



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

**CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS FOR THE SIX MONTHS ENDED
30 JUNE 2022**

GROUP AND FINANCIAL HIGHLIGHTS

The Board of Directors ("Board") is pleased to present the financial results for the six-month period ended 30 June 2022. The Group has continued to deliver on the resilient performance demonstrated in the 2021 financial year.

FINANCIAL SUMMARY

Some key metrics in respect of H1 2022 are reflected below:

- Increase in revenue by 13.1%
- Increase in gross profit by 8.5%
- Increase in normalised earnings by 136.2%
- Increase in basic earnings per share to ZAR 1.287 cents per share from ZAR 0.547 cents per share
- Increase in headline earnings per share to ZAR 1.288 cents per share from ZAR 0.545 cents per share
- Decrease in cash balances during difficult trading conditions by 9.1%
- Increase in Debt-to-Equity Ratio from 36.4% to 43.5%
- Increase in net asset value by 2.9%

COMMENTARY ON THE HALF YEAR RESULTS

4Sight continued to deliver strong growth results overall. 4Sight remains committed to its Digital Transformation strategy established in 2020 and continues with its innovation drive, building solutions and forming partnerships, delivering the Digital Transformation strategy for the benefit of our customers and partners.

Revenue continues to grow, supported by the dual go-to-market strategy of direct and indirect channels, adopted to ensure a balanced portfolio and minimised risk approach. Management

also continued to drive cost optimisation and support the shared services model, designed to guarantee service excellence from our four production clusters: Business Environment (BE), Information Technologies (IT), Operational Technologies (OT) and Channel Partner (CP). Annuity based revenue remains a major focus for 4Sight and the drive to create more solutions supporting this strategic pillar remains. Continued investment drives the 4Sight technology roadmap for innovation.

4Sight formed very strong and solid partnerships with strategic OEMs and with strategic partners serving the same industries, together providing a more holistic and complete service offering to joint customers. Developing our own intellectual property with our partners and customers is a strategic asset for 4Sight, with our solutions already present in the portals of software vendors.

4Sight's global expansion is well on track. The Namibian business is delivering according to budget and solid progress is being made with the Australian business opportunities.

Due to the high need for skills in the ICT sector globally, people are a major area of focus for the Group. In partnership with Microsoft and MICT SETA, the Group will invest and educate 50 resources in Umhlanga, KZN, beginning in August 2022. The Group's H1 2022 people cost was impacted by semigration and emigration.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in ZAR	Notes	Unaudited six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Year ended 31 December 2021
Revenue	1	329 180 056	291 137 863	576 812 211
Cost of sales		(176 747 031)	(150 599 307)	(300 563 066)
Gross profit		152 433 025	140 538 556	276 249 145
Net gains and (losses)		(2 451 266)	(802 531)	5 209 846
Operating expenses		(137 881 364)	(134 517 843)	(270 075 138)
Operating profit		12 100 396	5 218 182	11 383 853
Investment income		625 831	589 912	1 345 940
Finance costs		(509 800)	(747 963)	(1 215 731)
Income from equity accounted investments		72 453	185 509	395 199
Profit before taxation		12 288 879	5 245 640	11 909 261
Taxation		(3 389 761)	(1 544 804)	12 145
Profit for the period		8 899 118	3 700 836	11 921 406
Unrealised exchange differences on translating foreign operations		(3 500)	1 433	(6 700)
Other comprehensive profit (loss) for the period net of taxation		(3 500)	1 433	(6 700)
Total comprehensive profit for the period		8 895 618	3 702 269	11 914 706
Profit attributable to:		8 899 118	3 700 836	11 921 406
Owners of the parent		8 479 724	3 606 390	11 172 205
Non-controlling interest		419 394	94 446	749 201
Total comprehensive profit for the period attributable to:		8 895 618	3 702 269	11 914 706
Owners of the parent		8 476 224	3 607 823	11 165 505
Non-controlling interest		419 394	94 446	749 201
Per share information:		ZAR Cents	ZAR Cents	ZAR Cents
Earnings per share (cents)		1.287	0.547	1.695
Diluted earnings per share (cents)		1.287	0.547	1.695
Headline earnings per share (cents)	2	1.288	0.545	1.757
Diluted headline earnings per share (cents)	2	1.288	0.545	1.757
Weighted average number of shares in issue		659 031 529	659 031 529	659 031 529
Fully diluted weighted average number of shares in issue		659 031 529	659 031 529	659 031 529

