PRESIGHT AI HOLDING PLC

Management Discussion & Analysis Report

9M 2024 Results

11 November 2024

A solid year-to-date performance with higher profitability, robust cash conversion and strong order book growth

- 9M24 revenue growth +9.6% YoY, or +21.3% YoY adjusting for deployment re-phasing on one contract
- 9M24 EBITDA growth +16.5% YoY, with favorable mix underpinning +136bps of margin expansion to 23.0%
- 9M24 profit before tax +16.2% YoY, with margin +153bps to 26.8% despite lower interest income in Q324 YoY
- Robust, debt-free balance sheet with cash of AED 1.6bn and YTD operating cash flow of AED 408.3m
- First commercial contract for Enterprise AI "Vitruvian" to deliver an audit automation platform
- New agreements, product launches, and unique initiatives at GITEX and ADIPEC to accelerate future growth
- FY 2024 growth in revenue, EBITDA, and profit after tax anticipated to be in line with current analyst consensus[1]

Presight AI Holding Plc (PRESIGHT:UH) ("Presight") today announces its results for the nine months ending 30 September 2024, with positive mix and a robust performance from AIQ increasing Group profitability, strong cash flow conversion, AED 1.14 billion of new orders, and further agreements, product launches and initiatives to accelerate future growth concluded shortly post the period end.

Financial Highlights

Headline numbers

YoY Growth	Reported		Illustrative*	
	Q3 2024	9M 2024	Q3 2024	9M 2024
Group Revenue	+2.4%	+9.6%	+24.9%	+21.3%
Group EBITDA	+6.1%	+16.5%	+19.3%	+22.7%
Group Profit before Tax	-8.1%	+16.2%	+2.3%	+21.3%
Group Profit after Tax	-16.4%	+5.8%	-6.9%	+10.4%

*Assumes deployment of the initial phase of one international contract commenced in Q324 as planned

Presight's revenue growth in any particular quarter is comprised of a mix of various projects and their stage in the deployment lifecycle, at that point in time. Accordingly, revenue typically accrues at different rates between the quarters, with our final quarter traditionally being the strongest contributor to annual revenue, in line with normal deployment and client budget cycles. In 2023, for example, 40% of annual revenue was recognised in the final quarter.

Our planning for Q324 included deployment of the initial phase of a large international contract which was subject to conditions precedent. We now expect the initial phase to be deployed in Q4 2024 post satisfaction of all conditions precedent.

For ease of illustration, the table above compares Presight's reported revenue and profit growth for Q324 and the nine months ending September 2024 with proforma numbers, had deployment commenced as expected during the third quarter.

[1]For the full year 2024, we anticipate growth in revenue, EBITDA and profit after tax to be in line with current analyst consensus forecasts (see table below).

FY2024 Analyst Forecasts	Low[2]	High[2]	Consensus[2]	
	(AED m)	(AED m)	(AED m)	% Growth YoY
Group Revenue	2,173.0	2,273.0	2,223.0	+24.8%
Group EBITDA	565.0	604.0	584.5	+15.1%
Group Profit after Tax	555.0	601.0	578.0	+1.3%

[2] As at 10 November 2024, company-compiled analyst forecasts

Group Revenue

- 9M24 reported revenue increased by +9.6% year-on-year to AED 1,169.8 million, reflecting the re-phasing of deployment on one international contract from Q324 to Q424.
- Q324 revenue increased by +2.4% year-on-year to AED 566.2 million with positive growth, notwithstanding a strong comparable in the prior year and the impact of the abovementioned deployment re-phasing, underpinned by robust revenue generation from AIQ.
  - Excluding AIQ, revenue declined -6.0% for the nine months to September year-on-year, largely reflecting the deployment re-phasing, without which growth would have remained strongly positive.

