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

SUMMARISED AUDITED PROVISIONAL CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2018

GROUP AND FINANCIAL HIGHLIGHTS

The Board of Directors is pleased to present its second set of results for the year ended 31 December 2018. Shareholders are reminded that the comparative period is presented from the date of incorporation on 28 June 2017 to 31 December 2017. Attention is also drawn to the revised profit forecast, which was published on 9 March 2018.

During the second period of operations 4Sight Holdings Limited ("4Sight") had the following highlights:

Please note: Assumed exchange rate of ZAR13.50 : USD1 (2017: ZAR 12.50 : USD1) for the Earnings per share and Headlines earning per share comments)

- Growth in revenue to USD 44.54 million from USD 11.98 million in the prior period and USD 43.72 million per the revised profit forecast;
- Headline earnings per share of USD 1.13 cents (ZAR 15.26 cents) exceeded the prior period ended 31 December 2017 of USD 0.50 cents (ZAR 6.25 cents) and the revised forecast of USD 0.67 cents (ZAR 9.05 cents) per share;
- Earnings before interest, tax, depreciation, amortisation and impairment ("EBITDAI") was USD 5.1 million for the year;
- Age Technologies Proprietary Limited ("Age Technologies") did not achieve its profit warranty for the year ended 31 December 2018, the goodwill was therefore impaired. The goodwill of Visualitics (Proprietary) Limited ("VLS"); has also been impaired, due to non-performance. The resultant reduction in earnings per share is USD 1.39 cents (ZAR 18.72 cents);
- 4Sight acquired AccTech Systems Proprietary Limited ("AccTech"), Dynamics Africa Proprietary Limited ("Dynamics") and Simulation Engineering Technologies Proprietary Limited ("SET") during 2018, all of which achieved their profit warranties for the period ended 31 December 2018;
- Digitata Networks Proprietary Limited's ("DNSA") technology and Intellectual Property has been deployed and is commercially active in Tier 1 and Tier 2 mobile operators, within the Americas;
- AccTech and Dynamics have achieved exponential growth into Africa, with cloud resellers in over 30 countries globally. In addition, the subsidiaries are part of a select group of approved Microsoft Azure partners in Africa; and
- At 31 December 2018, the 4Sight Group has over 400 employees, operating in 30 countries, with 42% of revenue rendered to customers outside of South Africa.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

Figures in US Dollars	Notes	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Revenue	1	**44 538 909**	**11 980 920**
Cost of sales		(15 893 077)	(2 582 125)
Gross profit		**28 645 832**	**9 398 795**
Other income		3 464 518	69 195
Operating expenses		(31 703 326)	(7 114 045)
Operating profit		**407 024**	**2 353 945**
Investment income		89 585	21 713
Finance costs		(718 408)	(63 596)
Income from equity accounted investments		171 539	-
Profit before taxation		**(50 260)**	**2 312 062**
Taxation		(1 031 169)	(219 918)
(Loss) / profit for the period		**(1 081 429)**	**2 092 144**
Other comprehensive income:			
Items that may be classified to profit or loss			
Unrealised exchange differences on translating foreign operations		(1 385 411)	256 982
Other comprehensive (loss)/income for the period net of taxation		**(1 385 411)**	**256 982**
Total comprehensive (loss)/income for the period		**(2 466 840)**	**2 349 126**
(Loss)/profit attributable to:			
Owners of the parent		(1 235 356)	1 832 044
Non-controlling interest		153 927	260 100
		(1 081 429)	**2 092 144**
Total comprehensive (loss)/income attributable to:			
Owners of parent		(2 422 558)	2 089 026
Non-controlling interest		(44 282)	260 100
		(2 466 840)	**2 349 126**
Per share information:			
(Loss)/ Earnings per Share (USD cents)		(0.25)	0.51
Diluted (Loss)/ Earnings per Share (USD cents)		(0.16)	0.49
Headline Earnings per Share (USD cents)	2	1.13	0.50
Diluted Headline Earnings per Share (USD cents)	2	0.72	0.49
Weighted average number of shares in issue		486 807 063	360 695 468
Fully diluted weighted average number of shares in issue		762 650 992	374 930 762

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollars	Notes	Audited As at 31 December 2018	Audited As at 31 December 2017
ASSETS			
Non-Current Assets		**50 217 998**	**38 509 359**
Property, plant and equipment		2 853 791	3 048 548
Goodwill	3	32 787 261	23 803 478
Intangible assets	4	13 348 700	10 487 844
Deferred tax		1 025 252	1 169 489
Investment in associates		202 994	-
Current Assets		**18 810 801**	**14 952 097**
Inventories		80 291	144 862
Trade and other receivables		14 241 733	10 246 173
Contract assets		321 523	-
Other financial assets		20 132	24 940
Current tax receivable		230 822	73 564
Cash and cash equivalents		3 916 300	4 462 558
Total Assets		**69 028 799**	**53 461 456**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Equity Holders of Parent			
Share capital	5	50 510 998	41 295 921
Reserves		(4 147 343)	(2 960 141)
Retained income		735 330	1 832 044
		47 098 985	**40 167 824**
Non-controlling interest	6	(157 424)	(87 550)
		46 941 561	**40 080 274**
Liabilities			
Non-Current Liabilities		**5 550 788**	**4 567 042**
Other financial liabilities	7	5 358 347	3 720 160
Deferred income		-	698 948
Contract liabilities		58 431	-
Deferred taxation		134 010	147 934
Current Liabilities		**16 536 450**	**8 814 140**
Trade and other payables		6 904 671	5 460 147
Other financial liabilities	7	7 323 334	559 712
Deferred income		-	2 549 991
Contract liabilities		2 081 789	-
Bank overdraft		150 421	244 290
Current tax payable		76 235	-
Total Liabilities		**22 087 238**	**13 381 182**
Total Equity and Liabilities		**69 028 799**	**53 461 456**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in US Dollars	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Non-Distributable Reserves	Retained Income	Total attributable to equity holders of the Group	Non-controlling interest	Total Equity
Profit for the period	-	-	-	-	1 832 044	1 832 044	260 100	2 092 144
Other comprehensive income	-	-	256 982	-	-	256 982	-	256 982
Total comprehensive income for the period	**-**	**-**	**256 982**	**-**	**1 832 044**	**2 089 026**	**260 100**	**2 349 126**
Issue of shares	41 295 921	-	-		-	41 295 921	-	41 295 921
Acquisition of minority interest	-	-	-	(3 217 123)	-	(3 217 123)	(3 508 223)	(6 725 346)
Business combinations	-	-	-		-	-	3 160 573	3 160 573
Balance at 31 December 2017	**41 295 921**	**-**	**256 982**	**(3 217 123)**	**1 832 044**	**40 167 824**	**(87 550)**	**40 080 274**
Adjustment on initial application of IFRS 15, net of taxes	-	-	-	-	138 642	138 642	-	138 642
Restated balance at 1 January 2018	**41 295 921**	**-**	**256 982**	**(3 217 123)**	**1 970 686**	**40 306 466**	**(87 550)**	**40 218 916**
(Loss) / profit for the period	-	-	-	-	(1 235 356)	(1 235 356)	153 927	(1 081 429)
Other comprehensive loss	-	-	(1 187 202)	-	-	(1 187 202)	(198 209)	(1 385 411)
Total comprehensive loss for the period	**-**	**-**	**(1 187 202)**	**-**	**(1 235 356)**	**(2 422 558)**	**(44 282)**	**(2 466 840)**
Issue of shares	9 968 645	-	-	-	-	9 968 645	-	9 968 645
Dividend paid by subsidiary	-	-	-	-	-	-	(21 015)	(21 015)
Treasury shares	-	(753 568)	-	-		(753 568)	-	(753 568)
Business combinations	-	-	-	-	-	-	(4 577)	(4 577)
Balance at 31 December 2018	**51 264 566**	**(753 568)**	**(930 220)**	**(3 217 123)**	**735 330**	**47 098 985**	**(157 424)**	**46 941 561**

