



**PRESIGHT AI HOLDING PLC
("PRESIGHT")**

**MANAGEMENT
DISCUSSION
AND ANALYSIS**

Financial Year 2023

Period ending December 31, 2023

Executive Summary and Overview

Presight (“the Company”) is committed to AI-powered, complex problem-solving and big data technologies that catalyzes information and generates insights that were previously unidentifiable, to enable lifelong human advancement. Its products and solutions bring transformative benefits to a diverse range of industries and customers, both in the UAE and internationally.

Presight’s business growth has its foundations in four key sectors that offer strong potential for continued innovation and growth:

1. **Public Sector:** Enhance public services and optimize government efficiencies through AI powered big data analytics.
2. **Finance:** Identify financial anomalies, fraud, and risks using big data analytics and AI.
3. **Utilities:** Enable efficient utilities and minimize leakages by using big data analytics.
4. **Sports:** AI and big data analytics to augment sports performance and fan experience.

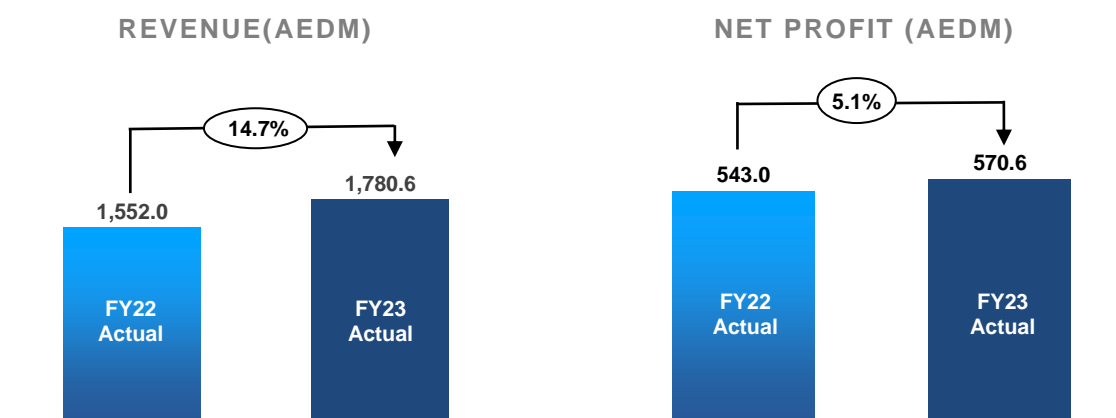
Presight’s products and their applications also expand into new verticals, to help organizations answer climate and environmental challenges, and to improve student learning experience and educational programs.

The Transformative Analytics Quotient (“**TAQ**”), Presight’s omni-analytics and big data platform, continues to serve as the foundational AI Platform across various customer engagements and projects. It excels at all-source data interpretation & analytics, AI, and is adaptive to any technology stack to forecast likely outcomes and ultimately enable insight-driven decision making.

Presight envisions that Generative AI (GAI), within the framework of enterprise AI, offers tremendous opportunity for growth and innovation, as usage of GAI for content creation and the advent of regional LLMs are expected to increase AI applications exponentially.