Revenue (AEDM) — Multi-Year v One-Off (%)
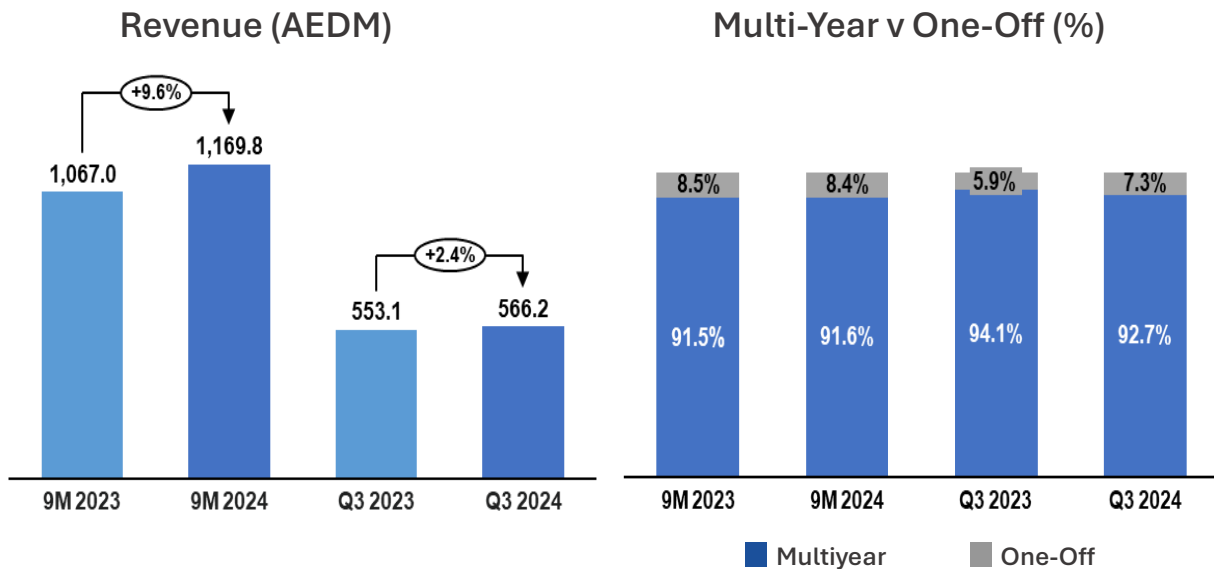
- 91.6% of 9M24 revenue (AED 1,071.9 million) came from multi-year contracts (91.5% or AED 975.9 million in the prior year comparable period). Multi-year contracts provide a strong foundation for future revenue and cash flow growth.
  - The respective figures for Q324 were 92.7% (AED 524.7 million) compared to 94.1% (AED 520.6 million) in the prior year comparable period.
- 83.4% of 9M24 revenue (AED 976.0 million) came from "backlog contracts" (contracts won in prior years) compared to 60.5% (AED 645.5 million) in the prior year comparable period.
  - The respective figures for Q324 were 74.4% (AED 421.4 million) compared to 40.1% (AED 222.0 million) in the prior year comparable period.
- 10.4% of 9M24 revenue (AED 121.5 million) came from international markets (8.1% or AED 86.5 million in the prior year comparable period).
  - The respective figures for Q324 were 14.3% (AED 81.0 million) compared to 2.3% (AED 12.9 million) in the prior year comparable period.
- During the first nine months, our order book increased by AED 1.14 billion (of which AED 1.0 billion in Q324), with 9M24 ending backlog of AED 1.58 billion.

Group EBITDA

- 9M24 EBITDA increased by +16.5% to AED 269.1 million, with +6.1% growth in Q324 reflecting strong growth from AIQ as well as the adverse impact of deployment re-phasing on one international contract.
  - Excluding AIQ, EBITDA declined by -9.0% year-on-year in the nine months to September, reflecting both the deployment re-phasing and higher operating costs in Q324 ahead of the traditionally strongest revenue generating quarter.
- 9M24 EBITDA margin increased +1.4% year-on-year to 23.0% and by +0.7% year-on-year in Q324 to 20.4%, reflecting AIQ's contribution to margin mix.

o   Excluding AIQ, 9M24 EBITDA margin was -0.7% year-on-year to 20.9%, with favourable deployment mix offset by a higher proportion of operating costs in Q324, and Q324 EBITDA margin -1.4% year-on-year to 18.2%.

EBITDA (AEDM)

