



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

REVIEWED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP AND FINANCIAL HIGHLIGHTS

The Board of Directors is pleased to present its results for the year ended 31 December 2020. Despite the challenging trading conditions and impact on potential growth resulting from the COVID-19 pandemic, we are pleased to announce stable financial results for the year ended 31 December 2020.

It should be noted that 4Sight received an unmodified review conclusion from its independent auditors.

THE DNA OF 4SIGHT

The secure and stable foundation laid down by our current executive team in 2020 (despite the COVID-19 pandemic) has significantly contributed to the Company's future growth aspirations.

- **Our People:** The Group provided our employees with an annual salary increase. The salary increase was coupled with a 20% growth in our employee base during the reporting period. During South Africa's hard lockdown, we invested in developing our most important assets, our people. As an example, as a Microsoft Gold Partner, we have one of the highest Gold certified competencies in MEA, with 11 Gold competencies and 3 new Silver competencies, including DevOps, Security and Messaging. Over and above this, we are also in the process of completing three advanced specialisations for Adoption and Change Management ("ACM"), Windows and SQL migrations and App Modernizations.
- **Our Customers:** With our customer-first growth, segmented customer base and marketing directly linked to new business strategies implemented, 4Sight moved into 2021 with a strong rolling 12-month sales pipeline. As a strategic imperative, we continue to grow our annuity revenue base, from 49% in 2019 to 56% in 2020. Our target remains set at 70% annuity revenue in the next two years.
- **Our Operations:** The Group disposed of all non-profit and strategically non-aligned entities during the reporting period. Our business operations have been restructured into four operating clusters supported by centralised shared services.
- **Our Innovation:** Innovation and solution development is part of 4Sight's DNA. The Group continues to invest up to 33% of achieved profit into driving and fostering innovation and acquisitions across the Group.

RE-DOMICILING OF 4SIGHT

Currently, a significant portion of 4Sight's investment portfolio constitutes South African companies. The business and activities of the Group have gravitated over time to South Africa, after among other things, the divestment of Digitata Limited was completed. The re-domiciliation of 4Sight from Mauritius to South Africa is currently underway. From an administrative, compliance, management and regulatory perspective it would be more advantageous for 4Sight's corporate domicile to align with its most significant investments which are located in South Africa.

FINANCIAL SUMMARY

4Sight had the following highlights for its year-end results for the continuing operations* in ZAR terms:

- Increase in revenue by 1.7% from ZAR515.3 million to ZAR523.8 million.
- The gross profit margin decreased by 0,1% from 53,7% to 53,6%.
- Increase in profit after tax from continuing operations in excess of 100%.
- Increase in cash balances during tough trading conditions by 41.9% from ZAR46.7 million to ZAR66.3 million.
- 4Sight's Debt-to-Equity Ratio ("D/E") improved from 45.8% to 30.8% for the year ended 31 December 2021, which indicates a low financial risk to the Group and its shareholders.

**Continuing Operations is defined as all business operations in 4Sight excluding Digitata Limited that was disposed of (refer to SENS: Completion of the Disposal of Digitata Limited - Dated 6 October 2020).*

The year-end results for the continuing operations* in USD terms:

The primary reason for negative variances in USD-based figures is attributed to the ZAR's devaluation against the USD by 14.0% over the comparative period.

- Revenue decreased by 6.7% from USD33.9 million to USD31.7 million for continuing operations.
 - The total operating expenses for continuing operations for the year was USD19.5 million (2019: USD21.2 million) a decrease of 7.9% compared to the prior year.
 - Increase of 100% in profit after tax from continuing operations from a loss of USD0.5 million to a profit of USD1.8 million for the period under review.
 - Increase in basic earnings per share from continuing operations increased to USD0.21 cents from a loss per share (2019: USD(0.08) cents) and the diluted earnings per share increased to USD0.19 cents from a loss per share (2019: USD(0.07) cents).
 - Headline earnings per share from continuing operations decreased to USD0.21 cents (2019: USD0.39 cents) and the diluted headline earnings per share decreased to USD0.19 cents per share (2019: DHEPS USD0.32 cents).
 - Increase in cash balances during tough trading conditions by 22.7% from USD3.7 million to USD4.5 million.
 - Cash flow from operations increased by 20.5% from USD1.9 million to USD2.3 million for the period.
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in US Dollars	Notes	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019 (Restated)*
Continuing operations			
Revenue	1	31 674 230	33 944 407
Cost of sales		(14 869 390)	(14 435 069)
Gross profit		16 804 840	19 509 338
Other income		4 432 177	2 260 431
Operating expenses		(19 548 465)	(21 225 057)
Operating profit		1 688 552	544 712
Investment income		115 033	178 830
Finance costs		(161 706)	(513 424)
Income from equity accounted investments		2 510	-
Profit before taxation		1 644 389	210 118
Taxation		126 595	(739 125)
Profit/(loss) from continuing operations		1 770 984	(529 007)
Loss from discontinued operations	6	(848 678)	(24 849 107)
Profit/(loss) for the year		922 306	(25 378 114)
Other comprehensive (loss)/income:			
Items that may subsequently be classified to profit or loss			
Unrealised exchange differences on translating foreign operations		(1 026 703)	288 919
Other comprehensive loss for the year net of taxation		(104 397)	(25 089 195)
Total comprehensive loss for the year		(104 397)	(25 089 195)
Profit/(Loss) attributable to:		922 306	(25 378 114)
Owners of the parent		643 677	(25 638 154)
Non-controlling interest		278 629	260 040
Total comprehensive income/(loss) for the year attributable to:		(104 397)	(25 089 195)
Owners of parent		(382 008)	(25 345 815)
Non-controlling interest		277 611	256 620
Profit/(Loss) attributable to owners of the parent		643 677	(25 638 154)
From continuing operations		1 698 441	(590 455)
From discontinued operations		(1 054 764)	(25 047 699)
Profit attributable to non-controlling interest		278 629	260 040
From continuing operations		72 543	61 448
From discontinued operations		206 086	198 592

