

PRESIGHT AI HOLDING PLC

Management Discussion & Analysis Report

H1 2024 Results

5 August 2024

Strong and Profitable Growth Underpinned by Multi-Year Contracts, Favorable Deployment Mix and AIQ Contribution

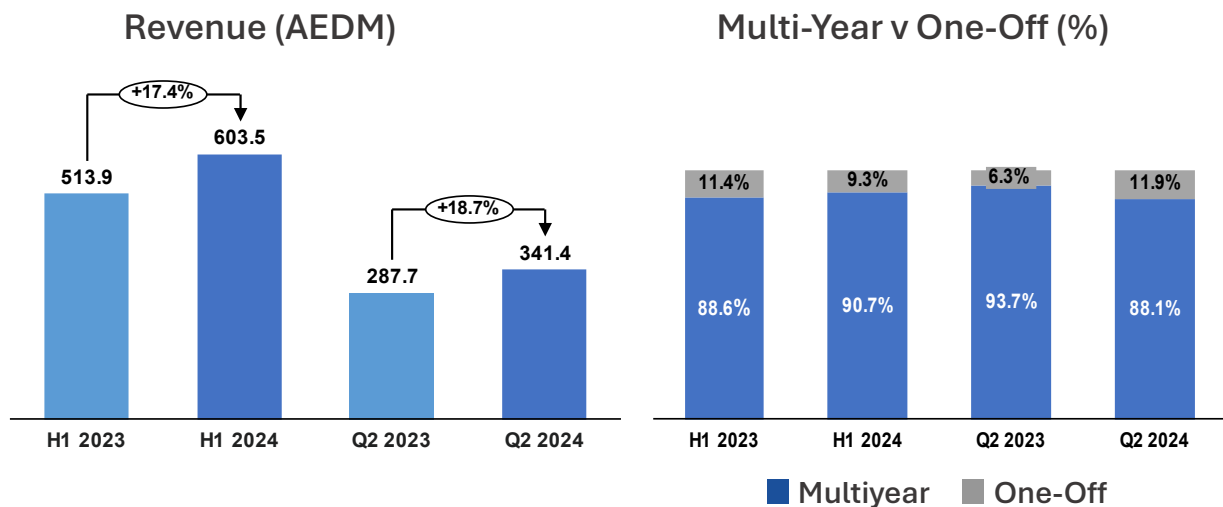
- H124 revenue growth of 17.4% YoY, more than twice the level of growth achieved in H123 YoY
- H124 EBITDA growth of 25.8% YoY, with margin +1.7% YoY to 25.5% and +4.5% YoY to 21.0% in Q224
- H124 profit before tax +39.1% YoY, with margin +5.0% YoY to 32.1% and +2.6% YoY in Q224
- Major proportion of multi-year contracts provides a solid platform for future revenue growth
- AIQ to play a pivotal role in global energy transition and deliver significant value for all stakeholders

Presight AI Holding Plc (PRESIGHT:UH) (“Presight”) today announces its first half results for the six months ending 30 June 2024, with a significant step up in revenue and profit growth year-on-year underpinned by a major proportion of multi-year contracts, favorable deployment mix, and one-month contribution from AIQ.

Financial Highlights

Group Revenue

- H124 revenue increased by 17.4% year-on-year to AED 603.5 million, more than twice the level of growth achieved in the comparable period of the prior year.
 - Q224 revenue increased by 18.7% year-on-year to AED 341.4 million.
 - Excluding AIQ, double-digit revenue growth was achieved in H124, ahead of the 7.4% growth in the comparable period of the prior year.