Profit Before Tax (AEDM)
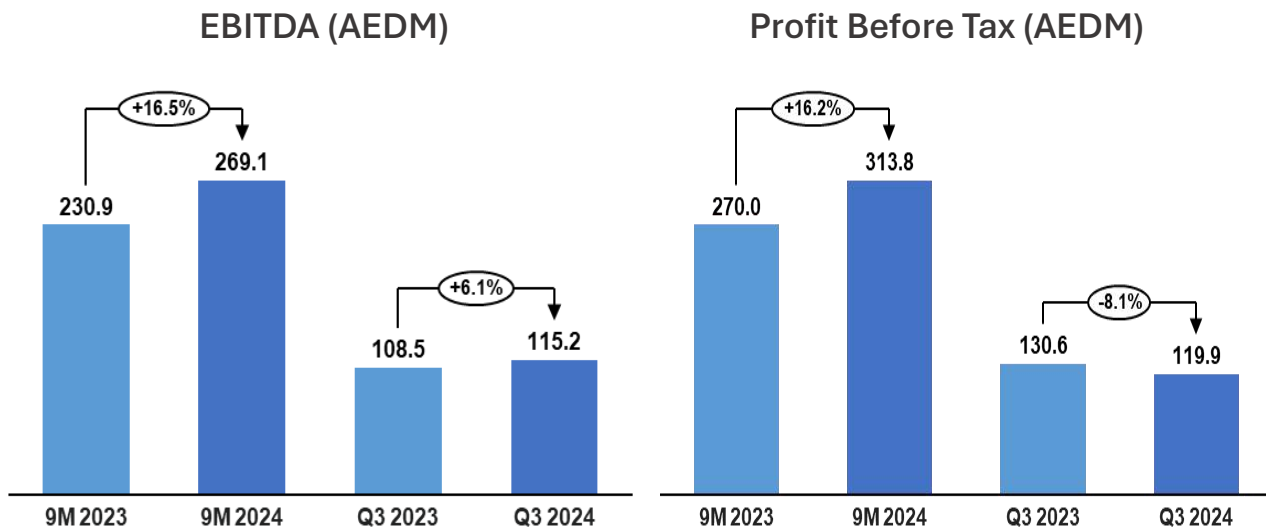
Group Profit Before and After Tax

- 9M24 profit before tax increased by +16.2% year-on-year to AED 313.8 million, including strong growth from AIQ, where quarter-on-quarter profit before tax increased by approximately one third.
- Q324 profit before tax was -8.1% year-on-year, with lower interest income post the AED 900 million payment for AIQ in June 2024 accounting for -6.0% of the decline. Assuming deployment of the initial phase of one international contract had commenced in Q324 as expected, Q324 profit before tax would have been +2.3% year-on-year.
    - o   Excluding AIQ, 9M24 profit before tax (AED 266.2 million) was broadly flat year-on-year, or +3.7% year-on-year had deployment commenced in Q324.
- 9M24 pre-tax margin increased by +1.5% year-on-year to 26.8%; Q324 pre-tax margin declined by -2.4% year-on-year to 21.2%, with lower interest income accounting for -1.4% of the decline.
    - o   Excluding AIQ, 9M24 pre-tax margin was 26.5%, +1.2% year-on-year; Q324 pre-tax margin declined by -2.3% year-on-year or by -0.5% excluding the impact of lower interest income.
- 9M24 profit after tax increased by +5.8% year-on-year to AED 285.5 million, or +10.4% year-on-year had deployment of the initial phase of one international contract commenced in Q324.
- Q324 profit after tax was -16.4% year-on-year, with UAE corporation tax (not in the prior comparable period) and lower interest income year-on-year accounting for -14.3% of the decline.
    - o   Excluding AIQ, 9M24 profit after tax declined -10.3%, with UAE corporation tax accounting for -8.9% of the decline.
- 9M24 post-tax margin was 24.4%, -0.9% year-on-year, with the inclusion of UAE corporation tax adversely impacting margin by -2.4%.
- Q324 post-tax margin was 19.3%, -4.3% year-on-year, with tax and lower interest income year-on-year accounting for -3.4% of the decline.
    - o   Excluding AIQ, 9M24 post-tax margin was 24.1%, -1.2% year-on-year, with UAE corporation tax adversely impacting year-on-year margin by -2.4%.

Balance Sheet: Our balance sheet remained debt-free, with cash and equivalents of AED 1.58 billion at the end of September (post the AED 900 million initial tranche of consideration for AIQ in June 2024), providing financial flexibility to fund future organic and inorganic growth.

Cash Flow: Operating cash flow generated in Q324 was AED 333.6 million (AED -112.9 million in Q323), bringing the 9M24 operating cash flow to a positive AED 408.3 million, underpinned by collection on various customer contracts.

Operational Highlights

Presight made continued progress across its strategic objectives during the third quarter, negotiating new domestic and international contracts, Memorandums of Understanding (MoUs) and partnerships, launching new GenAI-centric solutions, and shortly post the period end implementing the UAE's first sovereign enterprise data marketplace platform and AI-Startup Accelerator Program.

New Domestic and International Contracts

- **UAE** - Two new contracts with a government entity in Abu Dhabi, including the first commercial contract for Enterprise AI "Vitruvian", to deliver an audit automation platform to improve the efficiency, accuracy, transparency, and scalability of its operations, and a secure platform to unify data management and critical information across multiple departments.