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Cash flows from / (used in) operating activities		
Cash generated / (used) from operations	2 398 637	(2 071 979)
Interest income	89 585	21 713
Finance costs	(288 677)	(63 596)
Tax (paid)	(942 093)	(320 830)
Net cash from / (used in) operating activities	**1 257 452**	**(2 434 692)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(223 537)	(40 602)
Proceeds on disposal of property, plant and equipment	66 903	31 581
Purchase of intangible assets	(1 558 108)	(780 423)
Business combinations	468 740	3 172 350
Other financial assets repaid	-	4 010 022
Net cash from investing activities	**(1 246 002)**	**6 392 928**
Cash flows (used in)/from financing activities		
Expenditure incurred on share issue	(41 862)	1 144 473
Dividend paid	(21 015)	-
Proceeds from other financial liabilities	1 016 165	4 347 977
Repayments of other financial liabilities	(442 445)	(1 990 471)
Acquisition of minorities without change in control	-	(3 297 250)
Net cash (used in)/from financing activities	**510 843**	**204 729**
Total cash movement for the period	**522 293**	**4 162 965**
Total cash at the beginning of the period	4 218 268	-
Effect of translation of foreign entities	(974 682)	55 303
Total cash at end of the period	**3 765 879**	**4 218 268**

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The accounting policies and method of measurement and recognition applied in the preparation of these summarised audited consolidated provisional results, are in terms of International Financial Reporting Standards (IFRS). This is the second year of reporting for the Group.

The summary audited consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act of Mauritius, applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the first time adoption of IFRS 15 and IFRS 9. Details of the effect of the adoption of these new standards have been disclosed in Note 1 - *Notes to the Summary Audited Provisional Consolidated Results.*

The Financial Director, Jacques Hattingh, is responsible for the preparation of the summarised audited consolidated provisional results. Any reference to future financial performance included in this announcement, have not been reviewed or reported on by the Group's external auditors.

The directors of 4Sight Holdings Limited ("the Board") take full responsibility for the preparation of the summarised audited consolidated provisional results. The financial information has been correctly extracted from the underlying financial statements.

This summarised report is extracted from audited information but is itself not audited. The financial statements were audited by Nexia SAB&T, who expressed a qualified opinion thereon. The audited financial statements and the auditor's report thereon are available for inspection at the Company's registered office. Details of the qualification is disclosed below:

Basis for Qualified Opinion on Consolidated Financial Statements and Unqualified Opinion on the Separate Financial Statements.

Acquisition of Visualistics (Pty) Ltd and its subsidiaries

As per Note 31 to the consolidated financial statements, 4Sight Holdings Limited made a number of acquisitions during the year under review which included Visualistics (Pty) Ltd and its related subsidiaries. We were unable to obtain sufficient and appropriate audit evidence to verify the at acquisition balances of Visualitics (Pty) Ltd and its subsidiaries included as part of these acquisitions and the subsequent consolidation balances of these companies. Consequently, we were unable to determine whether any adjustments were necessary to the total identifiable net liabilities of USD88.754 and goodwill of USD838.034 as disclosed in note 31 and the effect of the consolidated balances on the Statement of Financial Position and Statements of Profit or Loss and Comprehensive Income or Loss, as disclosed in note 41 to the consolidated financial statements.

RESULTS COMMENTARY

Overview

4Sight Holdings Limited is a public company, incorporated on 29 June 2017 in accordance with the laws of the Republic of Mauritius, specifically for the listing of the 4Sight Group on 19 October 2017.

As a multi-national diversified investment holding company, we leverage our subsidiaries' extensive product and services portfolio of Industry 4.0 technology solutions, to create impact that empowers customers to make better and more informed decisions in the modern digital economy.

Our business model is to enable our subsidiaries to take advantage of various products and solutions within our Group of companies, in order to deliver digital transformation solutions to their customers. This is supported by investing worldwide in companies that focus on:

- Software-as-a-Service (SaaS) business models;
- Products and services that are mission critical to customers;
- Product and services that customers cannot do without (in a changing digital world); and
- Focus on the principles driving the fourth industrial revolution.

Our subsidiaries focus on a cross section of established, new and emerging technologies. This includes (but is not limited to) Autonomous and Artificial Intelligence (AI) solutions with Machine Learning, Big Data, Cloud and Business Intelligence solutions, Augmented and Virtual Reality solutions. These technologies manifest in the various solutions we deliver to customers in the telecommunications, mining, manufacturing, energy, chemicals, private and public sector.

4Sight Holdings Limited is positioned as the "Digitalisation partner of choice" for our subsidiaries customers to embark on and take advantage of the Fourth Industrial Revolution journey.

Business Operations

At inception we focused on acquisitions specialising in digitisation solutions for the telecommunications and media sector. We have subsequently made further acquisitions, as anticipated in the prospectus and announced on SENS during 2017 and 2018.

Our 2018 acquisitions have enabled us to formalise three operating clusters, namely our Mining, Manufacturing, Energy & Chemical (MMEC) cluster, our Telecommunications and Media cluster and finally our Platform Systems cluster. These clusters enable our subsidiaries to continue and evolve their Industry 4.0 offerings and focus areas.

The Group has over 400 permanent employees across all our subsidiaries who service over 3 000 customers across 30 countries. Our subsidiaries operate in several regions including Europe, Middle East and Africa ("EMEA"), which currently represents most of the Group's revenue. Other regions including the Americas and the Asia Pacific also contribute to Group revenue and income from our associates in those regions.

The following acquisitions were made during the 2018 year:

- Foursight Holdings Proprietary Limited ("Foursight SA"):

  - Fleek Consulting Proprietary Limited ("Fleek")
  - Casewise South Africa Proprietary Limited ("Casewise")
  - Visualitics Proprietary Limited and its subsidiaries ("VLS")

- AccTech Systems Proprietary Limited ("AccTech");
- Dynamics Africa Services Proprietary Limited ("Dynamics Africa");
- Simulation Engineering Technologies Proprietary Limited ("SET");
- Xwes Proprietary Limited T/A Ntsika ICT Security ("Ntsika");
- Strategix Applications Solutions Proprietary Limited ("SAS");
- Combined Source Trading Proprietary Limited T/A One Source Africa - ("OSA").

It should also be noted that the Curo Health acquisition was terminated, by mutual consent.

Our focus in 2019 will be on growing our clusters organically and leveraging off the synergies between the companies within the clusters.

MARKET

The Fourth Industrial Revolution (known as Industry 4.0 or 4IR) has emerged as the latest phase of technological and industrial advancement in modern human history. In a period of just over 200 years, the world has evolved from steam powered machinery to a world of interconnected systems consisting of billions of connected devices. **The Industry 4.0 economy is here**.

As technology advancements continue to change and evolve the consumer market, those self-same technologies are being embraced by the business market. 4IR is driving a transformation that makes it possible for organizations to evolve their businesses by identifying, understanding and then using previously untapped data. Data is the modern eras new currency and now one of the world's most sort after resources.

The push by the business market into 4IR is driven by a need to improve production and operating efficiencies. This is now fuelling huge demand for digital transformation services and solutions that transcend industries. In addition, 4IR is transcending the private sector and entering the public sector with governments recognizing the impact that 4IR will have on their citizens.

Companies are focused on building smarter operations through digital transformation, progressing from hindsight to insight. This investment requires a significant focus on making sure that operational technologies, cloud computing and the Internet of Things integrate into existing information technology infrastructure safely and securely.