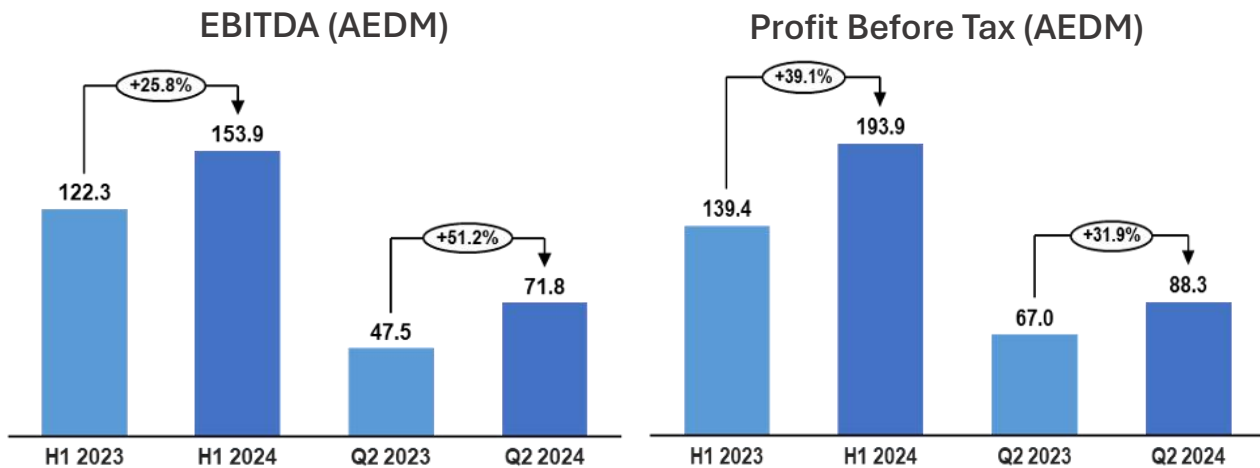


- 90.7% of H124 revenue (AED 547.2 million) came from multi-year contracts (88.6% or AED 455.3 million in the prior comparable half). Multi-year contracts provide a strong foundation for future revenue and cash flow growth.
 - The respective figures for Q224 were 88.1% (AED 300.9 million) compared to 93.7% (AED 269.7 million) in the prior comparable quarter.
- 91.9% of H124 revenue (AED 554.7 million) came from “backlog contracts” (contracts won in prior years) compared to 82.4% (AED 423.5 million) in the prior comparable half.
 - The respective figures for Q224 were 86.8% (AED 296.5 million) compared to 83.1% (AED 239.1 million) in the prior comparable quarter.
- 6.7% of H124 revenue (AED 40.6 million) came from international markets (14.3% or AED 73.6 million in the prior comparable half).
 - The respective figures for Q224 were 4.9% (AED 16.7 million) compared to 19.5% (AED 56.2 million) in the prior comparable quarter.

- During the first half, our order book increased by AED 131.8 million, with Q224 ending backlog of AED 1.14 billion.
- In July 2024, shortly following the June period end, Presight entered into a new AED 312 million multi-year contract with the Jordanian Ministry of Digital Economy and Entrepreneurship, to digitally transform and develop information technology infrastructure for the healthcare sector in Jordan across multiple verticals, including virtual hospitals and billing systems.

Group EBITDA

- H124 EBITDA increased by +25.8% to AED 153.9 million, with 51.2% growth year-on-year in Q224.
 - Excluding AIQ, high single digit EBITDA growth was achieved in H124 year-on-year, with growth rates across both quarters exceeding the prior period comparable.
- H124 EBITDA margin increased +1.7% year-on-year to 25.5% and by +4.5% year-on-year in Q224.
 - Excluding AIQ, H124 EBITDA margin (23.1%) was broadly in line with the prior year, with the Q224 margin offsetting some of the impact of phasing incremental personnel and marketing costs into Q124.



Group Profit Before and After Tax

- H124 profit before tax increased by 39.1% year-on-year to AED 193.9 million, with 31.9% growth year-on-year in Q224.
 - Excluding AIQ, H124 profit before tax increased by +24.5% year-on-year, a significant step up from the +5.1% growth achieved in the prior comparable half.
- H124 pre-tax margin increased by +5.0% year-on-year to 32.1%, and by +2.6% year-on-year in Q224.
 - Excluding AIQ, H124 pre-tax margin was 30.5%, +3.4% year-on-year, with margin expansion in Q124 and broadly flat margin in Q224.
- H124 profit after tax increased by 26.6% year-on-year to AED 176.4 million, with 20.1% growth year-on-year in Q224.
 - Excluding AIQ, H124 profit after tax increased by +13.3%, well ahead of the +5.1% growth achieved in the prior comparable half, notwithstanding the inclusion of UAE corporation tax in the current year.
- H124 post-tax margin increased +2.1% year-on-year to 29.2%, and by +0.3% year-on-year in Q224.
 - Excluding AIQ, H124 post-tax margin was 27.8%, up +0.7% year-on-year (including the -2.7% adverse impact of corporation tax on H1 2024 profitability), driven by margin expansion in the first quarter.

Balance Sheet: Our balance sheet remained debt-free, with cash and equivalents of AED 1.28 billion at the end of June (post the AED 900 million initial tranche of consideration for AIQ), providing financial flexibility to fund future organic and inorganic growth.

