



4SIGHT HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2022/852017/06)

("4Sight" or "the Company" or "the Group")

ISIN Code: ZAE000324059 JSE Code: 4SI

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2023

GROUP AND FINANCIAL HIGHLIGHTS

The **Board of Directors** (the "**Board**") is delighted to share the financial results for the twelve months ended **31 December 2023**. Throughout 2023, the Group diligently executed its strategy as a **Digital Transformation Partner of Choice**, fostering strong relationships with both customers and technology vendors. The Group's unwavering commitment to growth and stability has been evident for the **fourth consecutive year**.

FINANCIAL SUMMARY

4Sight is pleased to present the following financial highlights:

- Increase in revenue by 34.9% to R939.2 million
- Operating profit grew by 70.6% to R37.7 million
- Increase in basic earnings per share by 127.9% from 2.378 cents per share to 5.420 cents per share
- Cash balance increased by 44.8% from R70.3 million to R101.7 million
- Increase in net asset value per share by 28.5% to 57.4 cents per share

RESULTS COMMENTARY

Revenue from operations increased by 34.9% to R939.2 million from R696.0 million compared to the prior period. Revenue excluding consulting revenue increased by 32.7% from R479.0 million to R635.6 million which contributed to the increase in the cost of sales by 41.9% from R391.9 million to R556.0 million.

Gross profit increased by 26.0% from R304.1 million to R383.2 million and the gross profit margin decreased to 40.8% compared to 43.7% in the prior period.

The increase in other income is mainly due forex currency gains of R2.9m compared to a loss of R1.2m in the prior period.

The total operating expenses for the period increased by 24.1% to R348.6 million compared to R280.8 million in the prior year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Reviewed for the twelve months ended 31 December 2023 R'000	Audited for the twelve months ended 31 December 2022 R'000
Revenue	1	939 180	696 008
Cost of sales		(556 026)	(391 896)
Gross profit		383 154	304 112
Other net income (expenses)		3 056	(1 262)
Operating expenses		(348 558)	(280 774)
Operating profit		37 652	22 075
Investment income		4 590	1 957
Finance costs		(1 565)	(1 089)
Income from equity accounted investments		538	176
Profit before taxation		41 215	23 119
Taxation		(10 732)	(6 696)
Profit for the period		30 483	16 423
Unrealised exchange differences on translating foreign operations		(115)	(183)
Other comprehensive loss for the period net of taxation		(115)	(183)
Total comprehensive profit for the period		30 368	16 240
Profit attributable to:		30 483	16 423
- Owners of the parent		28 917	15 404
- Non-controlling interest		1 566	1 019
Total comprehensive profit for the period attributable to:		30 368	16 240
- Owners of the parent		28 803	15 221
- Non-controlling interest		1 566	1 019
Per share information:		Cents	Cents
Earnings per share (cents)		5.420	2.378
Diluted earnings per share (cents)		5.420	2.378
Headline earnings per share (cents)	2	5.420	2.379
Diluted headline earnings per share (cents)	2	5.420	2.379
Weighted average number of shares in issue		533 509 631	647 682 974
Fully diluted weighted average number of shares in issue		533 509 631	647 682 974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Reviewed as at 31 December 2023	Audited as at 31 December 2022
	Notes	R'000	R'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		32 995	32 165
Goodwill		178 200	178 200
Intangible assets		36 313	38 668
Deferred tax		18 866	18 153
Investment in associates		566	732
		266 940	267 918
Current Assets			
Inventories		11 808	10 168
Trade and other receivables	3	142 601	121 193
Other financial assets		250	250
Current tax receivable		6 130	2 591
Cash and cash equivalents		101 688	70 250
		262 477	204 452
Total Assets		529 417	472 370
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Equity Holders of Parent			
Share capital		257 988	257 988
Reserves		(322)	(207)
Retained earnings		44 502	28 943
Attributable to equity holders of the parent		302 168	286 724
Non-controlling interest		3 916	2 350
Total Equity		306 084	289 074
Liabilities			
Non-Current Liabilities			
Other financial liabilities	4	11 687	10 972
		11 687	10 972
Current Liabilities			
Trade and other payables	5	206 708	148 438
Provisions		-	21 600
Other financial liabilities	4	632	1 627
Current tax payable		4 306	659
		211 646	172 324
Total Liabilities		223 333	183 296
Total Equity and Liabilities		529 417	472 370