Per share information:		USD Cents	USD Cents
Earnings/(loss) per share (c)		0.08	(3.69)
Diluted earnings/(loss) per share (c)		0.07	(2.97)
Headline earnings/(loss) per share (c)	2	0.04	(0.01)
Diluted headline earnings/(loss) per share (c)	2	0.04	(0.01)
Weighted average number of shares in issue		795 289 345	695 716 718
Fully diluted weighted average number of shares in issue		876 557 114	862 106 070
From continuing operations		USD Cents	USD Cents
Earnings/(Loss) per share (c)		0.21	(0.08)
Diluted earnings/(loss) per share (c)		0.19	(0.07)
Headline earnings per share (c)	2	0.21	0.39
Diluted headline earnings per share (c)	2	0.19	0.32
From discontinued operations		USD Cents	USD Cents
Loss per share (c)		(0.13)	(3.60)
Diluted loss per share (c)		(0.12)	(2.91)
Headline loss per share (c)	2	(0.17)	(0.40)
Diluted loss per share (c)	2	(0.16)	(0.32)

**Prior year restated for discontinued operations.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollars	Notes	Reviewed As at 31 December 2020	Audited As at 31 December 2019
ASSETS			
Non-Current Assets		20 670 759	24 806 814
Property, plant and equipment		2 143 804	2 814 832
Goodwill	3	14 957 488	15 051 491
Intangible assets	5	2 759 273	5 586 935
Deferred tax		799 032	986 232
Investment in associates		11 162	258 060
Other financial assets		-	109 264
Current Assets		10 857 354	14 701 971
Inventories		86 770	109 346
Trade and other receivables	7	5 869 725	10 184 201
Contract assets		-	246 471
Other financial assets		25 191	189 143
Current tax receivable		351 781	286 586
Cash and cash equivalents		4 523 887	3 686 224
Total Assets		31 528 113	39 508 785
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Equity Holders of Parent			
Share capital	8	15 587 532	55 813 532
Reserves		36 043 005	(3 855 004)
Retained income/(Accumulated loss)		(27 714 422)	(24 902 824)
		23 916 115	27 055 704
Non-controlling interest	9	235 912	61 538
		24 152 027	27 117 242
Liabilities			
Non-Current Liabilities		1 071 828	1 768 447
Other financial liabilities	10	932 409	1 499 087
Deferred taxation		139 419	269 360
Current Liabilities		6 304 258	10 623 096
Trade and other payables		5 814 467	6 015 607
Other financial liabilities	10	460 111	4 241 128
Contract liabilities		-	297 092
Current tax payable		29 680	69 269
Total Liabilities		7 376 086	12 391 543
Total Equity and Liabilities		31 528 113	39 508 785

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
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
(Loss)/ profit for the year	-	-	-	-	(25 638 154)	(25 638 154)	260 040	(25 378 114)
Other comprehensive income/(loss)	-	-	292 339	-	-	292 339	(3 420)	288 919
Total comprehensive income/(loss) for the year	-	-	292 339	-	(25 638 154)	(25 345 815)	256 620	(25 089 195)
Issue of shares	5 347 377	-	-	-	-	5 347 377	-	5 347 377
Treasury shares	(753 568)	708 725	-	-	-	(44 843)	-	(44 843)
Dividend paid by subsidiary	-	-	-	-	-	-	(71 691)	(71 691)
Disposal of subsidiary operations	-	-	-	-	-	-	16 652	16 652
Business combination	-	-	-	-	-	-	17 381	17 381
Balance at 31 December 2019	55 858 375	(44 843)	(637 881)	(3 217 123)	(24 902 824)	27 055 704	61 538	27 117 242
Profit for the year	-	-	-	-	643 677	643 677	278 629	922 306
Other comprehensive loss	-	-	(1 025 685)	-	-	(1 025 685)	(1 018)	(1 026 703)
Total comprehensive (loss)/ income for the year	-	-	(1 025 685)	-	643 677	(382 008)	277 611	(104 397)
Issue of shares	2 751 902	24 568	-	-	-	2 776 470	-	2 776 470
Reduction of stated capital	(36 426 057)	-	-	36 426 057	-	-	-	-
Disposal of subsidiary operations	(6 576 413)	-	1 280 514	3 217 123	(3 217 123)	(5 295 899)	(341 389)	(5 637 288)
Changes in ownership interest in subsidiaries without a change in control	-	-	-	-	(238 152)	(238 152)	238 152	-
Balance at 31 December 2020	15 607 807	(20 275)	(383 052)	36 426 057	(27 714 422)	23 916 115	235 912	24 152 027

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in US Dollars	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Cash flows from operating activities		
Cash generated from operations	2 665 127	2 585 092
Interest income	120 568	190 919
Finance costs	(81 443)	(198 954)
Tax paid	(399 751)	(664 848)
Net cash generated from operating activities	2 304 501	1 912 209
Cash flows from investing activities		
Purchase of property, plant and equipment	(181 198)	(132 603)
Proceeds on disposal of property, plant and equipment	158 818	-
Purchase or development of intangible assets	(463 561)	(1 548 329)
Net cash flow from business combinations	(234 119)	(120 177)
Net cash flow from disposal of subsidiaries	(651 643)	326 267
Net cash used in investing activities	(1 371 703)	(1 474 842)
Cash flows from financing activities		
Dividend paid	-	(71 691)
Proceeds from other financial liabilities	-	93 740
Repayments of other financial liabilities	(317 609)	(455 320)
Cash flows (used in)/ generated from financing activities	(317 609)	(433 271)
Total cash movement for the period	615 189	4 096
Total cash at the beginning of the period	3 686 224	3 765 879
Foreign currency translation	222 474	(83 751)
Total cash at end of the period	4 523 887	3 686 224

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group was established with the incorporation of the holding company on 28 June 2017 and has a financial year end of 31 December each year.

The reviewed condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements for provisional reports and the requirements of the Companies Act of Mauritius. 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 Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

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 as at and for the year ended 31 December 2019 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 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 Financial Director, and were approved by the board of directors on 25 March 2021.

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

The condensed consolidated financial statements are presented in US Dollars, which is the Company's functional 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 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 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 year ended 31 December 2020 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 is available for inspection at the Company's registered office.

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.