Our goal is to progress organisations past insight and into the realm of "4Sight". That is, the ability to understand the insights created by data and new technologies to make meaningful business decisions.

BUSINESS PERFORMANCE

The subsidiaries of 4Sight operate in a cluster-focused approach. However, our subsidiaries continue to operate under their own unique brands, culture and values. Our performance is driven by each cluster and turnover contributions are as follows:

- Telecommunications and Media: 42%.
- Mining and Manufacturing (MMEC): 22%.
- Platform Systems: 36%.

BUSINESS OVERVIEW

This is the first full year's results for 4Sight Holdings Limited, since incorporation.

Accordingly, the financial information is not strictly comparative, the results have also been compared to the revised profit forecast published on 9 March 2018 as detailed below:

Figures in USD Dollars	Audited 12 months ended 31-Dec-18	Revised profit forecast Year ending 31-Dec-18	Audited 6 months ended 31-Dec-17
Revenue	**44 538 909**	**43 716 698**	**11 980 920**
Cost of Sales	(15 893 077)	(16 818 854)	(2 582 125)
Gross Profit	**28 645 832**	**26 897 844**	**9 398 795**
Other Income	3 464 518	3 545	69 195
Operating Expenses (including impairments)	(31 703 326)	(21 970 071)	(7 114 045)
Operating Profit	**407 024**	**4 931 318**	**2 353 945**
Finance Cost	(718 408)	(317 554)	(63 596)
Investment Income	89 585	33 129	21 713
Income from associates	171 539	-	-
(Loss)/Profit before taxation	**(50 260)**	**4 646 893**	**2 312 062**
Taxation	(1 031 169)	(1 333 606)	(219 918)
(Loss)/Profit after taxation	**(1 081 429)**	**3 313 287**	**2 092 144**
Non-controlling interests	(153 927)	(272 207)	(260 100)
(Loss)/Profit attributable to owners of the parent	**(1 235 356)**	**3 041 080**	**1 832 044**
Per share information:			
(Loss)/Earnings per Share (EPS) (USD cents)	(0.25)	0.67	0.51
Diluted EPS (USD cents)	(0.16)	0.66	0.49
Headline Earnings per Share (HEPS) (USD cents)	1.13	0.67	0.50
Diluted HEPS per Share (USD cents)	0.72	0.66	0.49
Weighted average number of shares in issue	486 807 063	455 048 276	360 695 468
Fully diluted weighted average shares in issue	762 650 992	461 098 276	374 930 762

Shareholders are advised that the revised profit forecast does not include the acquisitions of AccTech, Dynamics, SET, Strategix, and 75% of Onesource and Ntsika; which were acquired after the revised profit forecast was published.

Due to the acquisitions, the revenue grew to USD 44.5 million for the year ended 31 December 2018 from USD 11.98 million in the prior period and USD 43.71 million, per the revised profit forecast.

A substantial portion of the revenue was derived from the Platform cluster, which was not reflected in the prior year, contributing USD 16 million for the year ended 31 December 2018.

The other income includes reversal of the deferred liability associated with the Age Technologies profit warranty of USD 2.95 million.

The actual results compared to the revised forecast were primarily impacted by once-off operating expenses (non-cash flow in nature) of USD 6.7 million as follows:

Adjustment for:	**USD**
Impairment of investment in Age Technologies	(5 913 200)
Impairment of investment in VLS	(838 034)

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDAI) was USD 5.1 million for the year.

Headline earnings per share of USD 1.13 cents (ZAR 15.26 cents) exceeded the prior period ended 31 December 2017 of USD 0.50 cents (ZAR 6.25 cents) and the revised forecast of USD 0.66 cents (ZAR 8.91 cents) per share.

The per share information is based on 486 807 063 weighted average shares in issue.

Finance costs, comprised:

- interest on mortgage bonds on the two properties acquired in November 2017 and being accounted for a 12-month period; and
- interest on deferred vendor liabilities amounted to a non-cash finance cost of USD515,307. This finance cost is directly related to the vendors earn-out periods and is non-cash flow in nature.

Age Technologies did not achieve its profit warranty for the year ended 31 December 2018, the goodwill was therefore impaired. The goodwill of VLS; has also been impaired, due to non-performance. The resultant reduction in earnings per share is USD 1.39 cents (ZAR 18.72 cents).

The net effect of these reflected loss per share of 0.25 USD cent (3.38 ZAR cents), lower than the revised forecast and the prior period.

Income from equity accounted investments arose from the profit share received from Digitata Networks America.

The total comprehensive loss was impacted by the loss on exchange differences on translating foreign operations; as many of our subsidiaries are South African companies.

The group acquired several companies since the start of the period under review, in line with its strategic objectives ahead of the listing on October 2017, resulting in the increase in Goodwill, Intangible Assets and Other Financial Liabilities compared to the period ended 31 December 2017.

The increase in trade and other receivables from 31 December 2017 to 31 December 2018 is due to the acquisitions during the year under review.

Cash and cash equivalents were down 12.24% compared to the prior period. However, the group does not have high fixed asset capital expenditure.

Property, plant and equipment primarily comprises three properties held in South Africa, which house the Digitata South Africa operations, BluESP and Age Technologies respectively.

Intangible assets with a carrying value of USD13.3 million; comprises of Patents, Computer Software and Trade Marks, that were developed by our subsidiaries.

Stated capital increased due to the acquisitions during the period under review as further detailed below. Other Financial Liabilities, both Non-Current and Current, also increased due to the provisioning of the deferred vendor liability being provided for, as a result of the acquisitions in the current period.

NOTES TO THE SUMMARY AUDITED CONSOLIDATED PROVISIONAL RESULTS

1. FIRST TIME ADOPTION OF NEW ACCOUNTING STANDARD

1.1. IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The company adopted the new standard of recognising revenue from contracts with customers, effective for years beginning 1 January 2018. This standard combines, enhances and replaces specific guidance on recognising revenue from contracts with customers with a single standard.

It defines a new 5 step-model to recognise revenue from customer contracts, which requires:

- The identification of the contract with customers;
- Identify the performance obligation in the contract;
- Determining the transaction price;
- Allocating the transaction price to the performance obligation; and
- Recognising the revenue as the performance obligation has been met.

The group undertook a review of the main types of commercial arrangements used with customers under this model and has concluded that the application of IFRS 15 had the main following effects.

- The recognition of revenue from the sale of third-party licensed software over extended periods, has been aligned with the performance obligation towards the customers which allows for the revenue recognition at a point in time and not as a transfer of risk and reward over a period of time.
- Due to the Groups right to consideration from customers for services rendered which is conditioned and as a result certain trade receivables has been reclassified to contract assets.

- The Group has a continuing obligation to render services to customers of the Group for which consideration has already being received. This has resulted in deferred income being reclassified to contract liabilities.

The Group has adopted the modified retrospective approach in applying IFRS 15 whereby no comparative figures are restated but instead, a cumulative catch-up adjustment is recognised, if necessary, in opening retained earnings.

The effect of the adoption of IFRS 15 is disclosed below:

Impact of adoption IFRS 15 at 1 January 2018

Figures in US Dollars	At 1 January 2018	Recognition of contract assets/liabilities	Recognition of contract liabilities as revenue and associated cost, directly in retained income	Closing balance at 1 January 2018
Deferred income	(3 248 939)	3 248 939	-	-
Contract liabilities	-	(3 248 939)	660 559	(2 588 380)
Trade and other receivables	10 246 173	(23 619)	(468 001)	9 754 553
Contract assets	-	23 619	-	23 619
Deferred tax	1 025 252	-	(53 916)	971 336
Retained income	1 832 044	-	138 642	1 970 686

Disaggregation of revenue

The group assess disaggregated revenue based on the nature, timing and uncertainty of revenue and cash flows due to economic factors. The group considered the main economic factors which affected the nature, timing and uncertainty of revenue and cash flows to include geographical markets and the point in time of major product lines. The disaggregation of revenue has been disclosed below.