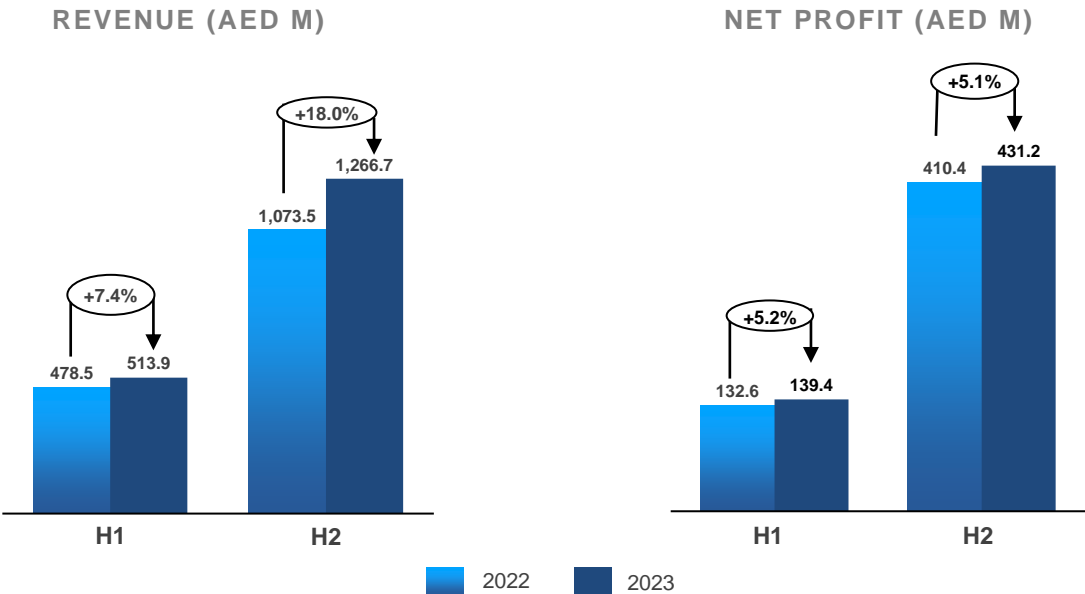
Presight Delivers Sequential and Profitable Growth During First Year Post Listing

FY2023 FINANCIAL PERFORMANCE



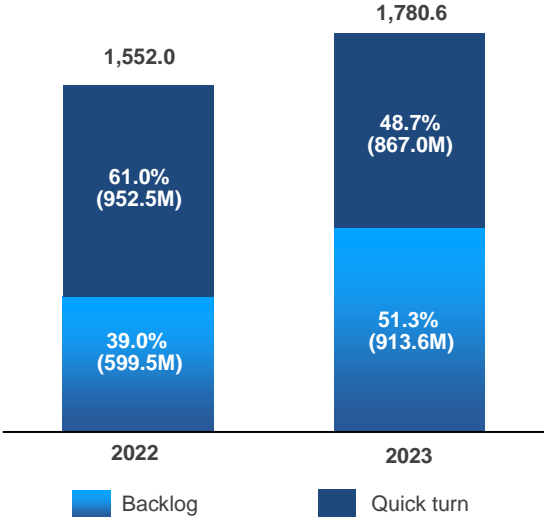
- For FY 2023, the Company recorded revenue growth of 14.7% (+AED228.6M) over FY 2022, with revenue of AED1,780.6M compared to AED1,552.0M in FY 2022.
- Net profit growth was 5.1% (+AED27.6M) over the same period, with FY 2023 Net Profit of AED570.6M compared to AED543.0M for FY 2022. FY 2023 net profit margin was 32.0%.
- Q4 FY 2023 revenue (AED713.5M) increased by 23.3% over Q4 FY 2022 as major domestic project deployments were in full swing.
- Q4 FY 2023 Net Profit (AED300.6M) increased by 0.4% over Q4 FY 2022. Q4 FY 2023 Net Profit margin was 42.1%.

FY2023 HALF-YEARLY REVENUE AND NET PROFIT GROWTH



- In the normal course of operations, the Company’s revenue and net profit growth is typically weighted towards the second half of the financial year.
- For FY 2023, year-on-year revenue growth for the second half of FY 2023 was 18.0%, underpinned by strong growth from major domestic projects.
- The Company’s net profit growth for the second half of FY 2023 was 5.1% reflecting an acceleration in deployment activity towards the end of the year.

FY2023 QUALITY OF REVENUE



- 51.3% of FY 2023 revenues or AED913.6M were from contracts won in FY 2022 (“backlog contracts”) with 48.7% of FY 2023 revenues from contracts concluded in FY 2023 (“quick-turn contracts”).
- 39.0% of FY 2022 revenues or AED599.5M were from backlog contracts while 61.0% came from quick-turn contracts that were concluded in FY 2022.