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in ZAR	Notes	Unaudited As at 30 June 2022	As at 31 December 2021
ASSETS			
Non-Current Assets		266 461 643	264 103 394
Property, plant and equipment		31 773 965	31 007 496
Goodwill		178 200 064	178 200 064
Intangible assets		38 949 147	37 912 832
Deferred tax		16 910 206	16 427 194
Investment in associates		628 261	555 808
Current Assets		192 648 013	160 248 723
Inventories		5 028 860	2 459 889
Trade and other receivables	3	131 069 456	95 419 701
Other financial assets		-	200 000
Current tax receivable		3 413 909	3 697 393
Cash and cash equivalents		53 135 788	58 471 740
Total Assets		459 109 656	424 352 117
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Equity Holders of Parent			
Share capital		273 987 961	273 987 961
Reserves		(27 594)	(24 094)
Retained income		43 619 164	35 139 440
Attributable to equity holders of the parent		317 579 531	309 103 307
Non-controlling interest		3 250 417	2 831 023
Total Equity		320 829 948	311 934 330
Liabilities			
Non-Current Liabilities			
Other financial liabilities	4	11 750 852	11 637 186
Deferred taxation		5 648	11 492
Current Liabilities		126 523 208	100 769 109
Trade and other payables		123 640 228	97 814 922
Other financial liabilities	4	1 723 163	2 667 984
Current tax payable		1 159 817	286 203
Total Liabilities		138 279 708	112 417 787
Total Equity and Liabilities		459 109 656	424 352 117

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in ZAR	Share Capital	Foreign Currency Translation Reserve	Non-Distributable Reserves	Retained Income	Total attributable to equity holders of the Group	Non-controlling interest	Total Equity
Balance at 31 December 2020	228 408 875	(17 394)	533 761 944	(464 024 199)	298 129 226	3 278 280	301 407 506
Profit for the year	-	-	-	11 172 205	11 172 205	749 201	11 921 406
Other comprehensive loss	-	(6 700)	-	-	(6 700)	-	(6 700)
Total comprehensive income/(loss) for the year	-	(6 700)	-	11 172 205	11 165 505	749 201	311 934 330
Restructure of equity	45 579 86	-	(533 761 944)	488 182 858	-	-	-
Dividends paid	-	-	-	-	-	(1 387 882)	(1 387 882)
Change in interest without losing control	-	-	-	(191 424)	(191 424)	191 424	-
Balance at 31 December 2021	273 987 961	(24 094)	-	35 139 440	309 103 307	2 831 023	311 934 330
Profit for the period	-	-	-	8 479 724	8 479 724	419 394	8 899 118
Other comprehensive loss	-	(3 500)	-	-	(3 500)	-	(3 500)
Total comprehensive income for the period	-	(3 500)	-	8 479 724	8 476 224	419 394	8 895 618
Balance at 30 June 2022	273 987 961	(27 594)	-	43 619 164	317 579 531	3 250 417	320 829 948

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in ZAR	Unaudited six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Year ended 31 December 2021
Cash flows from operating activities			
Cash (used in)/generated from operations	1 671 250	(6 534 316)	4 278 326
Investment income	625 831	589 912	1 345 940
Finance costs	(509 800)	(540 873)	(938 041)
Tax paid	(2 721 519)	(1 308 140)	(3 255 736)
Dividends paid	-	-	(1 387 882)
Net cash (used in)/generated from operating activities	(934 238)	(7 793 417)	42 607
Cash flows from investing activities			
Purchase of property, plant and equipment	(1 472 497)	(814 673)	(1 561 862)
Proceeds on disposal of property, plant and equipment	86 734	39 033	58 883
Purchase or development of intangible assets	(2 724 138)	(2 984 438)	(4 340 243)
Movements in other financial assets	539 096	(4 249)	169 016
Cash acquired (forfeited through business combinations)	-	-	469 944
Net cash used in investing activities	(3 570 804)	(3 764 327)	(5 204 262)
Cash flows from financing activities			
Repayments of other financial liabilities	(831 155)	(1 108 532)	(2 645 361)
Cash flows (used in from financing activities)	(831 155)	(1 108 532)	(2 645 361)
Total cash movement for the period	(5 336 197)	(12 666 276)	(7 807 018)
Total cash at the beginning of the period	58 471 740	66 268 541	66 268 541
Foreign currency translation	(245)	(2 523)	10 217
Total cash at end of the period	53 135 788	53 599 742	58 471 740

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated results for the six-month period ended 30 June 2022 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Mauritian Companies Act, 15 of 2001 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 the preparation of these condensed consolidated six-months results are consistent with those applied in the previous annual financial statements.