- **UAE -** New contract valued at AED 125 million between AIQ and Abu Dhabi National Oil Company (ADNOC) to implement and deploy "Energyai", the world's first net-zero industrial AI engine, offering GenAI-enabled solutions across ADNOC's upstream operations. This contract creates the foundation for deeper engagement with ADNOC on the provision of comprehensive AI solutions across its entire value chain.

- **UAE -** AIQ expanded the deployment of its pioneering solutions during the quarter, including:
  - Its SMARTi Intelligent Operational Safety Monitoring solution on an initial 86 of ADNOC Logistics and Services' vessels, delivering cutting-edge AI technology to improve safety through automated monitoring, detection, and reporting of safety protocol violations and incidents.
  - Its Robowell Autonomous Well-control solution across an initial 10 wells at ADNOC's NASR operations, leveraging advanced technologies to drive efficiencies and ensure a secure, reliable, and responsible supply of energy. Further deployment of this solution across more than 300 of ADNOC's wells is scheduled by the end of 2024.

- **UAE -** New multi-year contract with the Abu Dhabi Department of Economic Development (ADDED) to develop and deploy a cloud-based data platform to establish a Digital Corporate Library.

- **Republic of Jordan -** A multi-year contract with Jordan's Ministry of Digital Economy and Entrepreneurship (MODEE) to accelerate the adoption of innovative technologies and data-driven strategies aimed at improving healthcare outcomes for Jordanian citizens, including the delivery of a comprehensive public sector digital healthcare assessment and roadmap, and the establishment of a virtual hospital "Command Center" that provides tele-ICU, tele-radiology and tele-dialysis "next-generation" services to peripheral hospitals.

New Agreements and Partnerships

Through Q3, we continued to focus on deepening our relationships as a key AI and digital transformation partner within the UAE, expanded our international market reach, and developed strong technology partnerships to further enhance our technology portfolio.

In October, Presight was proud to showcase its advanced big data and AI capabilities at GITEX Global 2024, the world's largest technology event, and signed several new agreements, including:

(1) Deepening relationships with key UAE State-owned Enterprises (SOE)
- A MoU with Etihad Rail, developer and operator of the UAE's national railway network, to accelerate its digital transformation, including smart transportation and logistics solutions using Generative AI, enhanced capital planning through AI-driven insights, and co-development of Generative AI use cases to support the group's Corporate Excellence business unit operations.
- A Partnering Agreement with Maqta Gateway, part of AD Ports Group's Digital Cluster, to collaborate exclusively on the development and commercialisation of cutting-edge AI-powered digitalised solutions for Trade and Logistics 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 for its renewable energy projects across the globe. This tool, ingesting billions of data points from Masdar's extensive portfolio of renewable projects, will support its ambition to digitize its operations worldwide, moving from a reactive model to a predictive approach

that enhances efficiency, optimizes energy grids, increases resilience, and achieves a low-carbon, high growth future through the seamless integration of renewable energy and other energy sources.

- A MoU 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, focused on identifying and implementing innovative AI use cases that align with Nawah's goals for safety and operational performance.
- A MoU with the Integrated Transport Centre (Abu Dhabi Mobility) regarding the implementation of Smart City solutions to enhance the quality of urban living and infrastructure management, as well as other AI-powered digital transformation initiatives.

(2) Extending International Relationships

- A MoU, shortly post the September period end, with the Ministry of Science, Technology, and Innovation of the Republic of Colombia to collaborate on joint research, technological development, and innovation projects in areas such as 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 deployments and its growing portfolio of Intelligent Transportation Solutions. ISS will also present integrated solutions employing Presight's AI technologies across the Western Hemisphere.

(3) Forging key Technology Partnerships

- A MoU 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. The scope of this agreement includes optimizing the planning, development and use of urban infrastructure, energy efficiency and decarbonization, waste and water management, urban mobility and transportation, and the delivery of essential public services such as healthcare and education.
- A MoU with IDEMIA Smart Identity, a global secure identity solutions provider, to collaborate in the field of secure identity solutions, artificial intelligence, and data analytics in the Middle East and Africa regions.
- A MoU with Reach Digital, a subsidiary of Reach Group, to deliver advanced digital solutions across various sectors by combining cutting-edge AI, IoT, data analytics, cognitive technologies, and Smart City innovations.

Investment in Research and Development

The results of our ongoing investment in GenAI-centric offerings and GenAI-enhanced next generation versions of current products took another significant step forward with ground-breaking launches both during and shortly after our third quarter.

