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

REVISED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2018

Shareholders are referred to the original prospectus that contained a profit forecast for the year ending 31 December 2018, which forecast only included the Telecommunications, Media and Property verticals associated with Digitata Limited, which the group acquired ahead of the listing on 19 October 2017. Subsequent to the listing, the Company has concluded a number of acquisitions in its targeted Industry4.0 strategy to expand into mining, manufacturing and data analytics as follows:

- BluESP Holdings Proprietary Limited and its subsidiary ("BluESP") – announced on 20 October 2017;
- Age Technologies Proprietary Limited ("AGE") – announced on 23 October 2017; and
- Foursight Holdings Limited and its subsidiaries, namely Visualitics, Casewise and Fleek ("Foursight SA") – announced on 15 January 2018,

(together the "4Sight Holdings Acquisitions").

Further to the 4Sight Holdings Acquisitions, the Board of Directors ("the Board" or "the Directors") of 4Sight Holdings have decided to issue revised profit forecasts to those published in the Company's prospectus which was issued on 21 September 2017. The reason for the revision of the forecasts is to provide a more accurate representation of the Company's prospects going forward, taking into account the 4Sight Holdings Acquisitions.

The profit forecasts of the enlarged 4Sight Holdings group are presented for the year ending 31 December 2018.

The preparation of the profit forecasts is the responsibility of the Directors of 4Sight Holdings and the profit forecasts are set out below. The audit committee of 4Sight Holdings has also reviewed and approved the revised profit forecasts. The accounting policies applied in arriving at the forecast incomes are consistent in all material respects with IFRS and with those accounting policies applied in the historic information presented in this Prospectus. The forecast revenue relating to the year ending 31 December 2018 has been recognised and measured in accordance with IFRS 15.

Shareholders are advised that the forecast financial information has not been reviewed and reported on by the Company's auditors in accordance with paragraph 8.40(a) of the JSE Listings Requirements.

The revised profit forecast has been prepared for illustrative purposes only to provide information on what the Directors believe will be the financial performance of 4Sight Holdings for the year ending 31 December 2018 pursuant to the 4Sight Holdings Acquisitions. The nature of the profit forecast may not fairly present 4Sight Holdings' financial position, changes in equity, and results of operations or cash flow information after the 4Sight Holdings Acquisitions.

	REVISED Year ending 31-Dec-18 USD Column 1	PER PROSPECTUS Year ending 31-Dec-18 USD Column 2
Revenue	**43 716 698**	**26 362 879**
Cost of Sales	(16 818 854)	(6 989 185)
Gross Profit	**26 897 844**	**19 373 694**
Other Income	3 545	3 323
Operating Expenses	**(21 970 071)**	(15 440 112)
Operating Profit	**4 931 318**	**3 936 904**
Finance cost	(317 554)	(233 632)
Finance Income	33 129	29 884
Profit before taxation	**4 646 893**	**3 733 156**
Taxation	(1 333 606)	(1 086 912)
Profit after taxation	**3 313 287**	**2 646 244**
Non-controlling interests	272 207	239 822
Profit attributable to owners of the parent	**3 041 080**	**2 406 422**
Share information:		
Earnings per share (US cents)	0.67	0.49
Weighted average number of shares in issue	455 048 276	486 867 001
Earnings per share (US cents)	0.66	0.49
Weighted average number of shares in issue (fully diluted)	461 098 276	486 867 001

Assumptions:

The assumptions utilised in the profit forecast and which are considered by management to be significant or are key factors on which the results of the enlarged group will depend, are disclosed below. The assumptions disclosed are not intended to be an exhaustive list. There are other routine assumptions, which are not listed. The actual results achieved during the forecast period may vary from the forecast and the variations may or may not be material. The forecast financial information is based on the assumption that circumstances which affect the group's business, but which are outside the control of the Directors, will not materially alter in such a way as to affect the trading of the group.