Twelve-month period ended 31 December 2018

Figures in US Dollars	Telco/ Media	MMEC	Platform	Total
Primary external geographical markets				
South Africa	4 971 161	7 533 766	13 182 869	25 687 796
Rest of Africa	5 026 829	1 892 375	2 474 933	9 394 137
Americas	993 064	125 731	91 588	1 210 383
Europe Middle East and Australasia	7 527 532	402 806	316 255	8 246 593
TOTAL EXTERNAL REVENUE	**18 518 586**	**9 954 678**	**16 065 645**	**44 538 909**

Major products/service items				
Licences	7 046 480	3 058 461	1 837 714	11 942 655
Software as a Service	4 770 914	9 407	5 152 893	9 933 214
Consulting	514 965	346 335	7 124 666	7 985 966
Support and Maintenance	3 174 918	239 066	1 253 489	4 667 473
Physical goods	136 807	4 944 714	233 498	5 315 019
Revenue share	1 899 687	1 010 895	366 991	3 277 573
Other revenue	974 815	345 800	96 394	1 417 009
TOTAL EXTERNAL REVENUE	**18 518 586**	**9 954 678**	**16 065 645**	**44 538 909**

Major products/service items - over a period of time				
Licences	-	-	-	-
Software as a Service	97 917	-	-	97 917
Consulting	-	116 317	-	116 317
Support and Maintenance	233 926	-	-	233 926
Physical goods	-	-	-	-
Revenue share	-	-	-	-
Other revenue	-	-	-	-
TOTAL EXTERNAL REVENUE	**331 843**	**116 317**	**-**	**448 160**

Major products/service items - at a point in time				
Licences	7 046 480	3 058 461	1 837 714	11 942 655
Software as a Service	4 672 997	9 407	5 152 893	9 835 298
Consulting	514 965	230 018	7 124 666	7 869 649
Support and Maintenance	2 940 992	239 066	1 253 489	4 433 547
Physical goods	136 807	4 944 714	233 498	5 315 019
Revenue share	1 899 687	1 010 895	366 991	3 277 572
Other revenue	974 815	345 800	96 394	1 417 009
TOTAL EXTERNAL REVENUE	**18 186 743**	**9 838 361**	**16 065 645**	**44 090 749**

1.2. IFRS 9 – FINANCIAL INSTRUMENTS

The company adopted for first time implementation, IFRS 9 – Financial Instruments. IFRS 9 was issued by the IASB in July 2014 and is effective for accounting periods beginning on or after 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for:

1) the classification, measurement and derecognition of financial assets and financial liabilities;
2) the impairment of financial assets; and
3) general hedge accounting.

The Group has adopted the modified retrospective approach in applying IFRS 9 whereby no comparative figures are restated but instead, a cumulative catch-up adjustment is recognised, if necessary, in opening retained earnings.

Classification, measurement and derecognition:
The Group has assessed the impact of the business model on the classification of financial instruments in terms of IFRS 9. Based on this assessment, there has been no change in the classification of the Group's financial assets and financial liabilities. The Group's financial assets and liabilities remain classified as carried at amortised cost.

Impairment model:
IFRS 9 introduces an expected credit loss model as opposed to an incurred credit loss approach in recognising any impairment of financial assets. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date, to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group applies the IFRS 9 expected loss model by formulating the expected future losses of customers based on past behaviour, current exposure and future economic scenarios.
The above change in accounting policy has not resulted in a material difference for the year ended 31 December 2018, by performing the 2018 provision calculation based on the IFRS 9 requirements and consequently the opening retained earnings have not been adjusted.

2. HEADLINE EARNINGS RECONCILIATION

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

	Audited 12 months ended 31 December 2018	**Audited 6 months ended 31 December 2017**
	USD	**USD**
(Loss)/profit attributable to owners of the parent	(1 235 356)	1 832 044
Adjustments for:		
Profit on disposal of property, plant and equipment – net of tax	(28 691)	(11 841)
Goodwill impairment	6 751 234	
Headline earnings for the period	**5 487 187**	**1 820 203**
Per share information:		
Headline Earnings per Share (US cents)	1.13	0.50
Diluted Headline Earnings per Share (US cents)	0.72	0.49
Weighted average number of shares in issue	486 807 063	360 695 468
Fully diluted weighted average number of shares in issue	762 650 992	374 930 762

3. GOODWILL

The movement of goodwill for the 12-month period ended is as follows:

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Balance at the beginning of the period	23 803 478	-
Additions through business combinations	15 735 017	23 803 478
Goodwill impairment	(6 751 234)	-
Total goodwill at the end of the period	**32 787 261**	**23 803 478**

The goodwill impairment relates to the following acquisitions:

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Age Technologies Proprietary Ltd	5 913 200	-
Visualitics Proprietary Ltd	838 034	-
Total goodwill impairment	**6 751 234**	**-**

ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2018, the Group concluded the following acquisitions in its targeted Industry 4.0 strategy:

- Foursight Holdings Proprietary Limited ("Foursight SA"):
    - Fleek Consulting Proprietary Limited ("Fleek");
    - Casewise South Africa Proprietary Limited ("Casewise"); and
    - Visualitics Proprietary Limited and its subsidiaries ("VLS").
- AccTech Systems Proprietary Limited ("AccTech");
- Dynamics Africa Services Proprietary Limited ("Dynamics Africa");
- Simulation Engineering Technologies Proprietary Limited ("SET");
- Xwes Proprietary Limited T/A Ntsika ICT Security ("Ntsika");
- Strategix Applications Solutions Proprietary Limited ("SAS"); and
- Combined Source Trading Proprietary Limited T/A One Source Africa - ("OSA").

The ZAR based investments were accounted for at fair value of consideration payable.

The aggregate business combinations are disclosed below:

Figures in US Dollars	Casewise	Fleek	VLS	SET
Property, plant and equipment	608	32 705	124 199	76 044
Intangible assets	19 277	9 462	-	-
Other financial assets	3 086	25 285	643 644	577 633
Deferred tax asset	-	23 486	19 805	-
Trade and other receivables	21 657	137 299	-	310 884
Cash and cash equivalents	61 919	93 267	9 325	44 757
Other financial liabilities	(8 564)	(227 594)	(852 474)	(706 676)
Deferred income	-	-	-	-
Bank overdraft	-	-	-	-
Trade and other payables	(39 651)	(194 879)	(33 253)	-
Total identifiable net assets/(liabilities)	**58 332**	**(100 969)**	**(88 754)**	**302 642**
Non-controlling interest	-	13 126	-	(90 793)
Goodwill	1 369 189	1 888 954	838 034	3 391 601
Purchase consideration	**1 427 521**	**1 801 111**	**749 280**	**3 603 450**

Figures in US Dollars	AccTech	Dynamics Africa	Other Immaterial Acquisitions	Total
Property, plant and equipment	70 088	2 245	13 812	319 701
Intangible assets	2 026 319	-	-	2 055 058
Other financial assets	169 474	155 994	865 911	2 441 027
Deferred tax asset	-	-	50 411	93 702
Trade and other receivables	2 034 127	603 166	70 367	3 177 500
Cash and cash equivalents	114 086	147 930	2 911	474 195
Other financial liabilities	(1 031 742)	(16 252)	(1 123 220)	(3 966 522)
Deferred income	-	-	(424)	(424)
Bank overdraft	-	-	(5 455)	(5 455)
Trade and other payables	(646 292)	(635 392)	(18 303)	(1 567 770)
Total identifiable net assets / (liabilities)	**2 736 060**	**257 691**	**(143 990)**	**3 021 012**
Non-controlling interest	-	-	73 090	(4 577)
Goodwill	5 690 961	1 849 064	707 214	15 735 017
Purchase consideration	**8 427 021**	**2 106 755**	**636 314**	**18 751 452**

The contribution to the trading results of businesses acquired has been accounted for from the effective date of the acquisitions. In determining the purchase consideration paid, the profit history of the relevant business and its growth prospects within the Group, are considered.

