

PRESIGHT AI HOLDING PLC

Management Discussion & Analysis Report

FY 2024 Results

10 February 2025

Record Q4 Performance Drives Full Year Results Ahead of Market Expectations

- Strong FY24 growth in Revenue, EBITDA and Post-tax Profit, ahead of analyst consensus expectations¹
- FY24 strong profitability despite significant investment in growth and maiden corporation tax²
- Record growth in revenue and gross profit in Q424 and six-fold increase in international revenue YoY
- FY24 net operating cash flow at ~180% of EBITDA with debt-free balance sheet and AED 1.9 billion of cash
- AED 3.6bn order book growth; FY24 backlog of AED 2.99bn (proforma AED 4.8bn) increasing revenue visibility
- Groundbreaking product launches including Enterprise AI suite and unrivalled Agentic AI Energy Platform
- Medium-term guidance increased: Revenue CAGR 19%-25%, EBITDA CAGR 16%-21%, PAT CAGR 6%-11%³

Review of 2024

Presight AI Holding Plc (PRESIGHT:UH) ("Presight") today announces its results for the 12 months ending 31-December 2024 (FY24), with a record Q424 performance capping a transformational year, operationally and financially, across the Group.

2024 Financial Highlights

- Strong growth across all key metrics; Revenue, EBITDA and Post-tax Profit ahead of analyst consensus¹.
- Full-year profitability above global sector median despite significant investment and maiden corporation tax².
- Revenue growth rate ~1.5x 2023 level; Gross Profit growth rate ~2x Revenue; EBITDA growth ahead of revenue.
- Record Q424 Revenue & Gross Profit growth; six-fold increase in international revenue (23% of FY24 revenue).
- Net operating cash flow ~180% of EBITDA; Free cash flow per share of AED 0.20.
- Debt-free Balance Sheet; Year-on-year cash balance sustained notwithstanding AED 1.3bn deployed into M&A.
- Strong stewardship of AIQ with 7-month growth in revenue and net income +74% and +40% respectively on full 12 months 2023.
- Growing proportion of multi-year contracts and backlog of AED 2.99bn increasing revenue visibility.
- Proforma backlog, including Intelligrid-Azerigas (SOCAR) deal expected to be ~AED 4.76bn.

2024 Operational Highlights

- Renewed existing and negotiated new domestic and international contracts with a value of AED 3.6 billion.
- Forged strong technology partnerships, including global technology leaders such as Dell and Intel, to further enhance our technology portfolio and accelerate Applied AI projects across the region.
- Acquired 51% of AIQ and formed a pioneering JV (Intelligrid) with Esyasoft to play a pivotal role in the global energy transition through smart AI-driven solutions.
- Launched cutting-edge AI and Applied AI products and solutions, including a sector and scale agnostic Enterprise AI suite, a first-of-its-kind Agentic AI platform for the Energy sector, and a scalable, adaptable Smart City platform.
- Committed significant investment to growing our internal capabilities, and in the broader AI ecosystem through the UAE's first sovereign enterprise data marketplace platform and AI-Startup Accelerator Program.
- Strengthened membership of our Board of Directors, bringing unrivalled leadership, guidance and expertise across the AI, Technology, and Energy sectors.
- Received the "UAE AI Data Analytics Innovator of the Year" Award by Dell Technologies.
- Maintained the highest standards of corporate governance, manifested in the award of nine ISO certifications.

Notes

² Based on median 2024e net income margin (24.5%) for 20 publicly listed Global Software Services Providers (Source: Factset, Jefferies)

³ Applying a 15% corporation tax rate, with Profit After Tax CAGR previously 10%-15% applying a 9% corporation tax rate

Financial Highlights

The consolidated financials for the year ending 31 December 2024 include seven months contribution from AIQ, post the acquisition of a 51% stake in June 2024.