BUSINESS OVERVIEW

Overview

4Sight is a public company listed on the JSE AltX (ticker: 4SI) incorporated on 29 June 2017 in accordance with the laws of the Republic of Mauritius, specifically for the listing of the Group on 19 October 2017.

As a multi-national, diversified technology group, our purpose is to leverage our portfolio of 4IR technologies, people and data-focused solutions to design, develop, deploy and grow solutions for our partners, including both customers and vendors.

Our business model enables our partners to take advantage of products and solutions within our Group, which will allow them to enjoy turnkey digital transformation solutions across industry verticals. This business model is supported by a focused 'blue ocean' strategy comprising:

- Continuous innovation
- Fostering partnerships
- Managing the move to OPEX models
- Software-as-a-Service ("SaaS") and annuity business models
- Embracing the modern digital economy
- Building the Modern Digital Enterprise of the future
- Unique bespoke business solutions

We focus on a cross-section of established, new and emerging technologies. These include artificial intelligence solutions with machine learning, big data, cloud and business intelligence solutions, digital twin and simulation, information and operational technologies, production scheduling, horizontal and vertical integration, industrial internet of things, cloud service provider, robotic process automation and augmented and virtual reality solutions.

These 4IR technologies manifest in the various solutions we deliver to customers across all industries in both the private and public sectors.

Our vision is focused on being the digital transformation partner of choice to quantum leap our partner's businesses into the realm of Enterprise 5.0. At the heart of our DNA are five fundamental values, namely:

- Trust
- Teamwork
- Transparency
- Accountability
- Passion

We believe that the rate of adoption of 4IR, people and data-focused solutions will grow exponentially, which is why we have positioned our business to be ready with the best solutions to empower our partners now and into the future.

Our mission is to empower our partners to future proof their businesses through digital transformation to make better and more informed decisions in the modern digital economy. At the heart of our ability to meet the fourth industrial revolution's demands lies our team of passionate and dedicated technology, engineering, financial and business experts.

By leveraging the vast pool of intellectual property ("IP") that resides within our Group, we help our customers create smarter operations, build new products, create new disruptive models and guide them through the digital transformation process.

We have the necessary skills and expertise to support business digitisation at every stage of the transformation process, from sourcing and manufacturing to distribution and consumption.

In the next two to five years, this competence and expertise will help our partners to realise the benefits of the disruptive industry business models that 4IR, people and data-focused solutions can create as the fourth industrial revolution becomes more pervasive in economies around the world.

Business Operations

4Sight comprises a unique amalgamation of our subsidiaries into four distinct business Clusters that address the needs of key technology verticals. When combined, our clusters deliver capabilities that are far greater than the sum of their individual parts.

The four reportable clusters consist of the Business Environment ("BE"), Information Technology ("IT"), Operational Technology ("OT") and Channel Partners ("CP") clusters.

Our Clusters and Subsidiaries operate in South Africa and several regions including Europe, Middle East and Africa ("EMEA"), which currently represents most of the Group's revenue.

We also boast established partnerships with leading industry providers and OEMs that assist us in realising our delivery capabilities. 4Sight's global digital partners include Microsoft, AspenTech, Sage, Simio, Acumatica, Siemens, and Schneider Electric to name a few.

We have an integrated shared services environment that consists of sales and marketing, human resource management, and financial management. Shared services act as a centralised function that supports our operating entities (4 Clusters).

To ensure that we meet our customer's needs, we use a combination of our capabilities, deep domain skills and go-to-market channels to offer a full range of digital transformation initiatives. Our offering covers the full spectrum of OT, IT and BE solutions. Our CP cluster provides a robust distribution network of partners to ensure that customers from around the world can take advantage of our solutions.

Our business model enables our partners to take advantage of our 4IR, people and data-focused solutions, which allows them to enjoy turnkey digital transformation solutions across industry verticals.

At the core of our business model is the following:

- Customer-first thinking with a tailored approach to ensure that we are meeting our customer's needs.
- Providing the customer with the right interface, with the right person at the right time with the right domain skills and knowledge.
- A full range of offerings and synergies from our Cluster teams allow our customers to create and maintain a competitive advantage.

All this comes together to position 4Sight as the Digital Transformation Partner of Choice, empowering customers, and partners to future-proof their businesses through digital transformation.

As our digital transformation market opportunity lies within accelerating the convergence between the OT, IT and BE worlds, we have aligned our subsidiaries to ensure that we continue to deliver integrated 4IR solutions to take advantage of this convergence.

Our strategy is focused on leveraging our portfolio of solutions to ensure that our customers build momentum and drive first-mover advantage in their highly competitive markets. This business model is supported by a focused 'blue ocean' strategy which consists of the following:

- Continuous Innovation: Not to compete in existing verticals, but to create uncontested market space.
- Fostering Partnerships: Not to beat the competition, but to make the competition irrelevant.
- Managing the move to OPEX models: Not to make a value-cost trade-off but to break the value-cost trade-off.
- SaaS and annuity business models: Pursuit of differentiation, flexibility and low cost.
- Embracing the modern digital economy: Not to exploit existing demand, but to create and capture new demand.
- Building the Modern Digital Enterprise of the Future: Accelerating the transformation to a Modern Digital Enterprise.
- Own IP creation: We utilise our existing technology stacks to build value added service offerings for our partners and customers that encapsulate unique expert knowledge and processes.

The Group has over 340 permanent employees across all our subsidiaries who service over 3,000 customers across 65 countries. Our subsidiaries operate in South Africa and provide services in several regions including Europe, the Middle East and Africa ("EMEA"), which currently represents most of the Group's revenue. Other regions including the Americas and Asia Pacific also contribute to Group revenue and income from our associates in those regions.

Enterprise 5.0: Changing your organisational DNA

To create the company of the future, which we are calling Enterprise 5.0, it is necessary to work on each of these fundamentals: Innovation, People, Finance, Operations and Customer.

However, before we look at what this might entail, we should remind ourselves of the technology stack that supports or enables these fundamentals. In Enterprise 5.0, we see how operational and information technologies converge to support the Business Environment. The stack is made up of three critical technologies—hybrid cloud, cyber security and data integration—providing a common backbone to enable the convergence taking place in the market.