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Foreign Currency Translation Reserve	Retained Income	Total attributable to equity holders of the Group	Non- controlling interest	Total Equity
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 January 2022	273 988	(24)	13 539	287 503	2 831	290 334
Profit for the year	-	-	15 404	15 404	1 019	16 423
Other comprehensive loss	-	(183)	-	(183)	-	(183)
Total comprehensive income for the year	-	(183)	15 404	15 221	1 019	16 240
Repurchase of shares	(16 000)	-	-	(16 000)	-	(16 000)
Dividends paid	-	-	-	-	(1 500)	(1 500)
Balance at 31 December 2022	257 988	(207)	28 943	286 724	2 350	289 074
Profit for the period	-	-	28 917	28 917	1 566	30 483
Other comprehensive loss	-	(115)	-	(115)	-	(115)
Total comprehensive income for the period	-	(115)	28 917	28 802	1 566	30 368
Dividends paid	-	-	(13 358)	(13 358)	-	(13 358)
Balance at 31 December 2023	257 988	(322)	44 502	302 168	3 916	306 084

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed for the twelve months ended 31 December 2023 R'000	Audited for the twelve months ended 31 December 2022 R'000
Cash flows from operating activities		
Cash generated from operations	47 412	42 564
Investment income	4 590	1 957
Finance costs	(1 565)	(1 089)
Tax paid	(2 520)	(6 911)
Dividends paid	-	(1 500)
Net cash generated from operating activities	47 917	35 021
Cash flows from investing activities		
Purchase of property, plant and equipment	(2 887)	(2 806)
Proceeds on disposal of property, plant and equipment	34	199
Purchase or development of intangible assets	-	(2 724)
Advances from other financial assets	-	(50)
Net cash used in investing activities	(2 853)	(5 381)
Cash flows from financing activities		
Repayments of other financial liabilities	(288)	(1 706)
Repurchase of shares	-	(16 000)
Dividends paid	(13 358)	-
Cash flows used in financing activities	(13 646)	(17 706)
Total cash movement for the period	31 418	11 934
Total cash at the beginning of the period	70 250	58 472
Foreign currency translation	20	(156)
Total cash at end of the period	101 688	70 250

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements (“**condensed consolidated financial statements**”) for the twelve months ended 31 December 2023 are prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act of South Africa 71 of 2008 (Companies Act), as amended, and the JSE Limited Listings Requirements relating to interim reports.

The condensed consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

These condensed consolidated financial statements should be read in conjunction with the Group's latest consolidated annual financial statements for the year ended 31 December 2022 and do not include all the information required for a complete set of IFRS financial statements.

Explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the previous consolidated annual financial statements.

The condensed consolidated financial statements were prepared by the corporate reporting staff and supervised by Eric van der Merwe, the Group's Chief Financial Officer, and were approved by the Board on 19 February 2024.

The Board of 4Sight take full responsibility for the preparation of the condensed consolidated financial statements.

The condensed consolidated financial statements are presented in South African ZAR, rounded to the nearest thousand, which is the Group and Company's functional and reporting currency.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements, estimates and associated assumptions about carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

AUDITORS' REVIEW OPINION

These condensed consolidated financial statements for the twelve-month period ended 31 December 2023 have been reviewed by Nexia SAB&T, who have expressed an unmodified review conclusion.

The review was performed in accordance with ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

The auditors' review report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditors' review report together with the accompanying financial information from the Company's registered office.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

1. REVENUE

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
Licences	85 818	91 967
Software as a service	35 545	45 792
Consulting	303 562	217 038
Support and maintenance	412 635	288 161
Physical goods	91 544	45 675
Other revenue	10 076	7 374
	939 180	696 008

The Group assesses 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

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
South Africa	565 016	492 391
Rest of Africa	340 431	170 928
Europe, Middle East and Australasia	24 216	24 402
Americas	9 517	8 287
	939 180	696 008

Disaggregation of revenue – Business Sector

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
Private	887 934	652 290
Public	51 246	43 718
	939 180	696 008

2. HEADLINE EARNINGS RECONCILIATION

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

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
Reconciliation between earnings and headline earnings	R'000	R'000
Profit attributable to owners of the parent	28 917	15 404
(Profit) Loss on disposal of equipment – net of tax	(2)	5
Headline earnings for the period	28 915	15 409
Per share information:	ZAR cents	ZAR cents
Headline earnings per share	5.420	2.379
Diluted earnings per share	5.420	2.379
Weighted average number of shares in issue	533 509 631	647 682 974
Fully diluted weighted average number of shares in issue	533 509 631	647 682 974

3. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
Trade receivables	138 133	115 645
Credit loss allowance	(3 427)	(3 413)
Trade receivables net of credit loss allowance	134 706	112 232
Value added taxation	6 599	7 293
Other receivables	1 176	1 367
Deposits	120	75
Prepayments and deferred expenses	-	226
Total trade and other receivables	142 601	121 193