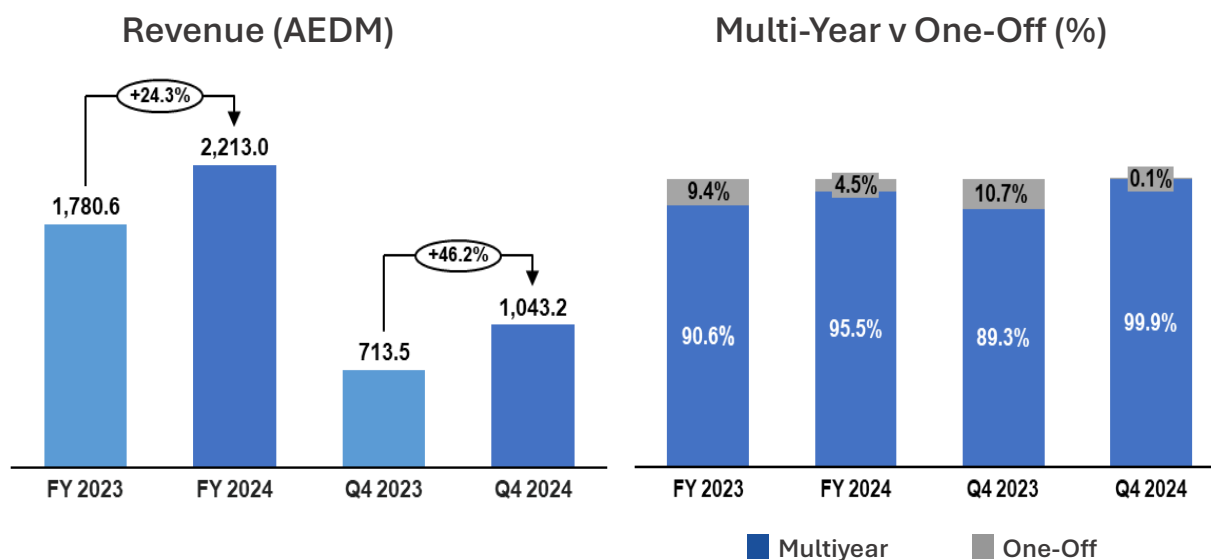
Full-Year 2024 Results Versus Analyst Consensus Expectations

Key Metrics	FY 2024 Actual		FY 2024 Consensus*	
	(AED m)	Growth YoY	(AED m)	Growth YoY
Group Revenue	2,213.0	+24.3%	2,193.8 ¹	+23.2%
Group EBITDA	635.4	+25.2%	574.0 ¹	+13.2%
Group Profit after Tax	612.8	+7.4%	591.9 ¹	+3.7%

* The company-compiled consensus estimate is a simple arithmetical average of forecasts as at 31 December 2024 that have been published within the past six months by registered investment analysts and provided to Presight

Group Revenue

- FY24 Group revenue increased +24.3% year-on-year to AED 2,213.0 million, ahead of analyst consensus¹.
 - AIQ contributed 20.8% to FY24 Group revenue.
- Q424 Group revenue increased +46.2% year-on-year to AED 1,043.2 million, the strongest rate of quarterly growth to date and twice that of the prior year comparable period, with good execution on existing contracts driving positive organic growth off a robust base, and a very strong performance from AIQ.
 - AIQ contributed 28.1% to Q424 Group revenue, more than twice the level of its revenue generation in Q324.



- 95.5% of FY24 revenue (AED 2,112.7 million) came from multi-year contracts (90.6% or AED 1,612.7 million in the prior year). Multi-year contracts provide a strong foundation for future revenue and cash flow growth.
 - The respective figures for Q424 were 99.9% (AED 1,041.9 million) compared to 89.3% (AED 636.8 million) in the prior year comparable period.
- 57.0% of FY24 revenue (AED 1,261.9 million) came from “backlog contracts” (contracts won in prior years) compared to 51.3% (AED 914.0 million) in the prior year comparable period.
 - The respective figures for Q424 were 27.4% (AED 285.9 million) compared to 37.6% (AED 268.5 million) in the prior year comparable period.
- 23.0% of FY24 revenue (AED 508.2 million) came from international markets (8.1% or AED 144.8 million in the prior year).
 - The respective figures for Q424 were 37.1% (AED 386.7 million) compared to 8.2% (AED 58.3 million) in the prior year comparable period.