The fair value of shares issued as part of the purchase price was determined based on the 30-day average share price at the effective date. The accounting of these subsidiaries and businesses is based on best estimates and provisional fair values.

Goodwill relates primarily to future profits of these businesses and the anticipated synergies that the businesses bring to the Group. There were no disposals during the period under review.

Expansion of Operations into the Americas:

Digitata Networks Proprietary Limited ("DNSA"), a subsidiary of the 4Sight Holdings Group, incorporated Digitata Networks Corporation ("DNC"), a US based wholly-owned subsidiary of DNSA, to expand into the Americas.

DNSA ultimately entered into an associate partnership with Digitata Networks Americas ("DNA"), a majority female-owned business in the USA, to drive business opportunities within the USA, Canada and Mexico.

During 2018, DNSA's technology and Intellectual Property was successfully deployed and is commercially active in Tier 1 and Tier 2 mobile operators within the Americas.

Joint Venture with Shenzhen Rongmei Science and Technology Co. Limited ("RM"):

On 16 April 2018, the Company voluntarily announced the signing of a Memorandum of Understanding with RM to establish a 50:50 joint venture in China. This joint venture was in line with 4Sight's acquisition and organic growth strategy roll-out plan, in China. No trading has taken place in the joint venture as yet.

Termination of Curo Health acquisition:

The Company has agreed to unwind the agreement with Tigrasmart Proprietary Limited for the acquisition of 100% of the shares in Curo Health.

REPORT BACK ON ACHIEVEMENT OF PROFIT WARRANTIES

Certain of the 2017 and 2018 acquisitions had profit warranties, most of which were achieved. A summary of the material profit warranties (stated in ZAR) and deferred consideration (stated in USD) is set out below:

Subsidiary	2018 Profit Warranty ZAR	Deferred consideration 2018 USD	Deferred consideration 2017 USD
AccTech and Dynamics Africa	25 920 000	8 159 438	-
SET	9 561 492	2 241 373	-
Age Technologies	13 333 333	-	2 950 405

AccTech, Dynamics Africa and SET achieved their profit warranties for the year ended 31 December 2018. Age Technologies did not achieve the profit warranty for the year ended 31 December 2018, due to a slow start to certain projects and accordingly the deferred consideration has been reversed and the goodwill has been impaired. However, Age Technologies remains an important part of the Mining & Manufacturing cluster.

4. INTANGIBLE ASSETS

The movement of intangible assets for the 12-month period ended is as follows:

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Balance at the beginning of the period	10 487 844	-
Additions	1 558 108	780 464
Additions through business combinations	2 055 058	10 125 281
Foreign exchange movements	(39 570)	19 437
Amortisation	(712 740)	(437 338)
Total intangible assets at the end of the period	**13 348 700**	**10 487 844**

5. STATED CAPITAL SHARE ISSUES AND REPURCHASES

The Company was incorporated in the prior period. 418 106 476 shares were in issue at the beginning of the period under review, after which, the Company issued the following shares for the period ended 31 December 2018:

Shares issued for the year ended 31 December 2018:

- 36 941 800 shares for the acquisition of Foursight SA;
- 13 386 088 shares for the acquisition of 70% of SET;
- 1 500 000 shares for the Strategix transaction; and
- 27 555 150 shares for the combined acquisition of shares and loan accounts in AccTech and Dynamics Africa;

After postponing the effective date for the implementation of the acquisition of Curo Health, as announced in the interim results for the six months ended 30 June 2018; the parties agreed that the acquisition would be terminated. The 5 460 000 shares were subsequently reclassified to treasury shares and will be cancelled in due course.

There have been no repurchases of shares by the Company or any of its subsidiaries during the period under review.

	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Balance at the beginning of the period	418 106 476	-
On incorporation		41 150 000
Issue of shares – ordinary		243 271 630
Issue of shares to directors – ordinary shares		99 784 846
Issue of shares to acquire subsidiaries	84 843 038	24 800 000
Issue of shares to acquire subsidiaries – capital raised		9 100 000
Treasury shares	(5 460 000)	
	497 489 514	**418 106 476**
Issued		
Balance at the beginning of the period	41 295 921	-
Ordinary shares of no par value	10 010 507	41 717 755
Treasury shares	(753 568)	-
Share issue cost written off against share capital	(41 862)	(421 834)
	50 510 998	**41 295 921**

The above share issues are reflected at the fair value at the date that the acquisition became unconditional in accordance with IFRS.

6. NON-CONTROLLING INTEREST

The movement of the non-controlling interest for the periods ending is as follows:

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Balance at the beginning of the period	(87 550)	-
Total comprehensive income for the period	(44 282)	260 100
Dividend issued	(21 015)	-
Acquisition of non-controlling interest	-	(3 508 223)
Business combinations	(4 577)	3 160 573
Total non-controlling interest at the end of the period	**(157 424)**	**(87 550)**

7. OTHER FINANCIAL LIABILITIES

Other Financial Liabilities, both Non-Current and Current, increased due to acquisitions in the current period. Other financial liabilities also increased due to bonds associated with properties acquired indirectly through the acquisitions. Details of the Other Financial Liabilities are set out below:

Figures in US Dollars	Audited 12 months ended 31 December 2018	Audited 6 months ended 31 December 2017
Motor Vehicle Instalment Sale Agreements	79 720	123 481
ABSA Bank Ltd-Mortgage Bond	173 218	218 894
Standard Bank of South Africa Ltd-Mortgage Bond	1 214 733	501 890
Strategix Business Solutions	195 919	-
Rand Control Solutions	53 678	77 639
Blue Sparrow Trust	156 668	200 000
N.L Jackson	117 727	212 747
M.A Powel	62 793	76 158
Other Loans	16 988	-
Digitata Investment Trust	209 427	4 233
Deferred Vendor Liability	10 400 810	2 864 830
• AGE	-	2 864 830
• SET	2 241 373	-
• AccTech	6 527 550	-
• Dynamics	1 631 887	-
	12 681 681	**4 279 872**
Non-current liabilities		
At amortised cost	5 358 347	3 720 160
Current liabilities		
At amortised cost	7 323 334	559 712
	12 681 681	**4 279 872**

8. CLUSTER OVERVIEW AND RESULTS

The Executive Directors assess the performance of the operating clusters based on the measure of operating profit. The Group has three strategic reportable clusters. These clusters (or divisions) offer different products and services and are managed separately as they require different technology and marketing strategies.

The three reportable clusters consist of "Telecommunications and Media", "Mining, Manufacturing, Energy and Chemicals" and from 2018 "Platform Systems"; now classified as the Telco Cluster; Mining & Manufacturing (MMEC) Cluster; and the Platform Cluster within the 4Sight Group.

The following summary describes the operations of each reportable cluster.

- **The Mining, Manufacturing, Energy & Chemical (MMEC) 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 (ROI).

- **The Telecommunications and Media Cluster -** Enables our subsidiaries to link telephony customers and service providers in the digital economy. This cluster focuses on providing Industry 4.0 solutions to the telecommunications industry across the areas of service revenue management through our intelligent pricing solution, customer engagement through gamification, a suite of mobile network management products as well as cloud-based office and call centre telephony solutions.