The DNA of any company is made up of five fundamental components: Innovation, People, Finance, Operations and Customer.

Everything is geared towards enabling the free flow of data into the Business Environment, where it can be safely stored and—this is the crux of it all—processed using artificial intelligence, machine learning and analytics. The resulting deep insights and foresight will guide decision-making in the DNA fundamentals previously referred to.

On one level, becoming an Enterprise 5.0 organisation is all about embarking on a profound journey of digital transformation over time. But looking beyond the technology, one must understand that Enterprise 5.0 means changing the fundamentals of how the organisation thinks and operates, therefore impacting people's behaviour and the culture in the organisation. The traditional business mindset is ultimately inwardly focused—How do we make our processes more efficient and effective for us? By contrast, the Enterprise 5.0 uses its new technology to adopt the customer's or business partner's point of view to answer the question: How does my customer want my organisation to work? What is the customer journey that we need to satisfy?

To understand how this plays out, let's consider the five components that make up the corporate DNA of a typical company, and how Enterprise 5.0 technologies enable a completely new way of thinking and doing things. The post-COVID world in which we are living is catalysing this process.

Innovation is typically seen as the lynchpin of differentiation but, in Enterprise 5.0, the focus is less on new products and services and more on repackaging existing ones or reinventing the go-to-market strategy.

For example, in retail, innovation is required not to develop new products to sell so much as to develop a way to make it easier for customers to order and receive those products.

Similarly, a key drive now is to enable existing processes for a distributed workforce. If you speak to CxOs, what they're battling with is how to make it easier for work-from-home staff to cope with multiple systems. The solution here is to create a platform that provides a single interface for all the systems and tools, not to create new process software.

For the Enterprise 5.0 company, innovation is customer-focused to create a totally new market space, often by extending the "as-a-service" model beyond software to virtually anything.

People are the key asset of any company and are top of mind as the new way of working emerges. Two key issues are concerning CxOs: How to manage and measure the performance of a distributed workforce? And how to ensure that the supplied tools are adopted?

The technologies underpinning Enterprise 5.0 can be used to answer the first question—we are developing many toolsets that are making it possible not only to cover the management portion but also the measurement of who is doing what, and what technology they are using.

The second question relates more to change management and adoption, which are always the big issues when it comes to people. Our latest toolsets and technologies turn change management and adoption from a “soft” operation to a “measurable” one, ensuring a return on the investment and also highlighting areas for improvement or training.

Finance is the heartbeat of any company and one of the key constituents of any solid decision-making process. CxOs want real-time information to make better decisions faster, whereas the typical finance processes take place long after the fact, usually at month end. We can already achieve near real time, but by integrating the multiplicity of information and operational systems stacks, and using machine learning and artificial intelligence, real time is achievable.

A second issue relating to finance is the reality that companies are cash-strapped and looking for flexible models for the technologies that underpin their move to Enterprise 5.0. Our philosophy is to move clients away from the traditional licencing models to the pay-as-you-go model, ultimately including a migration onto the cloud which will see all, or a large proportion, of the IT infrastructure move away from the capital balance sheet onto the operational one.

Operations, which constitute a business's key differentiator. In the Enterprise 5.0 world, an important goal is to integrate the operational systems with all the other systems. A big drive here is to automate and optimise the processes intelligently in order to add value or realise benefits. We use digital twins to help companies visualise the end-to-end process and identify constraints where it would make sense to digitise and automate—these are never an end in themselves. The digital twin spans the information technology and operational technology landscapes, ensuring that we visualise the converged world.

The final, and central, part of the corporate DNA has to be the customer. All organisations need to be able to address their customers, both internal and external. Successful companies retain existing customers and sell more to them. This requires a long-term approach and, more important, a willingness to go on a “customer journey”. By this we mean the exercise of understanding your business from the customer's point of view. As noted at the beginning of the document, the issue is not whether a process is efficient but whether it provides a good experience for the customer and solves his or her challenge. We have developed software to help our own customers map their own customer journey.

The Enterprise 5.0 organisation puts the building blocks in place in order not to do what it has always done more efficiently, but rather to enable new ways of doing and thinking about things that delight customers, while increasing profits.

RESULTS COMMENTARY

Revenue from continuing operations declined to USD31.7 million for the year ended 31 December 2020 from USD 33.9 million in the prior period.

Gross profit margin from continuing operation decreased to 53.1% in 2020 compared to 57.5% in 2019 which can be attributed to the revenue increase in Dynamics Africa Services (Pty) Ltd as a result of a significant increase in sales with the traditional low margins associated to the distribution business.

The other income of USD4.4 million from continuing operation includes USD4.0 million relating to Employment Tax Incentives ("ETI") recovered and foreign exchange gains of USD0.8 million on deferred vendor liabilities settled in the current period. The expense portion of the ETI training of USD3.9 million is included in the operating expenditure.

The total operating expenses for continuing operations for the year was USD19.5 million (2019: USD21.2 million) a decrease of 7.9% compared to the prior year.

Property, plant and equipment primarily comprises of one property located at Fourways, which previously housed the Digitata operations. Following the conclusion of the disposal of the Digitata Group, the properties of BluESP (Pty) Ltd and Age Technologies Jhb (Pty) Ltd were disposed as part of the plan to streamline the Group's operations. All the Johannesburg based operations were relocated to the Fourways office.

The decrease in intangible assets and trade and other receivables from 31 December 2019 to 31 December 2020 is mainly due to the disposal of the Digitata Group.

Despite foregoing cash and cash equivalents in the amount of USD0.6 million as part of the Digitata disposal the Group was able to increase its cash reserves by 22.7% from USD3.6 million to USD4.5 million year-on-year. The Group does not have significant capital commitments in the foreseeable future.

The net stated capital decreased during the year due to:

- Increase due to settlement of the outstanding vendor liabilities owed to AccTech Systems (Pty) Ltd and Dynamics Africa Services (Pty) Ltd during the period;
- Reduction of the stated capital by USD36 426 057 to facilitate the solvency requirements for the disposal of the Digitata Group; and
- The cancellation of 290 549 558 million shares amounting to USD6 576 413, following from the disposal repurchase of the Digitata Group.