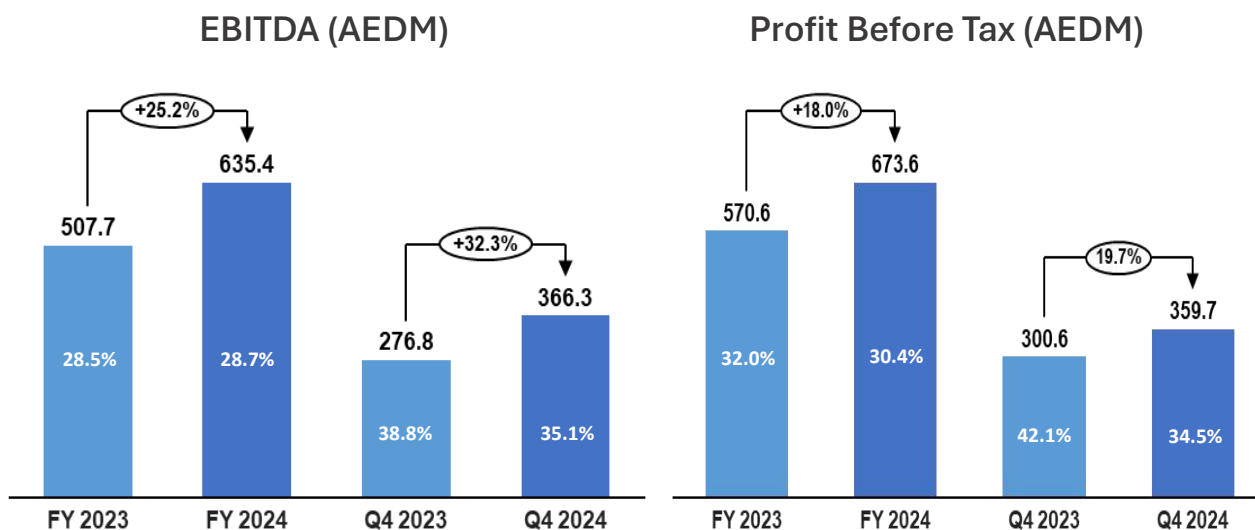
- During the year, our order book increased by AED 3.59 billion (of which AED 2.46 billion in Q424, excluding the USD 480 million preliminary agreement in November 2024 between Intelligrid and SOCAR) including strong renewals of ongoing contracts.
- Our backlog at the end of December 2024 was AED 2.99 billion (compared to AED 1.58 billion at September 2024), with proforma backlog (including Intelligrid's preliminary agreement with SOCAR) of AED 4.76 billion.

Group EBITDA

- FY24 Group EBITDA increased +25.2% to AED 635.4 million, ahead of analyst consensus¹. EBITDA growth ahead of revenue, despite significant investment in growth to meet planned future demand (FY24 organic operating cost +98% year-on-year), reflected favourable deployment mix as well as a strong Q4 performance from AIQ.
 - AIQ contributed 36.4% to FY24 Group EBITDA.
- Q424 Group EBITDA increased +32.3% to AED 366.3 million (versus -8.4% growth year-on-year in Q423) with favourable mix and an approximate doubling in AIQ gross margin quarter-on-quarter.
 - AIQ contributed 47.0% to Q424 Group EBITDA, with an approximate five-fold increase in EBITDA quarter-on-quarter.

Margin

- FY24 Group EBITDA margin of 28.7% was maintained in line with the prior year, notwithstanding a strong increase in international revenue and significant investment in growth.
- Q424 Group EBITDA margin (35.1%) was below Q423 levels, driven by a step change in organic operating costs in H224, but well ahead of margins in each of the preceding three quarters of 2024, with favourable deployment mix as well as operating efficiencies at AIQ resulting in its Q424 EBITDA margin doubling quarter-on-quarter.



Group Profit Before and After Tax

- FY24 Group profit before tax increased +18.0% year-on-year to AED 673.6 million.
 - AIQ contributed 29.6% to FY24 Group profit before tax.
- Q424 Group profit before tax was +19.7% year-on-year to AED 359.7 million, or +24.9% normalizing for the change in interest rate environment year-on-year.
 - AIQ contributed 42.1% to Q424 Group profit before tax.

Margin

- FY24 Group pre-tax margin was 30.4%, -160bps year-on-year reflecting lower profitability during the third quarter (Q324 pre-tax margin of 21.2%, -240bps year-on-year).
- Q424 Group pre-tax margin was 34.5%, despite an AED 111 million adverse swing in organic operating costs year-on-year, with AIQ's pre-tax profitability more than doubling quarter-on-quarter.
- FY24 Group profit after tax increased +7.4% year-on-year to AED 612.8 million, ahead of consensus estimates¹. Adjusting for corporation tax not in the prior year, FY24 growth would have been 18.0%.

- AIQ contributed 29.6% to FY24 Group profit after tax.
- Q424 Group profit after tax was +8.9% year-on-year to AED 327.2 million, or +19.7% year-on-year normalising for corporation tax not in the prior comparable period.
 - AIQ contributed 42.1% to Q424 Group profit after tax.

Margin

- FY24 Group post-tax margin was 27.7%, -430bps year-on-year with the inclusion of UAE corporation tax accounting for -270bps of the decline.
- Q424 Group post-tax margin was 31.4%, or 34.5% adjusting for corporation tax not in the comparable period of the prior year.