4. OTHER FINANCIAL LIABILITIES

Details of Other Financial Liabilities are set out below:

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
Mortgage Bond	11 344	11 624
Other Loans	975	975
	12 319	12 599
Non-current liabilities		
At amortised cost	11 687	10 972
Current liabilities		
At amortised cost	632	1 627
	12 319	12 599

5. TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	Reviewed for the twelve months ended 31 December 2023	Audited for the twelve months ended 31 December 2022
	R'000	R'000
Trade payables	143 591	120 151
Accrued expenses	3 003	3 285
Leave provision	9 913	8 297
Payroll accruals	45 621	13 354
Value added taxation	4 580	3 352
Total trade and other receivables	206 708	148 438

The payroll accruals include statutory liability previously recognised as a provision as at 31 December 2022. The liability was reclassified in the current financial period as certainty related to the timing and extent thereof was confirmed.

6. SEGMENTAL REPORT

The Executive Directors assess the performance of the operating clusters based on the measure of operating profit. 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 converges Information Technologies and Operational Technologies environments, through a sustainable enterprise data management layer, application modernisation and modern workplace services to enable more informed decision-making. The Business Environment (BE) Cluster partners with our customers to drive value-creating digital AI transformation starting with assessments of their ICT landscapes. We become our customers' digital AI transformation partner and assist them in building a self-funding digital transformation roadmap. We focus on maximising the power of the cloud, optimising and modernising their environments and applications, automating and making their business process intelligent, creating true customer intelligence, helping with bespoke development on the Azure platform, enabling integration and creating a structured, secure, source system independent and scalable enterprise data strategy.

The Information Technologies (IT) Cluster is focused on enabling digital AI transformation of ERP, accounting, human resource management, payroll and CRM with business process management, data visualisation, reporting and dashboards and secure, cost-effective cloud solutions on demand. This enables enterprises to execute with agility to ensure survival in the new digital economy and ensures empowering people, transforming products and keeping customers close. Customers with back-end, mostly on-premise and siloed systems for ERP, CRM and HR and Payroll are embracing the modern digital data economy and moving to integrated, hybrid deployments of their IT environment. The 4Sight IT Cluster has successfully introduced customers to digital AI transformation via easy "lift and shift to cloud" products. These solutions enable customers to utilise connected services in the cloud environment and enable "work-from-anywhere" capabilities via cloud-based, back-office IT solutions that provide location independence and anywhere operations.

The Operational Technologies (OT) Cluster offers essential industrial OT simulation, automation, and optimisation solutions, along with cutting-edge AI technologies, to support our industrial clients. We empower our customers to undergo digital transformation by leveraging modern AI technologies. Transformational activities encompass OT Automation, Optimisation, and Simulation. Our comprehensive solutions encompass IIoT, automation, systems integration, MES systems fully integrated with ERP for real-time insights, advanced process control, prescriptive maintenance, production scheduling, digital twin simulations, SHEQ, and environmental solutions. Our team of domain experts in engineering deeply implements and supports a variety of operational solutions.

The Channel Partner (CP) Cluster is 4Sight's 100% partner-focused ecosystem, distributing and supporting AI solutions on behalf of international software vendors including Microsoft, Sage as well as a wide range of vertical and horizontal ISV applications. 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 Channel Partners. This allows for the distribution of 4Sight's integrated solutions and OEM partner offerings across our footprint. The offerings include Sage and Microsoft's range of cloud and AI applications to our dedicated partners located in the Middle East, Central Europe and Africa regions. Within our 4Sight Channel Partner (CP) Cluster we have several highly skilled resources that are dedicated to managing and growing our various business partners.

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

Segment report 2023						
Segmental service line	BE Cluster	IT Cluster	OT Cluster	CP Cluster	Consolidation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue						
External	131 002	203 362	277 172	320 391	7 253	939 180
Internal	1 607	186	5 230	645	(7 668)	-
Operating Profit/(Loss)	5 057	26 805	40 874	24 893	(59 977)	37 652
Depreciation and amortisation	(2 355)	(19)	(707)	(49)	(1 400)	(4 530)
Taxation	(1 365)	(7 237)	(11 034)	(6 721)	15 625	(10 732)
Profit/(Loss)	3 691	19 567	29 838	18 172	40 785	30 483

Segment report 2022						
Segmental service line	BE Cluster	IT Cluster	OT Cluster	CP Cluster	Consolidation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue						
External	114 941	162 057	177 399	239 379	2 232	696 008
Internal	5 038	1 390	-	-	(6 428)	-
Operating Profit/(Loss)	6 465	12 938	26 488	18 524	(42 340)	22 075
Depreciation and amortisation	(1 969)	(6)	(476)	(33)	(926)	(3 412)
Taxation	(1 810)	(3 620)	(7 753)	(5 578)	12 065	(6 696)
Profit/(Loss)	4 655	9 310	19 935	14 343	(31 820)	16 423

The Executive Directors do not monitor assets and liabilities by cluster.