Other Financial Liabilities decreased due to the settlement of outstanding vendor liabilities owed to AccTech Systems (Pty) Ltd and Dynamics Africa Services (Pty) Ltd during the period.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS

1. REVENUE

	Reviewed 31 December 2020	Audited 31 December 2019
Sale of goods	2 708 766	4 541 277
Licencing and associated services	28 965 464	29 403 130
	31 674 230	33 944 407

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

Disaggregation of revenue – Geographical areas

	Reviewed 31 December 2020	Audited 31 December 2019
South Africa	22 104 140	23 256 352
Rest of Africa	7 243 840	8 727 483
Europe, Middle East and Australasia	1 474 300	1 289 128
Americas	851 950	671 444
	31 674 230	33 944 407

Disaggregation of revenue – Business Sector

	Reviewed 31 December 2020	Audited 31 December 2019
Private	29 629 843	31 319 945
Public	2 044 887	2 624 462
	31 674 230	33 944 407

2. HEADLINE EARNINGS RECONCILIATION

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

	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Reconciliation between earnings and headline earnings	USD	USD
Profit/(loss) attributable to owners of the parent	643 677	(25 638 154)
Adjustments for:		
Loss on disposal of equipment – net of tax	58 382	18 504
Profit on disposal of subsidiaries – net of tax	(475 110)	(284 522)
Impairments of Intangible assets	102 507	7 768 995
Impairment of goodwill	-	18 091 630
Headline earnings/(loss) for the year	329 456	(43 547)
Per share information:	US Cents	US Cents
Headline earnings/(loss) per share	0.04	(0.01)
Diluted earnings/(loss) earnings per share	0.04	(0.01)
Weighted average number of shares in issue	795 289 345	695 716 718
Fully diluted weighted average number of shares in issue	876 557 114	862 106 070

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

	Reviewed year ended	Audited year ended
Reconciliation between earnings and headline earnings		

	31 December 2020	31 December 2019
	USD	USD
Profit/(loss) attributable to owners of the parent	1 698 441	(590 455)
Adjustments for:		
Loss on disposal of equipment – net of tax	56 333	18 504
Profit on disposal of subsidiaries – net of tax	(59 850)	(284 522)
Impairments of Intangible assets	-	22 025
Impairment of goodwill	-	3 571 234
Headline earnings for the year	1 694 924	2 736 786
Per share information:	US Cents	US Cents
Headline earnings per share	0.21	0.39
Diluted earnings per share	0.19	0.32
Weighted average number of shares in issue	795 289 345	695 716 718
Fully diluted weighted average number of shares in issue	876 557 114	862 106 070

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

	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Reconciliation between earnings and headline earnings	USD	USD
Loss attributable to owners of the parent	(1 054 764)	(25 047 699)
Adjustments for:		
Loss on disposal of equipment – net of tax	2 050	-
Profit on disposal of subsidiaries – net of tax	(415 260)	-
Impairments of Intangible assets	102 507	7 746 970
Impairment of goodwill	-	14 520 396
Headline loss for the year	(1 365 917)	(2 780 333)
Per share information:	US Cents	US Cents
Headline loss per share	(0.17)	(0.40)
Diluted loss earnings per share	(0.16)	(0.32)
Weighted average number of shares in issue	795 289 345	695 716 718
Fully diluted weighted average number of shares in issue	876 557 114	862 106 070

In order to more adequately reflect the operational performance of the Group, the Group has included normalised earnings for the year, as detailed below. Consequently, headline earnings have been adjusted to take into account non-operational and accounting anomalies. Normalised earnings are the measurement basis used by the chief operating decision maker to manage the Group. The presentation of normalised headline earnings is not an IFRS requirement.

Continuing operations	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Reconciliation between headline earnings and normalised earnings	USD	USD
Headline earnings for the year	1 694 924	2 736 786
Adjustments for:		
Legal fees incurred related to corporate migration – net of tax	41 040	-
Legal fees incurred on non-operating activities – net of tax	58 185	80 779
Corporate transaction costs related to Digitata Disposal – net of tax	50 715	-
Contingent shareholders consideration paid – net of tax	560 972	-
Normalised earnings for the year	2 405 836	2 817 565
Per share information:	US Cents	US Cents
Normalised earnings per share	0.30	0.40
Normalised diluted earnings per share	0.27	0.33
Weighted average number of shares in issue	795 289 345	695 716 718
Fully diluted weighted average number of shares in issue	876 557 114	862 106 070

3. GOODWILL

The movement of goodwill for the year ended is as follows:

Figures in US Dollars	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Balance at the beginning of the period	15 051 491	32 787 261
Additions through business combinations	11 469	355 860
Foreign exchange movements	1 908	
Disposal of entity	(107 380)	-
Goodwill impairment	-	(18 091 630)
Total goodwill at the end of the period	14 957 488	15 051 491

Impairment of goodwill

The respective Cash-Generating Units ("CGU") to which goodwill relate are re-assessed annually for recoverability to determine whether an impairment exists which must be recognised.

Notwithstanding the impact of COVID-19, no significant adverse operating events occurred during the period under review which had an on-going negative impact on the underlying CGU's, thereby necessitating goodwill impairment.

4. ACQUISITIONS AND DISPOSALS

Acquisitions

During the year ended 31 December 2020, the Group concluded the following acquisition in its targeted 4IR strategy:

- One Channel (Pty) Ltd ("Acumatica");

The ZAR based investments were accounted for at fair value of consideration payable. The aggregate business combination is disclosed below:

Figures in US Dollars	Acumatica
Assets acquired	328 044
Liabilities assumed	-
Total identifiable net assets	328 044
Goodwill	11 469
Purchase consideration	339 513
Paid in cash on acquisition	234 119
Contingent purchase consideration payable	105 394

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

Disposals

During the year ended 31 December 2020, the Group concluded the following disposals:

- Digitata Limited ("Digitata") and its subsidiaries;
- Casewise South Africa Proprietary Limited ("Casewise")
- Combined Source Trading Proprietary Limited ("Combined").