Balance Sheet: Our balance sheet remained robust and debt-free, with cash and equivalents of AED 1.94 billion at the end of December (post payment of AED 1.28 billion cash consideration for AIQ during the year), providing significant headroom to fund future (in)organic growth.

Cash Flow: Operating cash flow generated in Q424 was AED 748.0 million, bringing the FY24 operating cash flow to a positive AED 1.16 billion (~1.8x 2024 EBITDA), underpinned by strong collection on various customer contracts.

Outlook and Guidance: The strong 2024 performance, combined with the growth in backlog and higher proportion of multi-year contracts, provide increased confidence in the medium-term outlook. Accordingly, we are raising our medium-term guidance and now anticipate compound annual growth over the next three years to be as follows:

- Group Revenue growth of 19% to 25% (previously 17% to 23%).
- Group EBITDA growth of 16% to 21% (previously 15% to 20%).
- Group Post-tax Profit growth of 6% to 11%, applying a 15% corporation tax rate (previously 10% to 15% applying a 9% corporation tax rate).

Operational Highlights

Presight made strong progress across its strategic objectives during the fourth quarter (i) renewing existing and winning new contracts and agreements valued at AED 2.46 billion (ii) establishing itself as a key AI and digital transformation partner across critical sectors within the UAE, and supporting sovereigns and large enterprises internationally in sustainably realizing their transformative AI-enabled initiatives (iii) forging strong technology partnerships to further enhance its technology portfolio (iv) launching new GenAI-centric solutions and (v) investing in the broader AI ecosystem through the UAE's first sovereign enterprise data marketplace platform and AI-Startup Accelerator Program.

New Domestic and International Contracts

- **UAE:** Two new multi-year contracts with domestic sovereign entities, in line with Abu Dhabi's digital strategy to establish a fully AI-driven government by 2027.
- **UAE:** Following a successful proof-of-concept confirming the scalability of ENERGYai, the world's first-of-its-kind Agentic AI energy solution, AIQ signed a further 3-year agreement with ADNOC to deploy ENERGYai across its entire upstream value chain. This agreement sets a new global standard in efficiency, sustainability, and innovation for the energy sector. It is projected to generate over \$1 billion in value, increasing seismic interpretation efficiencies by 80% while reducing carbon intensity by 10%, directly supporting ADNOC's mission to become the world's most AI-enabled energy company.
- **International:** In line with the UAE's commitment to promoting sustainable solutions globally, IntelliGrid (our joint venture with Esyasoft) signed a \$480 million preliminary agreement with Azerbaijan's national oil and gas company (SOCAR) to leverage AI-driven technologies to increase the resilience, efficiency, and sustainability of Azerbaijan's energy infrastructure. The agreement is expected to be concluded in Q1 2025.

Deepening relationships with key UAE State-owned Enterprises

- A Memorandum of Understanding with Etihad Rail to accelerate its digital transformation, including smart transportation and logistics solutions using Generative AI.

- A Partnering Agreement with Maqta Gateway, part of AD Ports Group's Digital Cluster, to collaborate exclusively on the development and commercialisation of AI-powered digitalised solutions in the ports and maritime markets.
- An agreement with Masdar, a key enabler of the UAE's vision as a global leader in sustainability and climate action, to develop a bespoke AI-based asset management tool to support its ambition to digitize its operations worldwide.
- A Memorandum of Understanding with Nawah Energy Company, the operations and maintenance subsidiary of the Emirates Nuclear Energy Corporation, to explore the use of GenAI and big data analytics to enhance operational safety and organizational efficiency.
- A Memorandum of Understanding with the Integrated Transport Centre regarding the implementation of Smart City solutions to enhance the quality of urban living and infrastructure management.

AIQ signed a further eight agreements during the final quarter of 2024, including:

