

4SIGHT HOLDINGS LIMITED

Listed on the General Segment of the Main Board
(Incorporated in the Republic of South Africa)
(Registration number: 2022/852017/06)
JSE share code: 4SI ISIN: ZAE000324059
("4Sight" or "the Company")



ACQUISITION OF X4 SOLUTIONS PROPRIETARY LIMITED AND XFOUR TECHNOLOGY PROPRIETARY LIMITED

1. Introduction

Shareholders are advised that 4Sight has concluded a sale of shares agreement (the "**Agreement**") in terms of which its wholly owned subsidiary, 4Sight Systems Proprietary Limited (the "**Purchaser**"), will purchase the entire issued share capital of X4 Solutions Proprietary Limited and XFour Technology Proprietary Limited (together, the "**Companies**"), respectively, from X Four Holdings Proprietary Limited (the "**Seller**") (the "**Acquisition**"). The ultimate beneficial shareholders of the Seller are Clark Fourie, Jaco Smit and Shaun O'Reilly (together, the "**Key Personnel**").

The salient terms and conditions of the Acquisition are set out in paragraph 3 below.

2. Information on the Companies and rationale for the Acquisition

Established in 2017, the Companies have rapidly emerged as a leading Platinum Sage HR & Payroll Partner, delivering innovative workforce solutions to customers across more than 20 African countries. The Companies' ability to tailor enterprise-grade offerings to the unique dynamics of the African labour market positions them as strategic enablers of digital transformation across the continent. With a strong focus on mobility, accessibility and scale, the Companies have developed proprietary technologies such as RocketSlip – a lightweight, mobile-first employee self-service platform that integrates seamlessly with applications like WhatsApp to reach deskless and distributed workforces, which directly addresses a significant segment of Africa's workforce. The Companies' depth of technical capability, proven project methodologies and success in navigating complex implementations – particularly within Tier 1 enterprises with workforces exceeding 10 000 employees – has cemented the Companies' reputation as trusted digital transformation partners.

The Acquisition aligns with 4Sight's strategy to expand its digital enterprise ecosystem and strengthen its footprint in workforce technologies. The Acquisition will unlock immediate synergies across 4Sight's existing pillars, including Data Enablement, Modern Digital Enterprise and Adoption & Change Management. The combined offering is expected to accelerate innovation, deepen customer engagement and enhance value creation across existing and new markets. Through the Acquisition, 4Sight and the Companies are well positioned to advance workforce enablement across Africa through intelligent automation, inclusive technology and scalable enterprise solutions.

3. Salient terms of the Acquisition

3.1. Implementation date

The Acquisition will be implemented on 30 April 2025 (the "**Implementation Date**"), being 5 business days after the conclusion of the Agreement. The effective date of the Acquisition is 1 March 2025.

3.2. Purchase consideration

The purchase consideration payable to the Seller for the Companies will be split into two separate tranches and discharged as follows:

3.2.1. Initial tranche

An initial tranche of R21 206 500, payable on the Implementation Date, as follows:

- A cash component of R10 603 250; and
- A share component to the value of R10 603 250, payable in newly issued 4Sight shares, which will be issued at a price equal to the 30-day volume weighted average price (“**VWAP**”) of 4Sight shares traded on the JSE calculated at the Implementation Date.

3.2.2. *Earn-out tranche*

A second conditional deferred tranche of R21 206 500 (the “**Earn-out Tranche**”), which is subject to adjustment based on the financial performance of the Companies over the period 1 March 2025 to 28 February 2026, and will be calculated as follows:

- If the combined net profit after tax (“**NPAT**”) of the Companies are equal to or less than R3 029 500 (the “**NPAT Hurdle**”), representing 50% of the NPAT Target (as defined below), then there shall be no further payment made to the Seller and the Seller will not receive the Earn-out Tranche; or
- If the combined NPAT of the Companies are greater than the NPAT Hurdle but less than R6 059 000 (the “**NPAT Target**”), then the Purchaser shall pay the Seller a *pro-rata*, incrementally tiered portion of the Earn-out Tranche in relation to the NPAT achieved by the Companies exceeding the NPAT Hurdle; or
- If the Companies, on a combined basis, achieve the NPAT Target, then the Earn-out Tranche will be paid to the Seller in full; or
- If the Companies, on a combined basis, exceed 110% of the NPAT Target, then the Purchaser shall pay the Seller a super profit incentive of R25 447 800, being 120% of the Earn-out Tranche.

The Earn-out Tranche will be paid to the Seller as follows:

- A cash component equal in value to 50% of the Earn-out Tranche; and
- A share component equal in value to 50% of the Earn-out Tranche, payable in newly issued 4Sight shares, which will be issued at a price equal to the prevailing 30-day VWAP of 4Sight shares traded on the JSE.

3.3. **Pledge**

To ensure future alignment between the Key Personnel and 4Sight and to secure the Key Personnel’s employment with the 4Sight Group, the Seller has agreed to pledge as security to 4Sight all 4Sight shares delivered to the Seller as purchase consideration for the Companies (the “**Pledged Shares**”), as detailed in paragraph 3.2 above, until 28 February 2028 (the “**Pledge**”).

For the duration of the Pledge, the Seller will not be entitled, without 4Sight’s consent, to cede all or any of its rights and delegate all or any of its obligations in terms of the Pledge to any third party. However, the Seller will retain all voting and dividend rights in respect of the Pledged Shares.

Should any of the Key Personnel leave the employ of the 4Sight Group during the duration of the Pledge, then 4Sight shall be entitled to repurchase all or a part of the Pledged Shares. The repurchase of the Pledged Shares will be undertaken subject to full compliance with the JSE Listings Requirements and will be effected at a price per share equal to the prevailing 30-day VWAP of 4Sight shares traded on the JSE.

3.4. **Condition precedent**

The Acquisition is subject to fulfilment of the following outstanding condition precedent by no later than 30 April 2025:

- each of the Key Personnel shall agree to be employed by the Companies (or such other subsidiary of 4Sight) until 1 March 2028, or such other period that the Purchaser and Seller may agree, and agree to be restrained from competing with the Companies or 4Sight within the African continent throughout the term of their employment and for a period of two years following the termination of their employment (unless terminated by mutual consent).

The remaining conditions precedent set out in the Agreement have already been fulfilled.

3.5. Other terms of the Agreement

The Agreement includes market-standard warranties, indemnities and undertakings for a transaction of this nature.

4. Financial information

The combined profits attributable to the Companies are R4.986 million, and the combined net asset value of the Companies are R18.148 million¹. This information has been extracted from the Companies' unpublished unaudited management accounts for the 12 months ended 28 February 2025 which have been prepared in terms of International Financial Reporting Standards for Small and Medium-sized Entities.

For purposes of this announcement, 4Sight is satisfied with the quality of these management accounts.

Note:

1. The combined net asset value of the Companies are disclosed prior to:
 - a. any clean-out distribution by the Companies, which they are entitled to effect in terms of the Agreement, prior to the Implementation Date; and
 - b. any payment in kind for the agreed combined net asset value (post the implementation of any clean-out distribution) by means of a further cash payment to the Seller.

5. Categorisation

The Acquisition is classified as a category 2 acquisition in terms of the JSE Listings Requirements and accordingly does not require 4Sight shareholder approval.

23 April 2025

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