These unaudited condensed consolidated financial statements should be read in conjunction with the Group's latest consolidated annual financial statements as at and for the year ended 31 December 2021 and do not include all the information required for a complete set of IFRS financial statements.

The unaudited condensed interim results were prepared by the corporate reporting staff and supervised by Eric van der Merwe, the Group's Financial Director, and were approved by the Board on 4 August 2022.

The Board takes full responsibility for the preparation of the unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements are presented in South African Rands, which is the Company's reporting currency.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

THE 4SIGHT BUSINESS IN THE CURRENT ECONOMY

Overview

4Sight is a public company listed on the JSE AltX (ticker: 4SI) incorporated on 28 June 2017 in accordance with the laws of the Republic of Mauritius, specifically for the listing of the Group on 19 October 2017.

RESULTS COMMENTARY

Revenue from operations increased by 13.1% to R329.2 million from R291.1 million compared to the prior period. Revenue excluding consulting revenue increased by 23.3% from R185.7 million to R229.0 million.

Gross profit increased by 8.5% from R140.5 million to R152.4 million and the gross profit margin decreased to 46.3% in June 2022 compared to 48.3% in June 2021.

The total operating expenses for the period increased to R137.8 million (2021: R134.5 million) an increase of 2.5% compared to the prior period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

1. REVENUE

	Unaudited six-month period ended 30 June 2022	Six-month period ended 30 June 2021	31 December 2021
Figures in ZAR			
Licences	48 905 697	26 970 305	73 087 532
Software as a service	29 553 946	24 823 996	49 653 237
Consulting	100 206 708	105 439 218	205 256 244
Support and maintenance	122 796 013	102 218 943	193 121 891
Physical goods	20 843 917	26 523 409	47 603 962
Other revenue	6 873 776	5 161 992	10 089 345
	329 180 056	291 137 863	576 812 211

The Group assess disaggregated revenue based on the nature, timing and uncertainty of revenue and cash flows due to economic factors. The disaggregation of revenue has been disclosed below.

Disaggregation of revenue – Geographical areas

	Unaudited six-month period ended 30 June 2022	Six-month period ended 30 June 2021	31 December 2021
Figures in ZAR			
South Africa	240 812 440	202 731 886	433 939 670
Rest of Africa	76 014 473	71 591 328	108 011 825
Europe, Middle East and Australasia	9 946 068	14 273 830	29 129 535
Americas	2 407 075	2 540 819	5 731 181
	329 180 056	291 137 863	576 812 211

Disaggregation of revenue – Business Sector

	Unaudited six-month period ended 30 June 2022	Six-month period ended 30 June 2021	31 December 2021
Figures in ZAR			
Public	20 177 162	26 247 964	46 766 968
Private	309 002 894	264 899 899	530 045 243
	329 180 056	291 137 863	576 812 211

2. HEADLINE EARNINGS RECONCILIATION

The headline earnings reconciliation and per share information is set out below:

	Unaudited Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Year ended 31 December 2021
Reconciliation between earnings and headline earnings	ZAR	ZAR	ZAR
Profit attributable to owners of the parent	8 479 725	3 606 390	11 172 205
(Profit)/loss on disposal of equipment – net of tax	9 656	(11 731)	404 164
Headline earnings/(loss) for the period	8 489 381	3 594 659	11 576 369
Per share information:	ZAR Cents	ZAR Cents	ZAR Cents
Headline earnings per share	1.288	0.545	1.757
Diluted earnings per share	1.288	0.545	1.757
Weighted average number of shares in issue	659 031 529	659 031 529	659 031 529
Fully diluted weighted average number of shares in issue	659 031 529	659 031 529	659 031 529

The Group has included normalised earnings for the period in order to more accurately reflect the operational performance of the Group, as detailed below. As a result, headline earnings have been adjusted to consider non-operational and accounting anomalies. Normalised earnings are the measurement basis used by the chief operating decision maker to manage the Group. The presentation of normalised headline earnings is not an IFRS requirement.