- A Memorandum of Understanding with Ecopetrol to support the Colombian national oil company's efficiency drive and clean energy development.
- A Memorandum of Understanding with ADNOC Refining to deliver AI-enabled corrosion and safety monitoring systems across ADNOC Refining's operations. AIQ is also accelerating deployment of its industry-first AR360 AI Solution on more than 30 ADNOC reservoirs to improve reservoir management and optimize field development planning to unlock more energy with lower emissions.
- A Memorandum of Understanding with Inception, a leading provider of cutting-edge capabilities in Agentic AI, Generative AI, and Machine Learning, to leverage advanced technologies that enable faster decision-making and improve real-time data processing capabilities.
- A Memorandum of Understanding with Kent, leveraging the latter's digital engineering and project management expertise to investigate AI-driven innovations in autonomous operations, digital twins for asset management, and health, safety, and environmental applications.
- A Memorandum of Understanding with Matroid to build the world's largest CVAI Cluster, including advanced computer vision technologies to transform safety, sustainability, and efficiency across the energy sector.
- A Memorandum of Understanding with WWT to advance the development, scalability, and application of AI solutions and to expand the infrastructure and resources dedicated to AI innovation in the energy sector.
- A Memorandum of Understanding with Baker Hughes and Corva to enhance the AI Rate of Penetration drilling performance within ADNOC, deploying AI-enabled solutions at targeted onshore and offshore fields.
- A Memorandum of Understanding with SLB to integrate its Advanced Reservoir 360 Solution with SLB Subsurface Software, creating a suite of powerful and specialized tools for advanced subsurface characterization, modelling, and simulation by the energy industry.

Extending International Relationships

- A Memorandum of Understanding with Viettel AI, a leading artificial intelligence research centre in Vietnam, to advance the development of Applied AI and digital transformation initiatives relating to transportation, safety, and environmental impact.
- A Memorandum of Understanding with the Ministry of Science, Technology, and Innovation of the Republic of Colombia to collaborate on research, technological development, and innovation in artificial intelligence, data analytics, smart cities, energy, and climate.
- A new commercial framework with US video intelligence leader, ISS, through which ISS will deploy Presight's AI-driven data analytics solutions across its portfolio of North and South American end-users, including Smart City and Intelligent Transportation Solutions.
- During Q424, Presight commenced the initial phase of deployment of a sovereign cloud and national analytics platform in Angola and a public sector digital healthcare assessment and roadmap in the Republic of Jordan.

Forging key Technology Partnerships

- A Memorandum of Understanding with Swiss AI AG, a Swiss-based company specializing in the seamless integration of human intelligence and advanced AI for future-ready decision-making, to use advanced big data analytics and AI capabilities to transform cities into smarter, more efficient, and sustainable environments.
- A Memorandum of Understanding with IDEMIA Smart Identity, a global secure identity solutions provider, to collaborate in the field of secure identity solutions, artificial intelligence, and data analytics across MENA.
- A Memorandum of Understanding with Reach Digital, a subsidiary of Reach Group, to deliver advanced digital solutions by combining cutting-edge AI, IoT, data analytics, cognitive technologies, and Smart City innovations.

New GenAI-Centric Solutions

Presight Intelli Platform. Launched in October 2024, Presight’s domain-agnostic, scalable and adaptable Intelli Platform enables city governments and business entities to leverage the power of AI and GenAI to deliver an unparalleled level of real time intelligence over their operational environment, including smart cities, airports, ports, manufacturing, energy utilities, citizen services, public safety, and mobility.

- Engineered in the UAE and validated by global technology brands such as Intel and Dell, the platform is built on reliable, open API standards, ensuring that it can work with all types of data. It can be deployed seamlessly from small towns to expansive megacities without the need for future disruptive updates, and its no-coding environment allows users to quickly deploy customized solutions through ‘drag-and-drop’ functionality.
- The Presight Intelli Platform can be deployed on cloud or on-premise with seamless integration into Microsoft Azure or on local data centers, ensuring that organizations can operate with the same level of performance and security irrespective where their data is hosted.

ENERGYai. Launched in November 2024, ENERGYai is the world’s first-of-its-kind Agentic AI energy solution, designed to revolutionise the global energy landscape by optimising supply chains, balancing demand, and enhancing sustainability.

- Initially applied to ADNOC’s upstream operations, such as reservoir management, field development, and exploration and appraisal, ENERGYai offers round the clock unparalleled predictive capabilities, Agentic AI, continuous learning across all data streams, and real-time optimization of greenhouse gas emissions.
- Operating on top of underlying HPC and Data infrastructure, ENERGYai is well-placed to be the foundation EnergyGPT for ADNOC with scalability across its entire energy value chain.

Investment in the broader AI ecosystem

During Q424, Presight launched DataHub, its sovereign enterprise data marketplace platform, and its AI-Startup Accelerator program focused on companies from the MENA region, South-East Asia, and Central Asia.

Presight DataHub, the UAE’s first sovereign enterprise data marketplace platform, enables organizations, of any size, to create data products, exchange and manage data securely and efficiently, and extract actionable insights from data, thereby transitioning from value creation to value realization. Presight DataHub is a cloud-native platform that will be deployed in the UAE on Microsoft Azure, ensuring data sovereignty and security, while maintaining extensive customization capabilities to suit various organizational needs.

