

## 4SIGHT HOLDINGS LIMITED

(Incorporated in the Republic of Mauritius)

(Registration number: C148335 C1/GBL)

JSE share code: 4SI ISIN: MU0557S00001

("4Sight" or "the Company")



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## UPDATE ANNOUNCEMENT IN RELATION TO THE DISPOSAL OF DIGITATA

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### 1. INTRODUCTION

Shareholders are referred to the circular issued by the Company on 21 August 2020 (the "**circular**"), as well as the announcement published on SENS on 8 September 2020, wherein 4Sight shareholders were advised that:

- 1.1. the Company had entered into a share sale and repurchase agreement with Edward Earnest Bartlett, Wilhelm Marthinus Bonnema, Brian Jonathan Collett, Hilton Denzil Goodhead, Desmond Bryan Griggs, Ronel Visagie, Marthinus Phillipus Neethling, the Ad Alta Trust, the Apex Trust, the Digitata Investment Trust, the Pachypodium Trust and the Yotta Trust (collectively, the "**purchasers**"), whereby 4Sight will dispose of 100% of the issued share capital of Digitata Limited ("**Digitata**") (the "**Digitata Equity**") to the purchasers for an aggregate consideration of R91 900 000 (the "**Digitata Sale Consideration**");
- 1.2. the Digitata Sale Consideration will be discharged by the purchasers selling to the Company, as part of an indivisible transaction, an aggregate of 290 549 558 4Sight shares (the "**repurchase shares**") for an amount equal to the Digitata Sale Consideration (the disposal of Digitata Equity and the repurchase by the Company of the repurchase shares are collectively referred to herein as the "**proposed transaction**"); and
- 1.3. a general meeting of 4Sight shareholders will be held entirely by utilising electronic communication and electronic platforms at 10:00 SAST / 12:00 MST on Tuesday, 22 September 2020 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by shareholders in order to authorise and implement the proposed transaction (the "**general meeting**").

The terms and definitions defined in the circular bear the same meaning as in this announcement.

### 2. REQUIREMENT FOR UPDATED *PRO FORMA* FINANCIAL EFFECTS

Shareholders are referred to the Company's interim financial results for the six months ended 30 June 2020 as published on SENS on 24 August 2020 (the "**interim results**").

As the circular was published and distributed during the closed period prior to the publication of the interim results and the general meeting will be held after such publication, the Company undertook to publish the updated *pro forma* financial effects of the proposed transaction based on the interim results.

Nexia SAB&T, the reporting accountant, issued a report on the pro-forma financial information for the year ended 31 December 2019, as included in the circular issued by the Company on 21 August 2020.

### 3. UPDATED *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The tables below set out the consolidated *pro forma* statement of financial position and statement of comprehensive income (collectively, the "**pro forma financial information**") of 4Sight based on 4Sight's financial results for the six months ended 30 June 2020.

The *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the proposed transaction may have impacted the consolidated statement of financial position and consolidated statement of comprehensive income of 4Sight, assuming that the proposed transaction occurred on 1 January 2020 for the purposes of the consolidated *pro forma* statement of comprehensive income and 30 June

2020 for the purposes of the consolidated *pro forma* statement of financial position, as set out below. Due to its nature, the *pro forma* financial information may not fairly present 4Sight's consolidated statement of financial position and consolidated statement of comprehensive income subsequent to the proposed transaction.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of 4Sight. The *pro forma* financial information has been prepared in compliance with the recognition and measurement principles of the International Financial Reporting Standards, the SAICA Guide on *Pro Forma* Financial Information and in accordance with the accounting policies of 4Sight that were used in the preparation of the financial results for the year ended 31 December 2019.

**4Sight Holdings Limited**
*Pro forma* Statement of Financial Position as at 30 June 2020

<i>US Dollars</i>	<b>Before the adjustments</b>	<b>Stated capital reduction</b>	<b>Disposal of interest in Digitata</b>	<b>Share repurchase</b>	<b><i>Pro forma</i> after the adjustments</b>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>20 247 901</b>	-	-	-	<b>20 247 901</b>
Property, plant and equipment	2 180 772	-	-	-	2 180 772
Goodwill	15 051 491	-	-	-	15 051 491
Intangible assets	2 440 896	-	-	-	2 440 896
Deferred tax	499 539	-	-	-	499 539
Investment in associates	5 863	-	-	-	5 863
Other financial assets	69 340	-	-	-	69 340
<b>Current assets</b>	<b>7 957 806</b>	-	-	<b>(68 235)</b>	<b>7 889 571</b>
Inventories	107 512	-	-	-	107 512
Trade and other receivables	4 618 219	-	-	-	4 618 219
Current tax receivable	155 778	-	-	-	155 778
Cash and cash equivalents	3 076 297	-	-	(68 235)	3 008 062
<b>Assets classified as held for sale</b>	<b>9 904 694</b>	-	<b>(9 904 694)</b>	-	-
<b>Total assets</b>	<b>38 110 401</b>	-	<b>(9 904 694)</b>	<b>(68 235)</b>	<b>28 137 472</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of parent</b>	<b>28 857 795</b>	-	<b>(6 658 671)</b>	<b>(68 235)</b>	<b>22 130 889</b>
Share capital	58 610 277	(36 426 057)	-	(3 686 327)	18 497 893
Reserves	(6 241 558)	36 426 057	3 217 123	-	33 401 622
Retained income/ (Accumulated loss)	(23 510 924)	-	(9 875 794)	3 618 092	(29 768 626)
Non-controlling interests	232 786	-	(141 744)	-	91 042
<b>Total equity</b>	<b>29 090 581</b>	-	<b>(6 800 415)</b>	<b>(68 235)</b>	<b>22 221 931</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>	<b>1 123 700</b>	-	-	-	<b>1 123 700</b>
Other financial liabilities	1 006 246	-	-	-	1 006 246
Deferred taxation	117 454	-	-	-	117 454