The disposal of Casewise and Combined were not considered significant for the purposes of disclosure in these financial statements. The financial position of Digitata on the effective date of the disposal is detailed below:

Figures in US Dollars	As at September 2020
Non-Current Assets	3 649 219
Property, plant and equipment	77 031
Intangible assets	2 447 801
Deferred tax	417 294
Investment in associates	611 016
Other financial assets	96 076
Current Assets	5 174 028
Trade and other receivables	4 402 977
Current tax receivable	146 789
Cash and cash equivalents	624 262
Total Assets	8 823 247

Liabilities	
Non-Current Liabilities	415 281
Other financial liabilities	201 664
Deferred taxation	213 617
Current Liabilities	3 109 747
Trade and other payables	1 982 762
Contract liabilities	960 050
Current tax payable	166 935
Total Liabilities	3 525 028
 Net assets disposed	 5 298 219
Non-controlling interest	(291 255)
Exchange differences on translating foreign operations	1 280 514
Profit on disposal of discontinued operations	415 260
Consideration received	6 702 738
Consideration received in cash	-
Cash forfeited on disposal	(624 262)

5. INTANGIBLE ASSETS

The movement of intangible assets for the year is as follows:

Figures in US Dollars	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Balance at the beginning of the period	5 586 935	13 348 700
Additions	463 561	1 548 329
Additions from business combinations	339 513	-
Disposal	(2 447 801)	(245 636)
Impairment	(142 370)	(7 768 995)
Foreign exchange movements	(108 584)	20 494
Amortisation	(931 981)	(1 315 957)
Total intangible assets at the end of the period	2 759 273	5 586 935

6. DISCONTINUED OPERATIONS

Digitata Limited and its subsidiaries

On 6 April 2020 the Group entered into an agreement to dispose of 100% of the issued share capital of Digitata Limited and its subsidiaries. The disposal consideration was settled by the purchasers by selling to the Company an aggregate of 290 549 558 4Sight shares. The disposal was completed on 2 October 2020, the date on which the last conditions precedent related to the disposal was met.

The following table details the results of the discontinued operations included in the Group statement of profit and loss:

Figures in US Dollars	Nine months ended 30 September 2020	Twelve months ended 31 December 2019
Revenue	5 075 630	9 089 891
Cost of sales	(545 788)	(912 087)
Gross profit	4 529 842	8 177 804
Other income	1 016 149	220 661
Operating expenses	(6 984 985)	(33 760 961)
Operating loss	(1 438 994)	(25 362 496)
Investment income	5 536	12 089
Income from equity accounted investments	438 572	555 075
Profit on disposal of discontinued operations	415 260	-
Loss before taxation	(579 626)	(24 795 332)
Taxation	(269 050)	(53 775)
Loss for the period	(848 676)	(24 849 107)

CASH FLOWS FROM DISCONTINUED OPERATIONS

Net cash generated from operating activities	724 893
Net cash used in investing activities	(1 151 243)
Cash flows generated from financing activities	-

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

Figures in US Dollars	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Trade receivables	6 042 440	14 682 315
Credit loss allowance	(523 626)	(4 848 942)
Trade receivables net of credit loss allowance	5 518 814	9 833 373
Prepayments and deferred expenses	9 041	140 578
Deposits	15 943	25 276
Value added taxation	229 675	-
Other receivables	96 252	184 974
	5 869 725	10 184 201

The significant decrease in the trade and other receivables is as a result of the disposal of the Digitata Group amounting to approximately USD4.4 million.

8. STATED CAPITAL SHARE ISSUES AND REPURCHASES

The Company had 789 804 945 shares in issue at the beginning of the period under review.

The following shares were issued during the period:

- 1 67 101 142 shares at USD 1.72 cents per share as settlement of the final earn-out consideration payable relating to the acquisition of AccTech Systems (Pty) Ltd and Dynamics Africa Services (Pty) Ltd;
- 3 500 000 shares at USD 1.28 cents per share as payment for a Long-Term Incentive.

The following shares were repurchased or cancelled during the period:

- 1 500 000 shares related to the disposal of Combined Source Trading (Pty) Ltd;
- 10 000 000 shares related to the disposal of Casewise South Africa (Pty) Ltd; and
- 290 549 558 shares related to the disposal of the Digitata Group.

	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Balance at the beginning of the period	789 804 945	497 489 514
Issue of shares to settle deferred vendor liabilities	167 101 142	293 815 431
Cancellation of shares due from disposal of Digitata	(290 549 558)	-
Repurchased shares issued	(10 000 000)	-
Shares Issued in terms of LTI scheme	3 500 000	-
Total listed ordinary shares	659 856 529	791 304 945
Treasury shares	(825 000)	(1 500 000)
Total ordinary shares	659 031 529	789 804 945
Figures in US Dollars		
Issued		
Balance at the beginning of the period	55 813 532	50 510 998
Ordinary shares of no-par value issued	2 751 843	5 347 377
Shares issue in terms of LTI	44 902	-
Treasury shares retained	(20 275)	(44 843)
Reduction in stated capital	(36 426 057)	-
Repurchase of shares	(6 576 413)	-
	15 587 532	55 813 532

The above share issues/repurchases are reflected at the fair value at the date that the acquisition/disposal became unconditional.

9. NON-CONTROLLING INTEREST

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

	Reviewed year ended 31 December	Audited year ended 31 December
--	--	---

	2020	2019
Figures in US Dollars		
Balance at the beginning of the period	61 538	(157 424)
Total comprehensive income for the period	277 611	256 620
Dividend issued	-	(71 691)
Disposal of subsidiary	(341 389)	16 652
Changes in ownership interest in subsidiaries without a change in control	238 152	-
Business combinations	-	17 381
Total non-controlling interest at the end of the period	235 912	61 538

10. OTHER FINANCIAL LIABILITIES

Other Financial Liabilities decreased mainly due to the settlement of the deferred vendor liability in the current period.