1. The forecast per the Prospectus in Column 2 above is extracted without amendment.
2. The current market conditions in the industry in which the business operates are not expected to change substantially.
3. The forecast numbers in Column 2 have been prepared in terms of IFRS and are based on the same accounting policies of the group as detailed in Annexure 1 and Annexure 3 of the previously published Prospectus.
4. No amendment has been made to the previous 4Sight Holdings and Digitata group forecast contained in the Prospectus other than a change to the exchange rate as detailed in assumption 5 below.
5. Expenses have been forecast on a line-by-line basis and reflect the current budgeted expenditure and takes into account the cost of being listed.
6. The expected impact on the forecast in Column 2 due to foreign exchange movement has not been kept consistent with the exchange rate detailed in the Prospectus of ZAR13:USD1 but has been amended to ZAR12:USD1 being the most recent estimated average exchange rate over the period. The revenue split is expected to be approximately 60% USD and 40% ZAR. The forecast has been tested for sensitivity for changes in the exchange rate. Should the ZAR weaken against the USD by 10%, the Group results would strengthen by up to 8%.

7. The present level of interest and tax rates will remain substantially unchanged.
8. Interest from cash generated from operations has not been taken into account in the forecasts.
9. Depreciation expense is provided for over the useful of the assets used.
10. Revenue is based on an estimated percentage contribution between contracted current clients and expected new pipeline business.

Comments on the forecast financial information

1. Revenue and cost of sales assumptions and commentary

An analysis of the revenue of the group for the original core business and younger business areas is set out below:

	Profit forecast Year ending 31 December 2018 USD
Total Revenue	**26 555 421**
Dynamic Tariffing System ("DTS") – see further breakdown below	17 541 048
Insights	4 971 303
Networks	1 795 609
Glovent	2 219 215
Battler Investments	28 247

A further analysis of the DTS forecast revenue line is set out below:

	Profit forecast Year ending 31 December 2018
Support and maintenance	5 563 251
Licence fees	7 294 777
Consulting fees	2 589 542
System integration	2 093 478
Total DTS Revenue	**17 541 048**

The above information has been adjusted in the new forecast for the change in the exchange rate mentioned earlier, where applicable.

2. Operational expenses (extracted from the prospectus)

The main component of operational expenses is salaries and wages, representing around 80% of the operational expenses. The forecast for salaries and wages for 2017 was based on the existing headcount at the time of issue of the Prospectus, with an increase assumed in 2018 for both package increases and an increase in headcount.

This second largest expense is travel expenses, which is directly related to revenue generation, with clients around the world, largely in Africa. This typically approximates about 10% of the operating expenses. However, this has been assumed to increase in 2018 due to the higher revenue projections.

The balance of the operational costs has been based on the existing expense base of the group. The operating expenses are lower than the operating expenses for the year ended 31 December 2016 of USD13 485 434 due to more effective cost management. The cost savings began towards the end of 2016 and continued into 2017. These included renegotiating on a group level various costs and contracts. Foreign exchange gains or losses have not been forecast.

Depreciation and amortisation have been assumed on the basis of the existing depreciation and amortisation rates used by the group as well as expected capital expenditure and development costs, which are capitalised and then amortised.

Details of the EBITDA, depreciation and amortisation as set out in the table below:

	31 December 2018
EBITDA	**5 291 723**
Depreciation	(150 211)
Amortisation	(1 204 608)

Where applicable, the operating expenses have been amended for the change in the exchange rate from ZAR13: USD1 to ZAR12:USD1.

3. 4Sight Holding Acquisitions post listing

	BluESP	**AGE**	**Foursight SA**
Revenue	3 583 333	8 776 449	4 801 495
Cost of Sales	(1 268 285)	(5 572 245)	(2 756 165)
Gross Profit	2 315 048	3 204 204	2 045 329
Other Income	0	0	0
Operational expenses	(1 797 880)	(2 702 777)	(1 257 297)
Operating Profit	517 168	501 427	788 032
Finance Costs	0	(74 187)	0
Finance Income	2 000	0	0
Profit Before Taxation	519 168	427 240	788 032
Taxation	(145 367)	(119 627)	(220 649)
Profit After Tax	373 801	307 613	567 383
Minorities Interest	0	0	85 107
Profit Attributable to Owner	373 801	307 613	482 276

The above forecasts have been converted from ZAR to USD at an exchange rate of 12:1.

BluESP
Revenue from BluESP arises from both annuity and project related income and consists of Software, Consulting Services, Training and Support of Solutions that helps customers increase profitability through Supply Chain Optimisation, Production Optimisation, Prescriptive Maintenance and Manufacturing Execution Solutions. Cost of sales arises from third party technology licence fees, whilst the majority of operational expenses are related to employee costs (76%), which were assumed to not change.