- **The Platform Systems Cluster** – Enables the creation of an ecosystem where 4Sight subsidiaries, partners, and alliances can build, run and grow their Industry 4.0 offerings. This transcends into the value that can be created for customers embarking on their digital transformation journey. The platforms cluster is focused on driving digitised business operations, adoption of technology platforms and ensuring that data management is correctly executed through digital and advisory services.

MINING, MANUFACTURING, ENERGY & CHEMICALS (MMEC) CLUSTER

The Mining, Manufacturing, Energy and Chemicals cluster has continued to grow in 2018 and now consists mainly of six key subsidiaries namely BluESP, Age Technologies, Simulation Engineering Technologies, Ntsika, One Source Africa and Strategix SAS.

- **BluESP Holdings Proprietary Limited ("BluESP") -** BluESP is a leading engineering technology company, focussing on delivering software solutions to industrial customers. These solutions enable companies to operate their processing plants or manufacturing processes optimally, maximising revenues, eliminating inefficiencies and minimising costs.

  BluESP is an AspenTech partner and brings their technologies to the African market. BluESP also sells and supports the Aspen Engineering Suite that enable seamless workflow in the design and costing of new processes for industrial customers. BluESP was acquired in the prior period with effect from 1 November 2017.

- **Age Technologies Proprietary Limited ("Age Technologies") -** AGE Technologies is a leading System Integration company, specializing in Automation, Electrical and Green Energy Engineering projects across Africa. Within the Group, AGE is responsible to link the customer's physical plant to the digital world.

  Digitization is achieved by utilizing world class leading IoT devices and automation solutions, improving operational efficiencies and driving innovation. Engineering services include consulting, design, system development, commissioning and support. The Group currently operates in 20 countries. Age Technologies was acquired in the prior period with effect from 1 November 2017.

- **Simulation Engineering Technologies Proprietary Limited ("SET") -** SET is a world-leading computer simulation consulting and software company that specialises in creating accurate discrete-event and continuous computer simulation models of complex systems. SET operates in the mining, rail, logistics, manufacturing and service industries. SET is also the African distributor of Simio Software for industrial simulation development. SET was acquired with effect from 1 April 2018.

- **Xwes Proprietary Limited T/A Ntsika ICT Security ("Ntsika")** - IT/OT convergence is creating a major risk for cyber security threats in today's businesses, therefor it is a critical part to address as part of your digital journey. Ntsika is an Internet of Things ("IoT") cyber security start-up, specialising in building security solutions addressing risk appropriate multifactor authentication, secure and encrypted communications and early warning threat detection solutions for industrial control system and IoT deployments.

- **Strategix Applications Solutions Proprietary Limited ("SAS")** - SAS are the developers of the xGRC Software Suite which provides an integrated management system for Governance, Risk and Compliance (GRC), Health, Occupational Health, Safety, Environment and Quality; based on the various ISO Standards for industrial and other sector customers. This assists customers with a key requirement of their digital transformation strategy to digitise governance, risk and compliance processes.

- **Combined Source Trading Proprietary Limited (Trading as One Source Africa) - ("OSA") -** OSA provides strategic advisory and implementation services to enterprises across innovation, affordability and effectiveness of Governance, Risk and Compliance Systems. This includes best practice services to grow their respective business entities. OSA helps customers with quantitate risk opinions from data analytics rather than subjective opinions.

TELECOMMUNICATIONS AND MEDIA CLUSTER

The Telco Cluster was originally acquired through the Digitata acquisition ahead of our listing. This was done based on 4Sight's strategy of delivering Industry 4.0 solutions. The Digitata acquisition allowed us to enter the telecommunications industry through Digitata's established customer base, using their products and services.

In summary, Digitata's suite of products, services and machine learning algorithms empower mobile operators across the world to:

- Improve service revenue and customer retention through the Intelligent pricing of mobile voice and data products;
- Deliver a suite of network-centric, site-centric & multi-centric solutions to mobile operators that are vendor and technology agnostic;
- Deployment of two-way interactive digital customer engagement solutions to mobile operators and brands using gamification.

The original business, Digitata, has been operating for more than 11 years.

This cluster consists of the following product streams:

➢ **Digitata Intelligent Pricing –** Digitata's suite of intelligent mobile voice and data products intelligently transforms pricing for mobile operators. By using Big Data and machine learning algorithms, mobile operators can make better and more informed decisions regarding product pricing to meet and exceed business objectives. This is enabled through Vaitom, Digitata's Intelligent Pricing Platform.

➢ **Digitata Networks -** Digitata Networks offers mobile operators a suite of subscriber-centric, network-centric, site-centric & multi-centric solutions to monitor, audit, control and automate mobile technologies (2G, 3G, 4G) across multi-domains (RAN, CS-Core, PS-Core, TX), OEM independent.

➢ **Digitata Insights** - Enables intelligent digital transformation for mobile operators and brands by applying gamification to customer engagement to drive specific human behaviour. This allows its clients to gain meaningful insights into how their customers engage with their products and services.

With effect from 1 January 2018, the Telco cluster acquired 87% of Fleek Consulting Proprietary Limited.

- **Fleek Consulting Proprietary Limited ("Fleek") -** Fleek provides the ability to digitise and optimise business-to-consumer communication touch points through fixed line networks, using "Voice-over-Internet Protocol (VOIP) in a cloud-based call centre and Private Branch Exchange (PBX) solution environment. Fleek provides cloud-based telecoms solutions to small, medium-sized businesses and corporate environments across South Africa. Revenue is generated based on a flat fee "software-as-a-service" model through direct and indirect sales channels.

PLATFORM SYSTEMS CLUSTER

The Platform cluster was established in 2018 following the acquisitions of AccTech, Dynamics Africa and Casewise, along with the inclusion of GLOvent. The cluster creates an ecosystem where partners and alliances can build and grow their products and services; with a focus on accelerating their digital transformation journey.

This cluster consists of the following subsidiaries:

- **AccTech Systems Proprietary Limited ("AccTech")** - AccTech has been servicing the private and government sectors with Enterprise Resource Planning (ERP) products since 1994, with over 1 200 customers and 35 600 users internationally (80% in RSA). The AccTech offering is geared towards Industry 4.0 and Digital Transformation of its customers. This business transformation journey includes Engaging Customers, Empowering Employees, Transforming Products and Optimising Operations.

  The main products and services include business software (ERP), Business Process Management (BPM), Human Resource Management (HRM), Data Analytics and Advisory, Business Intelligence (BI), implementation services, software development and system support.

  AccTech's innovation is driven in the Microsoft Azure Platform as well as with key intellectual property in AccTech's integration software. AccTech runs an extensive Alliance programme in Africa, with business operations on a franchise agreement as AccTech Namibia, Botswana, Malawi, Zambia, Copperbelt, Tanzania, Kenya and Ghana. In 2018, AccTech received the award for the Sage MEA Partner of the year and the Microsoft Hybrid Cloud Partner of the year.

- **Casewise South Africa Proprietary Limited ("Casewise") -** 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 Industry 4.0 applications.

- **Dynamics Africa Services Proprietary Limited ("Dynamics Africa")** - Dynamics Africa has been appointed by Microsoft as an Indirect Cloud Solutions Provider (CSP) for the regions Middle East, Central Europe and Africa regions. The CSP program allows for the distribution of Microsoft's range of cloud applications, including Office 365, Dynamics Africa 365 and Microsoft Azure to its dedicated partners across the globe.

- **GLOVent Solutions Proprietary Limited ("GLOvent")** - Enhances community lifestyle by applying state-of-the-art technology that provides innovative solutions that improve community management efficiency and overall community living experience. GLOvent focuses on providing smart property solutions in the Industry 4.0 economy, ranging from smart utility management to communication and billing services.