STRONG BALANCE SHEET AND LIQUIDITY

Cash Ratio	Current Ratio	Liabilities to Assets	Debt to Equity
2.12x FY22: 0x	4.09x FY22: 2.24x	25.1% FY22: 45.3%	0% FY22: 0%

- The Company has a robust, debt free balance sheet and cash flow generation remained strong, with AED336.6M of cash from operations generated for the period FY 2023.
- Including capital raised on listing in March, cash on balance sheet was AED2,092.6M at the period end (AED0.2M in FY 2022), providing the Company with significant financial flexibility to fund its operations and fuel future growth.
- The Company's priorities for future capital deployment include targeted geographical expansion, product development to future proof growth and value-accretive acquisitions.

KEY BUSINESS HIGHLIGHTS OF FY 2023

- Presight successfully listed on the Abu Dhabi Stock Exchange (ADX: PRESIGHT) on March 27, 2023, with an offering, excluding its corner stone investor, that was oversubscribed 136 times.
- Presight was awarded a multi-year, mission critical contract by the National Emergency Crisis and Disaster Management Authority (NCEMA) to enhance the UAE's management of any crisis and emergency situations using big data analytics powered by AI.
- Additionally, Presight signed key contracts with Emirates Talent Competitive Council (ETCC), Statistics Council of Abu Dhabi (SCAD) to name a few.
- Internationally, Presight secured the contract and associated funding from Abu Dhabi Export Office (a part of Abu Dhabi Fund for Development), worth AED330M, for the deployment of a National Analytical Platform, Data Centre, and National Cloud for the Angolan Ministry of Information Technology.
- In Q3 2023, the Maldivian government inaugurated their Centre of Excellence (CoE) for Public Safety, a groundbreaking initiative powered by Presight.
- In addition to establishing operations in Kazakhstan and Azerbaijan during FY 2023, the Company entered a strategic joint venture partnership with Samyruk Kazyna, a USD 70 Billion Sovereign Wealth Fund of Kazakhstan, to accelerate digital transformation in Kazakhstan through the deployment of Presight's solutions and technologies.
- Kazakhstan's initiatives now include the collaboration agreements to develop:
 - smart environment digitalization and city management for Kazakhstan Capital City, Astana.
 - digital transformation projects for Qazakgas and KTZ Express.
 - digital transformation for Samyruk Kazyna portfolio companies.
- Overall international MOUs for Digital Transformation Programs were signed with Senegal, Zambia, and Mauritania.



Thomas Pramotedham
CHIEF EXECUTIVE OFFICER

2023 was a foundational and transformative year for Presight, not only through its milestone listing on the ADX in March, but also manifested by strong and sequential organic revenue growth, industry-leading profitability, and AED1.56 billion of multi-year revenue contracts added on our order books in FY23, which underpins strong future revenue and cash flow growth.

Presight's use of AI and big data technologies to provide mission critical support helped to entrench its partnership with existing customers in the UAE, for example the National Emergency Crisis and Disaster Management Authority (NCEMA), as well as demonstrate its cutting-edge technologies at work to prospective customers.

Internationally, Presight expanded its geographical reach and presence through strategic partnerships and joint ventures with its partners in Central Asia, Southeast Asia, and the United States. These partnerships are expected to be instrumental in driving international growth in FY 2024 and beyond.

The advent of Generative AI (GAI), especially in the realm of enterprise GAI, presents a strong future growth opportunity for Presight, and is a key focus of our innovation and developmental efforts. Having completed early beta releases, we now look forward to launching the suite of GAI solutions in 2024.

Our FY 2023 financial performance has created a solid foundation for future expansion, and I remain confident that Presight will continue to create value for all our stakeholders in both the near and medium term.