Presight AI-Startup Accelerator is a UAE program dedicated to artificial intelligence start-ups. Focusing on companies from the MENA region, South-East Asia, and Central Asia, the 3-month program is designed to support companies that have developed a prototype, and are market ready, with much needed expertise and mentorship, world class infrastructure support, as well as customer and partner networking opportunities across the wider G42 ecosystem.

Thomas Pramotedham, Chief Executive Officer, commented:

“The past twelve months have been transformational for Presight. From establishing ourselves as a critical AI and digital transformation partner across key State-owned Enterprises in the UAE, to supporting sovereigns and large enterprises across four continents in sustainably realizing their AI-enabled ambitions.

“Our operational execution has been outstanding, with every metric from orders, revenue, profit and cash exceeding market expectations. Ending the year with an AED 3.0 billion backlog stands us in good stead to drive future growth.

“We made significant additions to our growing portfolio of best-in-class Applied AI products and solutions, including our Enterprise AI suite to support large-scale deployment of Generative AI technology, and the world’s

first Agentic AI Energy Platform which, together with the formation of our Intelligrid joint venture, will enable Presight to play a pivotal role in the global energy transition.

“We acquired a majority stake in leading AI energy provider, AIQ, reinforcing our commitment to create safer and more sustainable societies through AI problem solving, with the performance of that business under our stewardship delivering significant value accretion for all stakeholders.

“I remain grateful for the wise counsel and visionary leadership of our Board of Directors, as well as the continued passion and dedication of all our colleagues across the Group. The results today speak for themselves, but this is just the beginning. There is so much more we can and will achieve, creating a perpetual impact globally through the responsible and ethical use of AI.”

- End of announcement -

The Consolidated Financial Statements for the twelve months ended 31 December 2024 will be available through the following link on Presight’s website: <https://www.presight.ai/ir/>. Our next scheduled update will be our Q1 2025 results in May 2025.

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Presight Overview

Presight is committed to AI-powered, complex problem-solving and big data technologies that catalyzes information and generate previously unidentifiable insights, to enable lifelong human advancement Presight's 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 across various verticals that offer strong potential for continued innovation and growth:

- **Public Services:** We revolutionize public services and government operations with GenAI-powered big data analytics.
- **Energy & Climate:** We develop advanced AI solutions in Energy and Climate that drive efficiency and reduce the environmental impact of business operations.
- **Finance:** Our solutions help detect financial irregularities, fraud, and risks precisely through GenAI-driven big data analytics.
- **Smart Cities:** Our comprehensive solutions revolutionize how cities are managed.
- **Education:** We redefine educational success and outcomes through transformative big data analytics powered by GenAI.

Presight underscores its position as a leader in the Applied AI space through its Enterprise AI Suite, featuring three products:

- Presight Vitruvian
- Presight Report Optimizer
- Presight Connect

These products are sector and scale-agnostic, integrating human expertise, data, and AI to drive business efficiency and growth through data-driven decision-making. They leverage machine learning, natural language processing, predictive analytics, large language models, and Generative AI (GenAI) to drive business value.

The Enterprise AI Suite integrates with an organization's technology stack, enabling deep learning, and can be deployed on-premise, on the cloud, and even air-gapped for the highest security, allowing organizations to implement their AI strategies and goals immediately.

Presight envisions that GenAI, within the framework of enterprise AI, will drive exponential advancements across sectors, revolutionizing business operations, enhancing decision-making, and delivering unprecedented value.

This document includes forward-looking statements. The forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Presight's control and all of which are based on Presight's current beliefs and expectations about future events. Forward-looking statements are sometimes identified as "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates", "is seeking", "growth", "targets", "forecasts" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They may appear in multiple places throughout this document and include statements regarding the intentions, beliefs, or current expectations of Presight concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy of Presight and the industry in which it operates. In particular, the statements in relation to risk factors and business background regarding Presight's strategy, targets and other future events or prospects are or may be forward-looking statements. Forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially because of risks and uncertainties facing Presight. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this document speak only as of the date of this document. Any obligation or undertaking to update any forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based is expressly disclaimed unless required by applicable law, rules, and regulations. Accordingly, undue reliance should not be placed on any of the forward-looking statements in this document. Statements contained herein as to the contents of any agreements or other documents are summaries and, therefore, are necessarily selective and incomplete.