Details of Other Financial Liabilities are set out below:

	Reviewed year ended 31 December 2020	Audited year ended 31 December 2019
Figures in US Dollars		
Motor Vehicle Instalment Sale Agreements	16 766	50 777
ABSA Bank Ltd Mortgage Bond	-	158 483
Standard Bank of South Africa Ltd-Mortgage Bond	1 034 265	1 162 630
Rand Control Solutions	19 115	39 862
Blue Sparrow Trust	-	156 668
M.A. Powell	-	54 508
Other Loans	-	110 728
Digitata Investment Trust	-	19 973
Lease liabilities (Right of use)	-	39 591
Deferred Vendor Liability	322 374	3 946 995
• AccTech Consulting	195 046	387 851
• Acumatica	127 328	-
• AccTech Systems	-	2 847 316
• Dynamics Africa Services	-	711 828
	1 392 520	5 740 215
Non-current liabilities		
At amortised cost	932 409	1 499 087
Non-current liabilities		
At amortised cost	460 111	4 241 128
	1 392 520	5 740 215

11. 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 four reportable clusters consist of the Business Environment ("BE"), Information Technology ("IT"), Operational Technology ("OT") and Channel Partners ("CP").

The following summary describes the operations of each reportable cluster.

The Business Environment (BE) cluster partners with our customers to drive value - creating digital transformation starting with assessments of their Information and Communications Technology ("ICT") landscapes. Digital transformation of an entire enterprise requires the convergence of the OT and IT environments so that business applications can be developed on enterprise data that enable better and more informed and eventually autonomous business decision making. We become our customers digital transformation partner and assist them in building a self-funding digital transformation roadmap. We focus on maximizing the power of the cloud by lift and shifting IT and OT applications and optimizing and modernizing their environments and applications. We help them implement the Modern Workplace enabling employees to work from anywhere, on any device at any time. We automate business processes and make them intelligent driving efficiency and saving costs. We help them redefine their offerings to their customers by implementing Customer intelligence solutions. We help them with bespoke development of cloud native applications to fully utilize the power of the cloud. We help them design and implement their enterprise data strategy so that it is structured, secure, source system independent and scalable ensuring that business applications build on top of enterprise data are sustainable even when source systems change or are replaced with more modern systems. We also help our customers implement commercial Internet of things solutions that are commercially viable giving real-time visibility of every aspect of their operations.

The Information Technology (IT) cluster focuses on enabling the digital transformation of Enterprise resource planning, accounting, human resources, and payroll disciplines. This transformation empowers enterprises to execute with agility to ensure survival in the new digital economy by empowering people, transforming products, and keeping customers close. The 4Sight IT cluster consists of four key divisions, namely Dynamics Enterprise, Sage Enterprise, People and Payroll Solutions and Small Medium Corporate (all from our 4Sight AccTech subsidiary).

The Operational Technology (OT) cluster provides key 4IR technologies and services to help industrial customers with their full end-to-end digital transformation journey while following a cost-effective and low-risk self-funding methodology. The approach allows customers to remain competitive in the digital economy while ensuring any digital initiative has a 6-month or better return on investment ("ROI"). The 4Sight OT Cluster consists of three key divisions, namely Asset Optimisation (4Sight BluESP), Asset Automation (4Sight AGE) and Asset Simulation (4Sight SET).

4Sight Automation is a leading system integration company, specialising in automation, electrical and green energy engineering projects across Africa. Within the Group, 4Sight AGE is responsible for linking the customer's physical plant to the digital world.

Asset Optimisation solutions enable companies to optimally operate processing plants or streamline manufacturing processes to maximise revenues, eliminate inefficiencies and minimise costs.

Asset Simulation is a computer model that mimics a whole system's behaviour to represent the operations of a real-world or planned system. The model observes the history and draws inferences about system characteristics providing decision support by quantifying the possible benefits.

The Channel Partner (CP) cluster is 4Sight's 100% partner-focused ecosystem. The cluster supports and empowers an ever-expanding channel of value-added resellers across Africa, the Middle East, and Central Europe to distribute 4Sight's OT, IT and BE integrated solutions to market across the world. The CP cluster consists of the Indirect Cloud Solution Provider, AccTech Alliance and ISV channels provided by 4Sight Dynamics Africa and 4Sight AccTech.

Our indirect Cloud Solutions Provider ("CSP") capability through Microsoft appointed 4Sight Dynamics Africa allows for the distribution of Microsoft's range of cloud applications, including Microsoft Office 365, Microsoft Dynamics 365 and Microsoft Azure, to its dedicated partners across the globe.

Across Africa, we have successfully established an alliance strategy that drives expansion and reach for our channel business partners. The 4Sight AccTech Alliance allows for the franchising of 4Sight solutions, brand, methodologies and business and support services to independent IT companies in areas such as Eastern Cape, Free State, Limpopo, Mpumalanga, eSwatini (Swaziland), Lesotho, Namibia, Botswana, Copperbelt, Zambia, Kenya, Uganda and Malawi.

Our 4Sight Independent Software Vendor (ISV) channel empowers 4Sight and our business partners to develop and grow various products and solutions for distribution to the market. The ISV channel assists our business partners with design, implementation, optimisation and support of the complete integrated business solution to distribution.

Microsoft appointed 4Sight Dynamics Africa as an Indirect CSP for the Middle East, Central Europe and Africa regions. The CSP program allows for distributing Microsoft's range of cloud applications, including Office 365, Dynamics Africa 365 and Microsoft Azure to its dedicated partners worldwide.