Geographical clusters

The Group operates primarily in South Africa and therefore does not reflect the geographical areas separately.

7. COMMITMENTS

The Group has no significant commitments for the period ended 31 December 2023.

8. SUBSEQUENT EVENTS

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. RELATED PARTY DISCLOSURE

OPERATING LEASE PAYMENTS

- Double Peak Properties 41 (Pty) Ltd (a company related to Tertius Zitzke) R 4 117 953 (2022: R3 883 242).
- SETEC Software (Pty) Ltd and Martiq 399 CC (a company and close corporation related to Jaco Botha) R nil (2022: R32 840).

ASSOCIATE BALANCES

- Balances and transactions with 4Sight Africa (Pty) Ltd

	Reviewed for the twelve months ended 31 December 2023 R'000	Audited for the twelve months ended 31 December 2022 R'000
Other financial assets	250	250
Trade receivables	20 213	10 759
Trade Payables	821	1 027
Revenue	56 457	24 397
Cost of sales	6 630	5 084

There were no other related party transactions which are material that were included in the results for the period ended 31 December 2023.

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 effected on a commercial basis and related party debts are repayable on a commercial basis.

10. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

The carrying amount of all financial assets and liabilities approximates the fair value. Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes.

The carrying values of longer-term financial instruments are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

11. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

12. LITIGATION AND CONTINGENT LIABILITIES

As at 31 December 2023 there were no significant litigation matters pending and no contingent liabilities against the Company or its subsidiaries.

13. BOARD OF DIRECTORS

Shareholders are referred to the SENS announcement released on 16 May 2023, which communicated Dr. Sidharth Sharma's resignation as a director of the Company following the completion of the Company's redomicile from Mauritius to South Africa. Additionally, shareholders are directed to the SENS announcement published on 27 July 2023, announcing the appointment of Douglas Ramaphosa to the Board as an independent non-executive director, effective from 1 August 2023.

14. COMPANY SECRETARY

In accordance with section 3.59(a) of the Listings Requirements, the Board advised shareholders that, with effect from 23 October 2023, Tracy Short resigned and Ian Cronje was appointed as Company Secretary.

15. DIVIDEND

The Board declared an ordinary gross cash dividend of 2.5 cents (FY2022: Nil) per ordinary share for the twelve-months ended. The dividend was paid from income in respect of prior periods.

16. CHANGE OF FINANCIAL YEAR-END

Shareholders are advised that 4Sight changed its financial year-end from 31 December to 28 February and that these interim results are for the 12-month period ended 31 December 2023.

17. APPRECIATION

Acknowledgment of Commitment

We extend our heartfelt appreciation to all our dedicated **People and Partners**. Their unwavering commitment has been the cornerstone of our success. Whether in the short term or the long term, their collective efforts have propelled us forward.

Navigating the Blue Ocean

At **4Sight**, we thrive in the vast blue ocean of **partnerships, collaboration, and innovation**. It is through these dynamic currents that we chart our course, discovering new horizons and creating value for our stakeholders.

Gratitude to Leadership

Our deepest gratitude goes to the **Board** for their unwavering trust and steady guidance throughout 2023. To the **Executive Committee (EXCO)**, your leadership has been pivotal. As a cohesive team, we uphold our core values: **Trust, Teamwork, Accountability, Transparency, and Passion**.

Together, we sail toward a future brimming with possibilities.

For and on behalf of the Board

Chairperson

Kamil Patel

Date: 19 February 2024

Chief Executive Officer

Tertius Zitzke

Executive Directors Tertius Zitzke (Chief Executive Officer) Eric van der Merwe (Chief Financial Officer)	Independent Non-Executive Directors Kamil Patel (Chairperson) Andrew Murgatroyd (Audit and Risk Committee Chairperson) Christopher Crowe (Remuneration and Nominations Committee Chairperson) Marichen Mortimer (Social and Ethics Committee Chairperson) Johan Nel Douglas Ramaphosa
Company Secretary Ian Cronje	Designated Advisor Java Capital Trustees and Sponsors (Pty) Ltd
Transfer Secretaries JSE Investor Services (Pty) Ltd	Website http://www.4sight.cloud