category 2 transaction in terms of the JSE Listings Requirements pertaining to companies listed on the Alternative Exchange of the JSE on the basis that the number of shares to be issued will not exceed 34.99% of the Company's issued share capital at date of issue and thus shareholder approval is not required.

30 April 2018
Mauritius

Sponsor

Arbor Capital Sponsors Proprietary Limited