Gross profit margins of 65% for BluESP were assumed, whilst operating expenditure as a percentage of revenue of 50% for BluESP was assumed;

AGE
AGE is a systems integrator and sales are derived from the sale of products such as sensors, IoT, instrumentation, control system hardware, cabling and networking equipment for large Industrial installations and the associated engineering and services work. Current installations are being done in the mining and water segments in Southern African Countries. This includes South Africa, Botswana, Zambia, Democratic Republic of Congo, Zambia and Zimbabwe. This is the only company in the group that sell physical (IoT) products and provide interfacing between the digital and real worlds.

Gross profit margins of 33% for AGE were assumed.

Similarly, employee costs and travel expenses make up around 67% and 3% of the operating expenses respectively, which are based on 31% of revenue in line with the prior year.

The AGE acquisition has an earn-out, payable as follows:

Details	Cash R	Shares R	Amount R
Earn-out	15 800 000	24 200 000	40 000 000

The earn-out will be payable against achievement of Net Profit After Tax ("NPAT") determined in accordance with IFRS, as detailed below:

Details	NPAT Hurdle R	NPAT Target R	Period
Warranty period 1	4 400 000	13 333 333.33	16 months ending 31 December 2018
Warranty Period 2	15 400 000	23 333 333.33	28 months ending 31 December 2019

In the event that the respective NPAT hurdle is not met, there will be no further payment in terms of the earn-out.

Foursight SA
Revenue from Foursight SA comprises a mixture of annuity or recurring revenue, project and consulting work around data analytics, data modelling and design, data science and cloud-based telecommunications solutions and is based on existing contracts or proposals in the pipeline.

Casewise specialises in enterprise architecture and enterprise data modelling and design; the cornerstones of enabling digitization of physical assets. These data management tools form the basic design and deployment tools of analysing, constructing, and deploying data in Industry4.0 applications.

Visualitics has data science experts that have the unique capability to link business strategy to data bytes and bits. From an optimization perspective, the international team of data science experts transform data into intelligent algorithms to support the clients Industry4.0 strategies.

Visualitics operates on a profit centre model with cost of sales being directly related to revenue from projects. This reduces the requirement for employees and overheads and aligns the revenue and earning objectives of the Visualitics team. Whilst Visualitics has a large pipeline of potential projects, all unawarded tenders have been excluded from the forecast.

Fleek, is an annuity business with new technology replacing expensive imported solutions and growing off a low base. Fleek is a South African provider of cloud-based telecommunication solutions to small and medium-sized businesses and earns all its revenue as a pure flat-fee "software-as-a-service" through direct and indirect sales channels. The cloud-based solution provides a business with the means to cost-effectively engage directly with customers for higher conversion rates, track and manage campaigns in real-time with accessible and intuitive portals, deliver any type of marketing campaign from script lists, and integrate with most Customer Relationship Management (CRM) systems.

Gross profit margins of 43% for Visualitics, 36% for Casewise and 59% for Fleek were assumed.

Operating expenditure as a percentage of revenue, ranging between 15% for Casewise, 37% for Fleek and 13% for Visualitics was assumed;

4. Taxation

Taxation has been assumed at the rate of taxation in the relevant tax jurisdictions, being 15% in Mauritius and 28% in South Africa and includes normal taxation and dividend withholding tax.

5. Headline earnings reconciliation and share information

Headline earnings reconciliation:	**REVISED 31 December 2018**	**PER PROSPECTUS 31 December 2018**
Attributable profit shareholders of the company	**3 480 598**	2 406 422
Per share information:		
Earnings per Share (US cents)	0.67	0.49
Headline Earnings per Share (US cents)	0.67	0.49
Diluted Earnings per Share (US cents)	0.66	0.49
Diluted Headline Earnings per Share (US cents)	0.66	0.49
Weighted average shares in issue	**455 048 276**	**486 867 001**
Fully diluted weighted average shares in issue	**461 098 276**	**486 867 001**

The group, as enlarged, is now well placed to maximise opportunities to cross sell its technologies across the vertical stacks and to also provide more comprehensive solutions to existing and new customers. Whilst unawarded tenders in the pipeline have been excluded from the above forecast, the Company undertakes to separately announce the award of any large tenders to the group.

Mauritius
9 March 2018

Designated Advisor
Arbor Capital Sponsors Proprietary Limited