	Unaudited Six-month period ended 30 June 2022	Unaudited Six-month period ended 30 June 2021	Audited year ended 31 December 2021
Reconciliation between headline earnings and normalised earnings	ZAR	ZAR	ZAR
Headline earnings	8 489 381	3 594 659	11 576 366
Adjustments for:			
Legal fees incurred related to corporate migration– net of tax	-	221 405	221 405
Liquidation of entity in the Group – net of tax	-	(110 999)	(110 999)
Normalised earnings for the period	8 489 381	3 705 065	11 686 772

Per share information:	ZAR Cents	ZAR Cents	ZAR Cents
Normalised earnings per share	1.288	0.562	1.773
Normalised diluted earnings per share	1.288	0.562	1.773
Weighted average number of shares in issue	659 031 529	659 031 529	795 289 345
Fully diluted weighted average number of shares in issue	659 031 529	659 031 529	876 557 114

3. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

Figures in ZAR	Unaudited six-month period ended 30 June 2022	Year ended 31 December 2021
Trade receivables	132 411 327	95 490 834
Credit loss allowance	(5 510 592)	(5 051 978)
Trade receivables net of credit loss allowance	126 900 735	90 438 856
Prepayments and deferred expenses	895 438	1 758 211
Deposits	40 188	56 941
Value added taxation	2 766 783	2 826 597
Other receivables	466 312	339 096
Total trade and other receivables	131 069 456	95 419 701

4. OTHER FINANCIAL LIABILITIES

Details of Other Financial Liabilities are set out below:

Figures in ZAR	Unaudited six-month period ended 30 June 2022	Year ended 31 December 2021
Standard Bank of South Africa Ltd- Mortgage Bond	12 499 508	13 330 663
Other unsecured loans	974 507	974 507
Total other financial liabilities	13 474 015	14 304 170
Non-current liabilities		
At amortised cost	11 750 852	11 637 186
Current liabilities		
At amortised cost	1 723 163	2 667 984
Total other financial liabilities	13 474 015	14 304 170

5. SEGMENTAL REPORT

The Group has 4 strategic clusters for reporting purposes – the Business Environment (BE), Information Technologies (IT), Operational Technologies (OT) and Channel Partner (CP) clusters.

The Business Environment (BE) Cluster. Digital transformation of an entire enterprise requires the convergence of the OT (Operational Technologies) and IT (Information Technologies) environments, so business applications can be developed on enterprise data that enable better and more informed business decision making.

The Business Environment Cluster partners with our customers to drive value. Most engagements start with an assessment of their Information and Communications Technologies (ICT) landscape. From these assessments, we help our customers build a self-funding digital transformation roadmap, where benefits from each digital initiative funds the next initiative.

We have a wide range of digital offerings, and the next digital initiative is driven by the quickest return on investment opportunity. After starting with assessments, we modernise and optimise the environment, implement our solutions, and provide a managed service for proactive maintenance and continuous improvement for our customers, focusing on a Cloud-First strategy.

The Information Technologies (IT) Cluster. The IT Cluster sells and supports numerous ERP (Enterprise Resource Planning) solutions – delivering on integrated Human Capital, Accounting and CRM (Customer Relation Management) business management applications, managing the entire business processes around finance and accounting requirements, to inventory and operations.

Particularly in light of the current policies governing hybrid work, we view people as any organization's most valuable asset. Our payroll and Human Resource (HR) Management solutions takes care of your pay runs and overall payroll processes as well as facilitate the management of the employee journey, creating the Digital Twin for the work, home balance today.

The Operational Technologies (OT) Cluster. 4Sight's OT Cluster provides key 4IR technologies and services needed to help industrial customers with their full end-to-end digital transformation journey, while following a cost effective and low risk, self-funding methodology. This allows customers to remain competitive in the digital economy while making sure any digital initiative has a 6-month or better return on investment.

We believe that the key characteristic of 4IR is the intelligent use of data to support better decision-making in near real time. This is critically important in today's hyper-competitive digital economy in which the ability to pivot rapidly in response to changing market conditions or customer demand, is vital. To realise the true value of 4IR technologies, organisations will need to evolve to ensure people and technology also converge.

The Channel Partner (CP) Cluster. The Channel Partner (CP) Cluster is 4Sight's 100% partner-focused ecosystem. The Cluster supports and empowers an ever-expanding channel of Value-Added Resellers across Africa, the Middle East and Central Europe to distribute 4Sight's OT, IT and BE integrated solutions to markets across the world.

Contained within the 4Sight Channel Partner (CP) Cluster is 4Sight's Cloud Distributor through the Microsoft Indirect Cloud Solution Provider (CSP) program, ISV channel and Alliance Partners.