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

Twelve-month period ended 31 December 2020

Figures in US Dollars	BE Cluster		IT Cluster		OT Cluster		Channel		Consolidation		Total	
Segmental service line	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Revenue												
External	5 127 684	4 489 630	9 098 608	11 199 006	9 471 686	9 188 940	7 105 123	6 947 506	871 129	2 119 325	31 674 230	33 944 407
Internal	474 158	-	12 682	-	27 900	-	1 696 628	23 530	(2 211 368)	(23 530)	-	-
Operating Profit/(Loss)	311 362	467 858	552 483	2 744 544	575 137	618 163	431 435	419 537	(181 865)	(3 705 390)	1 688 552	544 712
Depreciation and amortisation	(149 400)	(31 840)	(70 107)	(781)	(36 912)	(38 921)	(2 328)	(1 720)	(51 781)	(106 838)	(310 528)	(180 100)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	(3 571 234)	-	(3 571 234)
Reversal of vendor liability	-	-	-	-	-	-	-	-	201 385	64 423	201 385	64 423
Vendor Liability	-	-	-	-	-	-	-	-	(80 263)	(308 481)	(80 263)	(308 481)
Interest-Non-cash item	-	-	-	-	-	-	-	-	(80 263)	(308 481)	(80 263)	(308 481)
Taxation	(93 288)	(202 193)	(517 575)	(764 101)	(140 718)	(158 719)	(76 996)	(139 581)	955 172	525 469	126 595	(739 125)
Profit/(Loss)	184 235	288 504	1 329 235	1 980 443	578 705	458 676	197 988	358 913	(519 179)	(3 615 543)	1 770 984	(529 007)

The Executive Directors do not monitor assets and liabilities by cluster. Following a change in the Groups internal organisations, stemming from the disposal of the Digitata Group, in a manner that caused the composition of the reportable segments to change during the current year, the Group restated the segmental information for comparative periods in order to ensure comparability is achieved year to year.

Geographical clusters

The Group operates primarily in South Africa since the disposal of Digitata and will no longer reflect the geographical areas separately.

12. COMMITMENTS

The Group has no significant commitments as at year end.

13. SUBSEQUENT EVENTS

RE-DOMICILING OF 4SIGHT

Currently, a significant portion of 4Sight's investment portfolio constitutes South African companies. The business and activities of the Group as a whole have gravitated over time to South Africa after among other things, the divestment of Digitata Limited was completed. The re-domiciliation of 4Sight from Mauritius to South Africa is currently underway and from an administrative, compliance, management and regulatory perspective it would be more advantageous for 4Sight's corporate domicile to be aligned to that of its largest investments.

14. COMPANY SECRETARY

The Company appointed Navitas Management Services Limited, effective from 18 September 2020, as the company secretary to the Group.

15. RELATED PARTY DISCLOSURE

SHARES ISSUED IN RESPECT OF SUBSIDIARIES ACQUIRED

During the period under review shares were issued to settle the deferred vendor liabilities as disclosed below:

- 167 101 142 shares were issued to the sellers of AccTech Systems (Pty) Ltd ("AccTech") and Dynamics Africa Services (Pty) Ltd ("Dynamics") being Morné Gerhard Swanepoel ("Swanepoel") who is an Executive Director of AccTech, Tertius Emil Zitzke ("TE Zitzke"), whilst TE Zitzke is an Executive Director of Dynamics and AccTech, and Marie-Louise Zitzke.

OPERATING LEASE PAYMENTS

- Double Peak Properties 41 (Pty) Ltd (a company related to TE Zitzke and MG Swanepoel) USD 210 848 (2019: USD 232 057).
- SETEC Software (Pty) Ltd (a company related to J Botha) USD 44 189 (2019: USD 29 400).

There were no other related party transactions which are material that were included in the results for the year ended 31 December 2020.

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

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

16. 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 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.

17. 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.

The Boards of Directors of 4Sight and its subsidiaries have assessed the continuing impact of trading under COVID-19 conditions on the financial position and performance of the Group for the foreseeable future, and in light thereof have concluded that the Group should be in a position to continue as a going concern for the foreseeable future on the assumption that the existing restrictions/conditions continue to prevail and no further restrictions are implemented beyond those currently enforced.

18. LITIGATION

As at 31 December 2020 there were no litigation matters pending against the Company or its subsidiaries.

19. CONTINGENT LIABILITIES

At the financial year end the Group had the following contingent liabilities:

- The Group received a notification for a potential claim to the value of USD253 333 in relation to pre-acquisition profits from the previous majority shareholder of SET. Management believes that the defence against the action will be successful.

20. BOARD OF DIRECTORS

No changes were made to the Board of Directors during the period.

21. DIVIDEND

4Sight's formal dividend pay-out policy is at least 6.6 times cover, being at least 15% of headline earnings of the consolidated Group of companies. A dividend will not be paid 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 2020, due to the decision of the Board to build up the working capital available to the Group.

22. APPRECIATION

For everybody and every organisation, 2020 was a challenging year. However, the challenges created by COVID-19 offered the Group a chance to show its mettle. In fact, we were able to continue growing during this period. For this, we have the efforts of our talented workforce to thank, along with the invaluable support and loyalty of our partners and customers. We are particularly proud of the rapidity with which 4Sight was able to adapt to a totally changed business environment. This went beyond just enabling remote working—our industrial teams were able to ensure that projects as far afield as Zimbabwe were able to be commissioned using a combination of Teams and video to direct on-site workers. It is successes like these that demonstrate that we do indeed have the right strategy with the right people to implement it.

We would like to thank our partners for the continued faith that you have shown in us during 2020. Your success is our success and we hope to continue delivering solutions that make a positive business impact in your respective markets. To our Board of Directors, thank you for all the support and guidance you have brought to our Group in 2020. It was a challenging first year for the board, but they delivered. To the executive committee, thank you for the many hours of committed work to achieve our goals, implement our new strategy and lay the foundation for success. Lastly, and most importantly, to all our people across the whole 4Sight Group, thank you for all the hard work in 2020. Everyone continues to show the passion that allows us to achieve our success, growth and development across our business.

For and on behalf of the Board

Chairman
Kamil Tayub Patel
Date: 29 March 2021

Chief Executive Officer
Tertius Emil Zitzke

Executive Directors Mr Tertius Emil Zitzke (Chief Executive Officer) Mr Eric van der Merwe (Financial Director)	Independent Non-Executive Directors Mr Christopher Stephen Joseph Crowe Mrs Mariechen Margeretha Mortimer Mr Andrew George Murgatroyd Mr Jacob Stefanus Johannes Nel Mr Kamil Tayub Patel Mr Hemmanth Singh Dr Sidharth Sharma
Company Secretary and Registered Office Navitas Management Services Limited C/o Navitas Management Services Limited, Navitas House, Robinson Lane, Floreal, Mauritius	Designated Advisor Java Capital Trustees and Sponsors Proprietary Limited
Transfer Secretaries JSE Investor Services South Africa Proprietary Limited	WEBSITE http://www.4sightholdings.com