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

Twelve-month period ended 31 December 2018

Figures in US Dollars	Telco/ Media	MMEC	Platform	Other	Total
Revenue					
- External	18 518 586	9 954 678	16 065 645	-	44 538 909
- Internal	-	-	215 195	(215 195)	-
Operating Profit/(Loss)	**3 259 955**	**394 072**	**2 307 609**	**(756 270)**	**5 205 366**
Depreciation and amortisation	(796 894)	(79 644)	(62 387)	(565)	(939 490)
Impairment of goodwill	-	-	-	(6 751 234)	(6 751 234)
Reversal of vendor liability	-	-	-	2 950 405	2 950 405
Vendor Liability Interest-Non-cash item	-	-	-	(515 307)	(515 307)
Taxation	(504 072)	(89 996)	(447 853)	10 752	(1 031 169)
Profit/(Loss)	**1 958 989**	**224 432**	**1 797 369**	**(5 062 219)**	**(1 081 429)**

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

Geographical clusters

The Group operates primarily in Mauritius and South Africa. These locations have been disclosed (areas such as the Seychelles, Malaysia and other locations are insignificant, and are therefore not shown as a separate cluster).

Twelve-month period ended 31 December 2018

Figures in US Dollars	South Africa	Mauritius	Eliminations	Total reported
Revenue				
• External	32 756 316	11 782 593	-	44 538 909
• Internal	6 599 527	1 855 353	(8 454 880)	-
	39 355 843	**13 637 946**	**(8 454 880)**	**44 538 909**
Operating profit/(loss)	**3 318 203**	**1 897 996**	**(10 833)**	**5 205 366**
Depreciation & Amortisation	(341 327)	(598 163)	-	(939 490)
Impairment of goodwill	-	(6 751 234)	-	(6 751 234)
Reversal of vendor liability	-	2 950 405	-	2 950 405
Deferred Vendor Liability Interest-Non-cash item	-	(515 307)	-	(515 307)
Taxation	(662 534)	(368 635)	-	(1 031 169)
Profit/(Loss)	**2 314 342**	**(3 384 938)**	**(10 833)**	**(1 081 429)**

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

9. COMMITMENTS AND SUBSEQUENT EVENTS

4Sight South Africa Proprietary Limited, formerly Rorotika Mobile Proprietary Limited; which is 51% black owned; is currently in negotiations to acquire certain companies to expand its operational strategy in South Africa.

The acquisition of AccTech Namibia was signed in March 2019 and is still subject to conditions precedent. This acquisition will expand the Group's operations in the Southern African region.

Following the legal dispute with one of its former Executive Director and subsequent to year-end a strategic decision has been made to discontinue its operations relating to Visualitics and with certain of its related entities. As a result, the operations disclosed at 31 December 2018 as indicated below, will be phased out in the 2019 financial year:

Components included in the consolidated financial statements	**Balance as at 31 December 2018**
Property plant and equipment	89 427
Deferred tax asset	48 613
Inventory	12 443
Trade and other receivables	59 805
Cash and cash equivalents	7 937
Trade and other payables	(180 223)
Carrying Value	**38 002**
Revenue	275 205
Cost of sales	(188 297)
Gross profit	**86 908**
Other income	1 276
Operating expenses	(591 182)
Operating loss	**(502 998)**
Investment income	55
Loss before taxation	**(502 943)**
Taxation	15 533
Loss for the period	**(487 410)**

Property plant and equipment consists of computer equipment, office equipment and furniture and fittings. Deferred tax assessed is as a result of the assesses loss in the current and prior periods.

Visualitics is presented in the platform systems cluster and the South Africa region in terms of IFRS 8 Operating Segments.

The carrying value has not been reassessed as the assessment is still ongoing.

10. CHANGE IN COMPANY SECRETARY

The Company appointed Amicorp (Mauritius) Limited, effective from 1 August 2018, as disclosed in SENS on 31 July 2018.

11. RELATED PARTY DISCLOSURE

Effective 1 January 2018, the 4Sight Group acquired the entire issued share capital and loan account claims of the Foursight South Africa Group ("Foursight").

Foursight was originally created as a public holding company in 2016 to acquire Industry 4.0 technology companies operating in digitisation implementation, data science, data management, process mining, dashboard technology, enterprise architecture and customer relationship management solution areas, and ultimately listing on the JSE. Initial founders were also secured to fund the initial acquisition and listing strategy.

This process was put on hold when Foursight approached Digitata Limited ("Digitata") to join the Group and, following a request from Digitata, a Mauritian holding company was established for the listing, namely 4Sight Holdings Limited.

Foursight had concluded the acquisition of the following companies:

- 100% of Casewise, which sellers are unrelated to 4Sight Holdings;
- 100% of Visualitics, a company associated with A.C.J. Van Rensburg, a former director of 4Sight Holdings; and
- 87% of Fleek, a company associated with G.P. Lauryssen, a director of 4Sight Holdings.

Of the total consideration settled by way of the issue of 36 941 800 shares, associates of A.C.J. Van Rensburg and G.P. Lauryssen received 7 751 000 shares and 6 027 896 shares, respectively.

There were no other related party transactions that are material to an understanding of the results for the year ended 31 December 2018.

12. 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 value of longer-term assets 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. The Group does not carry any financial instruments measured in the statement of financial position at fair value at 31 December 2018.

13. GOING CONCERN

The financial statements have been prepared based on 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.

14. LITIGATION

As at year end, there was no litigation pending against the Company or its subsidiaries, which is expected to have a material impact on the results of the Group.

However, the Company has entered into arbitration proceedings against a partner in order to enforce payment in terms of a contract for licenses.

The Group has a legal dispute with one of its former Non-Executive Directors, who previously served as a director and contractor with various companies within the Group.

In addition, there is a dispute with A.C.J. Van Rensburg, (the previous CEO), but this is not expected to have a material impact on the results of the Group going forward. The Group has impaired its investment in VLS as detailed above.

15. CONTINGENT LIABILITIES

At the financial year end the Group did not have any contingent liabilities.

16. GROUP PROSPECTS

Pursuant to the listing of 4Sight and the various acquisitions concluded, the Group has now settled and is harnessing the synergies of the underlying businesses. As certain of the 2018 acquisitions were only consolidated from 1 April 2018, the impact of these acquisitions for the full financial year, will only be experienced for the year ending 31 December 2019. In 2019, the Group will also look to grow its operations in the Americas and Asia through the Telco cluster and the joint venture in China.

Mining and Manufacturing Cluster

As the importance of Industry 4.0 continues to grow, the demand for digital transformation solutions for industrial customers is growing into an organizational imperative. Building on the foundations of 2018, our subsidiaries in the mining and manufacturing cluster are uniquely positioned in 2019 to continue addressing the digital transformation agenda head on with executives in our industrial customers.

What remains a cornerstone of the clusters approach is to first *visualize* the business problem, then *digitize* the relevant processes, *analyze* the data and lastly *optimize* by applying the relevant technology to enable and sustain the improvement. This approach enables them to accelerate their customers from hindsight to insight and ultimately "4Sight".

The clusters activities in 2019 will be categorised by further cross-subsidiary integrated solution development including (but not limited to) Digital Twin Simulation, Big data Analytics, Machine Learning and Artificial Intelligence. These solutions enable our industrial customers to deliver the following benefits from their Digital Transformation initiatives:

- Maximise revenues, reducing costs, mitigating risk and maximising asset life;
- Deliver operational improvements and ensure asset reliability; and
- Drive innovation with customers to help disrupt their markets.

Partnerships with key technology vendors continue to empower our subsidiaries to bring further best in breed industry 4.0 solutions to our customers, namely:

- As AspenTech's (a world leader in operational technology) partner in Africa, BluESP brings their technologies to the African market. Aspentech is the world's leading industrial software provider.

