



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 51% OF STRATEGIX APPLICATION SOLUTIONS PROPRIETARY LIMITED

1. Introduction

The board of directors of 4Sight Holdings is pleased to announce that the Company, through its wholly owned subsidiary Foursight Holdings Limited, has entered into an agreement and addenda thereto with Messrs J O'Brien (17%) and AS Venter (13%) and Strategix Business Solutions Proprietary Limited (70%), ("**Vendors**") for the acquisition of 51% of the shares (on a pro rata basis) in Strategix Application Solutions Proprietary Limited ("**Strategix**") (the "**Acquisition**") with effect from 1 April 2018 ("**Effective Date**"). The Vendors are not related parties to 4Sight Holdings.

Strategix will become a subsidiary of Foursight Holdings and will adhere to the provisions of paragraph 10.21 of Schedule 10 of the JSE Listing Requirements.

2. Description of STRATEGIX

STRATEGIX is a software development company that has digitized SHEQ solutions, integrated management systems, integrated business continuity management systems and occupational health and wellness management solutions as well as integrated environmental sustainability systems.

3. Terms and conditions

The aggregate purchase consideration will be paid primarily on an Earn-out basis ("**Purchase Consideration**") in 4Sight Holdings shares as follows:

- 3.1 Upfront issue of 1 500 000 4Sight Holdings shares, which 4Sight will endeavour to place on or before the 31 August 2018 at prevailing market prices, which amount will in turn be deducted from Earn-out Tranche 3;
- 3.2 **Earn-out Tranche 1**, will be paid within 30 days of the notification by the auditors of the Net Profit After Tax (determined in accordance with IFRS ("**NPAT**") on the 9 month period from the Effective date until 31 December 2018, calculated on the NPAT for the 12 month period starting 1 January 2018 until 31 December 2018 multiplied by a price : earnings ratio of 8 divided by 3. This value will be settled in 4Sight shares calculated at the date upon which such shares become payable;

- 3.3 **Earn-out Tranche 2**, will be paid at the end of the 12 month period from 1 January 2019 until 31 December 2019, calculated on the NPAT for the 12 month period multiplied by a price : earnings ratio of 8 divided by 3. This value will be settled in 4Sight shares calculated at the date upon which such shares become payable; and
- 3.4 **Earn-out Tranche 3**, will be paid at the end of the 12 month period from 1 January 2020 until 31 December 2020, calculated on the NPAT for the 12 month period starting multiplied by a price : earnings ratio of 8 divided by 3, less the value of the 1 500 000 shares placed on or before 31 August 2018 on behalf of the sellers. This value will be settled in 4Sight shares calculated at the date upon which such shares become payable;

Of the above share issues, 4Sight will undertake to place 30% of such shares as a vendor placement at prevailing market prices at the time. The issue of shares will be limited to preclude a possible mandatory offer by the Sellers.

4. Rationale for the Acquisition

The Acquisition is in line with 4Sight Holdings' acquisitive and organic growth strategy of acquiring industry 4.0 companies and provides the 4Sight Holdings group with the Digital Mine of the Future offering to mining companies around the globe, the digitization and automation of the Health and Safety and Environmental compliance environments is essential.

Many mining companies follow a manual paper driven process to manage the above environment, without pro-active reporting and compliance. Compliance and comprehensive reporting is becoming a key requirement for mining companies and provides an entry point for 4Sight Holdings, where the group can upsell additional services from other 4Sight Holdings subsidiaries, namely AGE, BluESP, SET, Cyber4.0 and Visualitics.

The solution is also IOT enabled allowing real-time reporting and compliance.

Strategix develops and continually improve the technology offering and OneSource provides the consulting, project implementation and training. The solution can be expanded to manage corporate risk through-out the organization. The solution works across vertical solutions and will be applied to many other market sectors.

5. Conditions precedent

The Acquisition is subject to the fulfilment of the following conditions precedent by no later than 30 April 2018:

- 5.1 approval by the board of directors of 4Sight Holdings;
- 5.2 the satisfactory outcome of a due diligence investigation into the business of Strategix and its subsidiaries;
- 5.3 any regulatory or JSE approval, to the extent necessary; and

5.4 Messrs O'Brien and Venter agreeing to be employed by Strategix for a period of at least two years from the Closing Date, and to be restrained from competing with Strategix within all the territories that make up Africa and all other countries in which 4Sight Holdings operates, during the term of his employment, and for a period of two years after the date on which he ceases to be employed by Strategix.

6. Financial information

The financial information required in terms of the JSE Listings Requirements will be published on or before 30 April 2017 but is not considered to be material to the terms of the acquisition.

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 904 820
Year ending 31 December 2019	R3 242 216
Year ending 31 December 2020	R4 796 616

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 and thus shareholder approval is not required.

17 April 2018
Mauritius

Designated Advisor
Arbor Capital Sponsors Proprietary Limited