<i>US Dollars</i>	Before the adjustments <i>Note 1</i>	Stated capital reduction <i>Note 2</i>	Disposal of interest in Digitata <i>Note 3</i>	Share repurchase <i>Note 4</i>	<i>Pro forma after the adjustments</i> <i>Note 5</i>
<b>Current liabilities</b>	<b>4 791 841</b>	-	-	-	<b>4 791 841</b>
Trade and other payables	4 352 531	-	-	-	4 352 533
Other financial liabilities	422 814	-	-	-	422 814
Contract liabilities	-	-	-	-	-
Current tax payable	16 496	-	-	-	16 496
<b>Liabilities associated with assets held for sale</b>	<b>3 104 279</b>	-	<b>(3 104 279)</b>	-	-
<b>Total liabilities</b>	<b>9 019 820</b>	-	<b>(3 104 279)</b>	-	<b>5 915 543</b>
<b>Total equities and liabilities</b>	<b>38 110 401</b>	-	<b>(9 904 694)</b>	<b>(68 235)</b>	<b>28 137 472</b>
<b>Shares in issue</b>	<b>950 406 087</b>			(290 549 558)	<b>659 856 529</b>
<b>Shares in issue (net of treasury)</b>	<b>950 406 087</b>			(290 549 558)	<b>659 856 529</b>
<b>Net asset value per share (US cents)</b>	<b>3.036</b>				<b>3.354</b>
<b>Net tangible asset value per share (US cents)</b>	<b>1.196</b>				<b>0.703</b>

#### Notes and assumptions:

1. Extracted without adjustment from the unaudited condensed consolidated interim financial statements of 4Sight for the six-month period ended 30 June 2020.
2. Following the stated capital reduction, 4Sight's stated capital will be reduced by an amount of USD 36 426 057 and this amount will be transferred to the Company's non-distributable reserves.
3. The *pro-forma* adjustments under Note 3 include the following principle assumptions:
  - The financial information of Digitata has been extracted from the unaudited condensed consolidated interim financial statements of the 4Sight Group for the six-month ended 30 June 2020;
  - Prior to the proposed transaction, Digitata is controlled by 4Sight and consolidated into the 4Sight Group results for the six-month period ended 30 June 2020; and
  - Post the proposed transaction, Digitata will no longer form part of the 4Sight Group.
4. The *pro-forma* adjustments under Note 4 include the following principle assumptions:
  - The share repurchase value of USD 3 686 327 was calculated using an exchange rate of USD:ZAR 17.36 and a VWAP share price for June 2020 of 20.7 cents per share closer to the date of the general meeting, being Tuesday, 22 September 2020, where 4Sight will seek shareholder approval of the proposed transaction;
  - Once-off transaction costs to implement the proposed transaction amount to USD 68 235;
  - Subsequent to the share repurchase, the 290 549 558 shares provided as consideration for the Digitata sale consideration will be cancelled.
5. The *pro-forma* results after the adjustments included under Note 5 represent the statement of financial position of 4Sight after the stated capital reduction and proposed transaction.
6. The applicable legislated tax rates utilised for Mauritius for income tax purposes is 15% and no capital gains tax.
7. The directors are not aware of any post-balance sheet events which require adjustment to the *pro forma* statement of financial position.
8. All adjustments, save for transaction costs, have a continuing effect.