- As the African distributor for Simio (one of the world's leading industrial software simulation technologies), SET is uniquely positioned to bring simulation technology to industrial customers across Africa.

- Augmented and virtual reality is no longer the domain of the consumer market. Through a strategic partnership with Dondoo Studios, our cluster can bring AR and VR, rapid prototyping and training solutions, to industrial customers.

Our key differentiator is the combination of capabilities and technologies across our subsidiaries within the cluster. We use specific technologies like Digital Twin simulation to evaluate the whole value chain of our customer. This allows us to find the biggest opportunity for improvement, select the relevant 4IR technologies to enable and sustain the improvement; and deliver a better than 6-month ROI.

With several current and new large-scale projects ongoing or planned for 2019, we are excited about the meaningful difference our integrated industrial solutions will bring to our mining, manufacturing, energy and chemicals customers.

Telecommunications and Media Cluster

Within the telco cluster, our subsidiaries (Digitata and Fleek) continue to grow their portfolio of products and services to meet and exceed the requirements of their customers.

As Digitata continues to expand their global footprint of mobile operator customers, their focus has been historically on solving isolated problems in the fields of operations, revenue and end customer engagement. However, through the multitude of solutions that Digitata continues to develop and evolve, this subsidiary is positioned to create a complete "digital twin" of the operational, revenue and end-customer aspects of mobile operators.

This three-pronged approach will continue to address the key business requirements for mobile operators around the world, namely:

- Growing mobile data subscribers and revenues;
- Ensuring legacy revenue sources (voice) maintain current revenue levels;
- Efficiently managing network operations and assets to reduce operating costs;
- Reducing management complexity in multi-vendor and technology environments through greater visibility of the network; and
- Building strong relationships with mobile subscribers through digital engagement and services.

Digitata is uniquely positioned with the digital twin strategy to accelerate and partner with mobile operators on their operational, revenue and end-customer digital transformation journeys. This unique position has allowed Digitata to expand their markets beyond their traditional emerging market customers. As this expansion continues to gain momentum, solid opportunities are developing in previously untapped markets like North America, Asia and Europe.

Fleek's focus is on customer centricity across client engagement, service delivery and commercial offerings. This has manifested in Fleek's continued evolution of their products and services.

As we know, telephony is vital part of many customers business operations. With technology advancements, digitising and optimising business-to-consumer communication touch points through fixed line networks, using "Voice-over-Internet Protocol (VOIP) is critical for many of Fleek's customers.

Fleek's cloud-based call centre and Private Branch Exchange (PBX) solutions will see a series of new and innovative product features delivered to customers in South Africa during 2019. This subsidiary is poised to grow both within its current customer network as well as expand its customer base.

Platform Systems Cluster

Through our acquisitions in 2018, the Platform Systems cluster was formed. This cluster's goal is to create an ecosystem where 4Sight subsidiaries, partners, and alliances can build, run and grow their Industry 4.0 offerings. This transcends into the value that can be created for customers embarking on their digital transformation journey.

Moving into 2019, the Platforms cluster is focused on driving digitised business operations, adoption of technology platforms and ensuring that data management is correctly executed through digital and advisory services.

The cornerstone of this approach is our subsidiaries customer focused "Data Enablement Strategy". The strategy starts with taking customers on a journey towards data maturity to enable them to extract real value from their data assets. This journey towards data maturity is at the core of the data enablement strategy.

This approach addresses key digital transformation requirements for customers, including (but not limited to):

- Deploying new generation ERP solutions supporting the development of an organizations most important resource, their people. Focus areas include streamlining processes, improving employee experience, boosting productivity and collaboration resulting in innovation.

- Implementation of data enablement strategies and programs to ensure the right information from accurate data is available to assist organisations with timeous decisions based on structured, historical and current data analytics.

- Adoption of modern technologies and platforms, example Microsoft Azure, to take advantage of economies of scale and rapid technology advancements, i.e. Provision solutions anytime; self-service anywhere in the world 24x7; Pay for what you use, and fully automate across technology stacks.

- Safely and securing managing data from multiple sources into central locations using cloud and other technologies.

Our subsidiary, AccTech, was awarded the Microsoft Azure Hybrid Cloud partner of the year award for 2018. This is due to their understanding of Digital Business Operations, People and Customer enablement, that is supported across the Microsoft technology stack. AccTech was also announced as the Sage EMEA partner of the year for 2018.

In addition, Dynamics Africa, has been appointed by Microsoft as one of seven indirect Cloud Solutions Providers (CSP) in the Middle East Africa regions. Its program allows for the distribution of Microsoft's range of cloud applications, including Office 365, Dynamics Africa 365 and Microsoft Azure, to its dedicated partners across the globe.

We see our platform cluster continuing and further accelerating their data enablement and digital transformation strategies with customers through key partnerships with the likes of Microsoft and Sage.

The two most important resources for Industry 4.0 are people and data. Our Clusters solutions focus on the union of these two vital resources. We firmly believe that data is the "currency" of Industry 4.0 with people utilising this "new currency" to gain meaningful insights to make better and more informed business decisions. We look forward to customers continuing to see positive business value from our data management, technology and people focused solutions, in 2019 and beyond.

17. BOARD OF DIRECTORS

At the end of the period under review, the board comprised the following board members:

Director	Date of appointment	Date of change
Rama Sithanen (Independent Chairman)	24 August 2017	
Vincent Raseroka (Chief Executive Officer)	1 January 2019	
Jacques Hattingh (Financial Director)	28 June 2017	
Gary Lauryssen (Executive Director)	28 June 2017	
Tinus Neethling (Executive Director)	28 June 2017	
Geoffrey Carter (Independent Non-Executive Director)	24 August 2017	
Selvida Naiken (Independent Non-Executive Director)	11 December 2018	
Conal Lewer-Allen (Non-Executive Director)	24 August 2017	15 June 2018
Antonie C.J. Van Rensburg	28 June 2017	21 November 2018

The appointment of Ms Selvida Naiken onto the board as an independent non-executive director will strengthen the audit and risk committee. Ms Naiken is a Fellow Chartered Certified Accountant who holds an MBA as well as holds a certificate in Corporate Governance from UNITAR. Ms Naiken held the position of Chief Executive Officer for the Mauritian Financial Reporting Council from 2007 to 2015. Ms Naiken currently holds the position of Executive Director on the board of Sotravic Ltee; and is a member of the Risk Management Audit Committee (RMAC).

18. DIVIDEND

The Board has agreed on a formal dividend pay-out policy of at least 6.6 times cover, being at least 15% of headline earnings of the consolidated Group of companies. A dividend will be paid out unless the Board is of the opinion that a lower dividend is to be declared because of the necessity to apply the Group's cash resources to any planned acquisitions; or that it is in the interest of the Group to build up cash reserves for foreseeable unfavourable market or economic conditions.

No dividend is therefore to be declared for the year ended 31 December 2018, due to the decision of the Board to build up the working capital available to the Group.

For and on behalf of the Board

Chief Executive Officer
Vincent Raseroka
Date 29 March 2018

Financial Director
J. Hattingh

Executive Directors
Vincent Raseroka
Tinus Neethling (Digitata Group CEO)
Jacques Hattingh (FD)
Gary Lauryssen (Group Executive – Mergers and Acquisitions)

Independent Non-executive directors
Geoffrey Carter
Dr Rama Sithanen
Selvida Naiken

Company Secretary and Registered Office
Amicorp (Mauritius) Limited

Designated Advisor
Arbor Capital Sponsors Proprietary Limited

Transfer Secretaries
Link Market Services South Africa Proprietary Limited

WEBSITE
http://www.4sightholdings.com