The financial information for the four main clusters is presented below:

Figures in ZAR	BE Cluster		IT Cluster		OT Cluster		CP Cluster		Consolidation		Total	
	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021
Revenue												
External	55 479 880	56 679 404	80 159 405	81 825 854	87 672 744	79 934 860	103 277 191	72 930 296	2 590 836	(232 551)	329 180 056	291 137 863
Internal	3 273 872	2 167 011	817 757	463 858	-	-	-	2 401 913	(4 091 629)	(5 032 782)	-	-
Operating Profit/(Loss)	2 293 671	3 306 824	6 541 634	4 526 980	14 816 502	8 566 012	3 007 547	3 731 795	(14 558 958)	(14 913 429)	12 100 396	5 218 182
Depreciation and amortisation	(1 687 824)	(1 687 824)	(3 462)	(10 337)	(207 272)	(335 041)	(8 367)	(25 070)	(386 781)	(375 363)	(2 293 706)	(2 433 635)
Vendor Liability	-	-	-	-	-	-	-	-	-	(207 090)	-	(207 090)
Interest-Non-cash item	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	(642 228)	(925 911)	(1 828 969)	(1 263 544)	(4 250 694)	(2 445 962)	(872 207)	(1 044 970)	4 204 337	4 135 583	(3 389 761)	(1 544 804)
Profit/(Loss)	1 651 443	2 380 913	4 703 062	3 263 436	10 930 356	6 289 616	2 242 817	2 687 065	(10 628 560)	(10 920 194)	8 899 118	3 700 836

The executive directors do not monitor assets and liabilities by Cluster

Geographical clusters

The Group operates primarily in South Africa since its disposal of the Digitata Group and will no longer individually report on the various geographical areas.

6. SUBSEQUENT EVENTS

RE-DOMICILING OF 4SIGHT

4Sight continues to transition its domicile from Mauritius to South Africa. The Mauritius Revenue Authority issued a certificate of no objection to the Group. The Company will be able to complete its discontinuance in Mauritius after the certificate of continuation is acquired in South Africa.

In light of this, the Company will move forward with transferring its registration from Mauritius to South Africa, including submitting the necessary statutory form(s) to the South African Companies and Intellectual Property Commission.

7. RELATED PARTY DISCLOSURE

OPERATING LEASE PAYMENTS

- Double Peak Properties 41 (Pty) Ltd (a company related to TE Zitzke and MG Swanepoel) ZAR 1 913 751 (2021: ZAR 1 805 425).
- SETEC Software (Pty) Ltd and Martiq 399 CC (a company and close corporation related to J Botha) ZAR 32 840 (2021: ZAR 391 481).

There were no other related party transactions which are material that were included in the results for the period ended 30 June 2022.

Transactions between the Company and its subsidiaries which are related parties of the Company have been eliminated on consolidation and are not disclosed in this note.

Transactions with related parties are affected on a commercial basis and related party debts are repayable on a commercial basis.

8. BOARD OF DIRECTORS

No changes were made to the Board of directors during the period. Herman Singh has submitted his resignation effective 30 September 2022 as per the SENS announcement dated 22 February 2022.

9. APPRECIATION

Entering the 2022 year, we saw an upturn in face-to-face engagements, both in the office amongst our own people and with our customers due to the relaxation of Covid-19 restrictions. This set the tone for an exciting year of growth and a positive outlook for us and our customers and partners alike. With growth in our revenue and profit over the first 6 months, we would like to express our heartfelt thanks to all our stakeholders for providing 4Sight with constant support and for your loyalty during this time.

To our valued staff, our people, thank you for your hard work and dedication in delivering consistent value to our customers. We sincerely appreciate the support from our customers and partners – together, we will continue to succeed and transform organisations into the Enterprise 5.0. To our Board, we would like to thank you for your trust in us. We are grateful to each and every member of the executive committee for your contribution, determination and commitment and for leading the Company aligned to our strategic intent.

Looking forward, we plan to continue our growth trajectory, maintain our innovation drive and bring our unique positioning in the market as we empower our partners to future-proof their businesses through digital transformation.

For and on behalf of the Board

Chairperson
Kamil Patel
Date: 10 August 2022

Chief Executive Officer
Tertius Zitzke

<p>Executive Directors Mr Tertius Zitzke (Chief Executive Officer) Mr Eric van der Merwe (Financial Director)</p>	<p>Independent Non-Executive Directors Mr Kamil Patel (Chairperson) Mr Andrew Murgatroyd (Audit and Risk Committee Chairperson) Mr Christopher Crowe (Remuneration and Nominations Committee Chairperson) Mrs Marichen Mortimer (Social and Ethics Committee Chairperson) Mr Herman Singh Mr Johan Nel Dr Sidharth Sharma</p>
<p>Company Secretary and Registered Office Navitas Management Services Limited C/o Navitas Management Services Limited, Navitas House, Robinson Lane, Floreal, Mauritius</p>	<p>Designated Advisor Java Capital Trustees and Sponsors Proprietary Limited</p>
<p>Transfer Secretaries JSE Investor Services Proprietary Limited</p>	<p>WEBSITE www.4sight.cloud</p>