Cash Flow: Operating cash flow generated in Q224 was AED 179.0 million (AED 132.5 million in Q223), bringing the H124 operating cash flow to a positive AED 74.6 million, underpinned by collection on various customer contracts.

Guidance maintained: Presight issued medium-term financial guidance in March 2024, and anticipates compound annual growth over the next four years to be as follows: Group revenue growth of 17%-23%, Group EBITDA growth of 15%-20%, and Group post-tax profit growth of 10%-15%. A further update on the medium-term outlook will be provided at our Q324 results in November 2024.

Operational Highlights

Presight made significant progress across its strategic objectives during the second quarter, signing new contracts, agreements, and partnerships, crystallizing R&D efforts through new product launches, completing the acquisition of a majority stake in AIQ, and strengthening its Board composition and capabilities.

New Domestic and International Contracts

- New multi-year domestic contracts with (i) the UAE Accountability Authority (UAEAA) to deliver an audit automation platform to improve the efficiency, accuracy, transparency, and scalability of its operations, and (ii) the Abu Dhabi Accountability Authority (ADAA) to provide a secure platform to unify data management and critical information across multiple departments; and a new contract with the Ministry of Education (MoE) to unite data quality across different domains and to enable Advanced AI use case applications.
- New multi-year contract valued at AED 312 million, signed shortly post the June period end, with the Ministry of Digital Economy and Entrepreneurship of Jordan (MODEE), to accelerate digital transformation in Jordan's Healthcare sector, including the development of a healthcare information strategy, creation of virtual hospitals, deployment of a national billing system, and development of a training simulation center.

New Agreements and Partnerships

- A strategic collaboration with Intel, a global leader in cloud computing, data center, AI, and PC solutions, aimed at developing cutting-edge AI solutions, including Smart Cities, in the Middle East, and leveraging Intel trust authority technologies to strengthen AI data security and privacy.
- A Memorandum of Understanding with Dell Technologies, a global leader in technology solutions, services, and support, to accelerate digital transformation and innovation across various sectors, through the integration of technology and big data analytics, including the development and deployment of Smart City solutions which incorporate green technologies to reduce environmental impact while enhancing efficiency.
- A pioneering joint venture ("IntelliGrid") with Esyasoft Technology (an IHC entity), aimed at creating more sustainable and efficient energy infrastructure in Azerbaijan and Kazakhstan, through smart, sustainable AI-driven solutions, such as smart gas grids, advanced metering infrastructure, cutting-edge digital Industrial Internet of Things (IIoT) devices, and intelligent AI platforms.
- A Memorandum of Understanding with Obvious Technologies (OODA World), a software company that develops 3D Data Visualization, Incident Management and Command and Control solutions, to revolutionize crisis, emergency, and disaster management globally using advanced data analytics and AI.
- A Memorandum of Understanding with Gambia's Ministry of Communications and Digital Economy (MOCDE) to build a secure, efficient, and inclusive digital ecosystem to empower Gambia's citizens and businesses, including the development of digital government services and a national digital identity initiative, a national data center, and the establishment of a national safety operations center and Digital Supply Chain Security Lab.
- Presight was also named as one of two UAE-based companies to execute a Memorandum of Understanding between the Governments of UAE and Mauritius to co-operate in the fields of energy, water, and sanitation, leveraging Presight's evolving role in the energy sector by supporting the Mauritian Government in sustainable development and environmental protection.
- Microsoft Corporation's recent \$1.5 billion strategic investment in parent company, G42, strengthens Presight's ability to continue delivering impactful solutions both in the UAE and internationally, not least through access to its cutting-edge cloud computing and AI technologies, which enables us to offer our advanced AI solutions

across the Microsoft Ecosystem globally, as well as bring UAE solutions, embedded with Microsoft's technology assets, to the emerging markets we currently operate in.

Investment in Research and Development

The results of our ongoing investment in GAI-centric offerings and GAI-enhanced next generation versions of current products took another significant step forward, with the launch of Presight's Enterprise AI suite of solutions, which combine human, data, and AI to drive business efficiency and growth powered by data-driven informed decision making.

The Enterprise AI suite ("Connect" and "Vitruvian") are sector and scale agnostic, underscoring the company's position as a leader in the Applied AI space. They leverage machine learning, natural language processing, predictive analytics, large language models, and Generative AI to drive business value by integrating enterprise technology stacks, deep learning and computer vision, either on-premise, on cloud, or air-gapped for those who require the highest levels of security.