## 4Sight Holdings Limited

*Pro forma* Statement of Profit or Loss for the six months ended 30 June 2020

<i>US Dollars</i>	Before the adjustments	Stated capital reduction	Disposal of interest in Digitata	Share repurchase	<i>Pro forma after the adjustments</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>
<b>Continuing operations</b>					
<b>Revenue</b>	<b>15 612 413</b>	-	-	-	<b>15 612 413</b>
Cost of sales	(8 153 775)	-	-	-	(8 153 775)
<b>Gross profit</b>	<b>7 458 638</b>	-	-	-	<b>7 458 638</b>
Other income/ (loss)	2 924 819	-	(9 875 794)	3 686 327	(3 264 648)
Operating expenses	(8 999 028)	-	-	(68 235)	(9 067 263)
<b>Operating profit</b>	<b>1 384 429</b>	-	<b>(9 875 794)</b>	<b>3 618 092</b>	<b>(4 873 273)</b>
Investment income	54 177	-	-	-	54 177
Finance costs	(128 641)	-	-	-	(128 641)
Income (loss) from equity accounted investments	(2 789)	-	-	-	(2 789)
<b>Profit before taxation</b>	<b>1 307 176</b>	-	<b>(9 875 794)</b>	<b>3 618 092</b>	<b>(4 950 526)</b>
Taxation	(140 042)	-	-	-	(140 042)
<b>Profit from continuing operations</b>	<b>1 167 134</b>	-	<b>(9 875 794)</b>	<b>3 618 092</b>	<b>(5 090 568)</b>
<b>Discontinued operations</b>					
Profit from discontinued operations	<b>396 013</b>	-	(396 013)	-	-
<b>Loss/(profit) for the period</b>	<b>1 563 147</b>	-	<b>(10 271 807)</b>	<b>3 618 092</b>	<b>(5 090 568)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent	1 391 900	-	(10 149 799)	3 618 092	(5 139 807)
Non-controlling interest	171 247	-	(122 008)	-	49 239
	<b>1 563 147</b>	-	<b>(10 271 807)</b>	<b>3 618 092</b>	<b>(5 090 568)</b>
<b>Reconciliation of Headline Earnings (Net of Tax) for continuing operations</b>					
Profit attributable to owners of the parent	1 391 900	-	(10 149 799)	3 618 092	(5 139 807)
Earnings on disposal of property, plant and equipment	1 114	-	(1 011)	-	103
Loss/(earnings) on disposal of investments in subsidiaries and businesses	(35 202)	-	9 875 794	(3 686 327)	6 154 265

<i>US Dollars</i>	<b>Before the adjustments</b>	<b>Stated capital reduction</b>	<b>Disposal of interest in Digitata</b>	<b>Share repurchase</b>	<b><i>Pro forma after the adjustments</i></b>
Impairment of Intangible Asset	68 000	-	(68 000)	-	-
Headline (loss)/earnings	1 425 812	-	(343 016)	(68 235)	1 014 561

<i>US Dollars</i>	<b>Before the adjustments</b> <i>Note 1</i>	<b>Stated capital reduction</b> <i>Note 2</i>	<b>Disposal of interest in Digitata</b> <i>Note 3</i>	<b>Share repurchase</b> <i>Note 4</i>	<b><i>Pro forma</i> after the adjustments</b> <i>Note 5</i>
<b>Per share information:</b>					
Earnings per share (US cents)	0.18				(0.75)
Diluted earnings per share (US cents)	0.18				(0.75)
Headline earnings per share (US cents)	0.18				0.21
Diluted headline earnings per share (US cents)	0.18				0.21
Weighted average number of shares in issue	782 141 947		(290 549 558)		491 592 389
Fully diluted weighted average number of shares in issue	782 141 947		(290 509 558)		491 592 389

**Notes and assumptions:**

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3. The *pro-forma* adjustments under Note 3 include the following principle assumptions:
  - The financial information of Digitata has been extracted from the unaudited condensed consolidated interim financial statements of the 4Sight Group for the six-month period ended 30 June 2020;
  - Prior to the proposed transaction, Digitata is controlled by 4Sight and consolidated into the 4Sight Group results for the six-month period ended 30 June 2020; and
  - Post the proposed transaction, Digitata will no longer form part of the 4Sight Group.
4. The *pro-forma* adjustments under Note 4 include the following principle assumptions:
  - The share repurchase value of USD 3 686 327 was calculated using an exchange rate of USD:ZAR 17.36 and a VWAP share price for June 2020 of 20.7 cents per share closer to the date of the general meeting, being Tuesday, 22 September 2020, where 4Sight will seek shareholder approval of the proposed transaction;
  - The share repurchase value of USD 3 686 327 also represents the loss on disposal of Digitata after writing off the investment;
  - Once-off transaction costs to implement the proposed transaction amount to USD 68 235;
  - Subsequent to the share repurchase, the 290 549 558 shares provided as consideration for the Digitata sale consideration will be cancelled.
5. The *pro-forma* results after adjustment included under Note 5 represent the statement of profit and loss of 4Sight after the stated capital reduction and proposed transaction.
6. The applicable legislated tax rates utilised for Mauritius for income tax purposes is 15% and no capital gains tax.
7. The directors are not aware of any post-balance sheet events which require adjustment to the *pro forma* statement of profit and loss.
8. All adjustments, save for transaction costs, have a continuing effect.

18 September 2020

Tertius Zitzke  
Chief Executive Officer