- **Presight Connect:** A UAE-hosted, cloud-based AI assistant that can be activated immediately for any organization. It provides a unique collaborative framework where humans and AI agents function intelligently and seamlessly together. Employing the most adaptable GPT, it connects effortlessly with world-class Software-as-a-Service (SaaS) systems and business applications enhancing operational efficiency and insight delivery.
- **Presight Vitruvian:** An on-premise AI platform that can manage large-scale information, learning from trusted organization data and systems to provide deep business insights and new perspectives. Vitruvian enables enterprises of any scale to use leading AI tools for an intuitive understanding of their business across a diverse set of use-cases and verticals.

During the second quarter, Presight was also proud to receive the "UAE AI Data Analytics Innovator of the Year" Award by Dell Technologies.

Acquisition of a 51% Stake in AIQ

On 7 June, 2024, Presight completed the acquisition of a 51% stake in AIQ, a leading provider of AI solutions in the energy sector. As part of the transaction, ADNOC retained a 49% share in AIQ and acquired a 4% shareholding in Presight, and Dr Sultan Al Jaber, UAE Minister of Industry and Advanced Technology, was appointed Chairman of AIQ.

The acquisition expands Presight's reach into the fast-growing AI energy sector and represents a significant milestone in its commitment to make AI the backbone of a smarter, more sustainable energy future.

AIQ is expected to deliver significant value accretion for Presight, within the UAE and internationally, combining its extensive, proven suite of pioneering AI Energy products and solutions, from safety and sustainability to optimizing productivity and efficiency, with Presight's expertise in big data analytics, product development, and international markets access.

Increase in Board Composition

During the second quarter, membership of Presight's Board of Directors increased from five to seven members, bringing unrivalled leadership, guidance and experience across the AI, Technology, and Energy sectors.

- His Excellency, Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO, was elected as Chairman of the Board of Directors. His Excellency is highly regarded for his leadership, sound business acumen, and global industrial knowledge, and is a long-standing champion in spearheading and investing in advanced technologies to support the UAE's strategic national agenda.

- His Excellency, Mansoor Al Mansoori, Member of the Abu Dhabi Executive Council and Chairman of the Department of Health in Abu Dhabi, was elected as Vice Chairman of the Board of Directors and Chairman of the newly established Executive Committee.
- Suhail Bin Tarraf was elected to the Presight Board of Directors, replacing outgoing Director Eric Poe Xing. Suhail is currently Group Chief Operating Officer at First Abu Dhabi Bank (FAB), prior to which he was Chief Operating Officer at Emirates Islamic Bank.
- Thomas Pramotedham, Chief Executive Officer of Presight, was also elected to the Presight Board of Directors.
- The other esteemed members of the Board of Directors continue to include Kiril Evtimov (Group CTO G42), Abdulla Rashed Alrashdi (CEO of Tamouh Healthcare), and Hamda Almheiri (Head of Government Affairs, ADQ).

Thomas Pramotedham, Chief Executive Officer, commented:

The past six months have been transformational for Presight, with new agreements and partnerships that help us to support governments around the world in sustainably realizing their digital ambitions, launching new enterprise-level products and solutions that support large-scale deployment of Generative AI technology, and the acquisition of a majority stake in AIQ, which reinforces our commitment to create safer and more sustainable societies through AI problem solving.

“We were honored to welcome His Excellency, Dr. Sultan Ahmed Al Jaber as Presight’s Chairman, with his wealth of experience and visionary leadership instrumental in helping us to fast track the energy transition globally. I would also like to extend my deepest gratitude to His Excellency, Mansoor Al Mansoori, for his guidance, leadership, and unwavering support, which have been critical in steering Presight through its IPO and remarkable growth journey so far.

“I am grateful for the continued dedication of all our colleagues across the Group in achieving this strong first half performance and look forward to further progress in the second half and beyond”.

- End of announcement -

The Consolidated Financial Statements for the six months ended 30 June 2024 will be available through the following link on Presight’s website: <https://www.presight.ai/ir/>. Our next scheduled update will be our Q3 2024 results in November 2024.

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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 in four key sectors that offer strong potential for continued innovation and growth:

- **Public Services:** Enhance public services and optimize government efficiencies through big data analytics powered by AI.
- **Energy:** Enhance decision-making and operational efficiencies whilst reducing environmental impact using big data analytics and advanced GenAI solutions.
- **Finance:** Identify financial anomalies, fraud, and risks using big data analytics powered by AI.
- **Utilities & Infrastructure:** Enable efficient utilities by using big data analytics powered by AI.

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

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

- Presight Vitruvian
- 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 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.