Enterprise AI Suite: Presight Vitruvian and Presight Connect

Presight Vitruvian and Presight Connect are sector and scale agnostic solutions that can be rapidly integrated into existing enterprise technology stacks, on-premise, on cloud, or even air-gapped. They leverage machine learning, natural language processing, predictive analytics, large language models, and Generative AI to drive business efficiency and growth, powered by data-driven informed decision making.

- **Presight Vitruvian** is an on-premise AI platform that enables enterprises of any scale to use leading AI tools to transform all aspects of traditional information management, data analysis, and insight discovery. Its on-premise deployment and domain specific knowledge, learning from trusted organization data rather than general purposed data analytics, are key advantages over ChatGPT.

- **Presight Connect** is a UAE-hosted, cloud-based AI assistant that employs the most adaptable GPT and connects effortlessly with world-class Software-as-a-Service (SaaS) systems and business applications, enhancing operational efficiency and insight delivery. Its advantages relative to other AI agents and Copilots lie in its breadth of enterprise application, domain-specific assistant creation, complex multi-source data analysis and insight delivery, and highly customizable user experience.

Shortly post the quarter end, we launched the **Presight Report Optimizer**, a no-code report generator that uses GenAI and large language models to enable users to retrieve, organize, and analyze data across a wide range of sources, including web data, social media, and subscription-based content, along with enterprise data sources such as a document library, database or APIs, without requiring the know-how to program.

Presight Intelli Platform

Launched at GITEX Global 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.

The global Smart City market is estimated to grow from $1.3 trillion in 2024 to $6.8 trillion by 2032 (source: Grandview Research & Allied Market Research). While only recently launched, Presight is in advanced discussions regarding a multi-year smart traffic management solution in the Balkan region.

Energyai

Launched at ADIPEC in November 2024, Energyai is the world's first net-zero industrial AI engine, 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 unparallelled 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, it is well-placed to be the foundation EnergyGPT for ADNOC, with plans to scale the solution across ADNOCs full value chain, from investment planning, predictive maintenance, and reliability to production and process optimization, and asset management.

Investment in the broader AI ecosystem

In October 2024, 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, represents a step forward in data democratization. It 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 unique 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. The program is expected to build a strong community of founders connected to Presight and G42.

Presight is a welcome beneficiary of the growing technology collaboration between the UAE and US, and the UAE's commitment to AI partnerships that accelerate progress for communities around the world, leveraging Abu Dhabi's advanced digital and physical infrastructure. Over the past few months, these investments have included:

- The first Microsoft Engineering Development Center in the Arab world to create cutting-edge technologies across the region, focused on AI innovations, cloud technologies and advanced cybersecurity solutions.
- Two dedicated centers from Microsoft and G42 to work on responsible AI initiatives and the safe development, deployment, and use of GenAI models and applications, driving impactful solutions for challenges in education, food, security, and climate resilience in underrepresented areas.
- A new collaboration between NVIDIA and G42 to advance climate tech through AI, developing a local Climate Tech Lab to leverage advanced AI modelling for more accurate weather forecasting across the globe, helping companies to more accurately tailor environmental policies for better sustainability outcomes.
- The launch of G42's Hindi Large Language Model to empower India's scientific, academic, and developer communities by accelerating the growth of a Hindi language AI ecosystem and ensuring broad access to AI across the region.

ISO Certification

In line with its unwavering commitment to maintaining the highest standards of corporate governance, Presight was awarded nine ISO certifications across various aspects of organizational management, including Corporate Governance, Risk Management, Quality, Health and Safety, Environment, Information Security, Privacy Information, and Business Continuity Management Systems.

Thomas Pramotedham, Chief Executive Officer, commented:

"Our third quarter continued the trend witnessed in the first half of the year, namely winning new domestic and international contracts, concluding wide-ranging agreements and partnerships to accelerate the adoption of advanced AI capabilities, and launching cutting-edge Applied AI products and solutions that expand our international footprint and support our long-term growth ambitions.

"Our presence at GITEX Global 2024 in October enabled us to showcase, to a global audience, our expanding suite of Applied AI solutions, designed to support governments and enterprises of all sizes in rapidly and sustainably realizing their AI and digital ambitions. This, along with exciting new partnerships and initiatives, will help to further empower societies through the responsible and ethical use of AI.

"I am grateful for the continued passion and can-do attitude of all our colleagues across the Group and look forward to continued momentum in our final quarter, as we close out this transformational year for Presight".

- End of announcement –

The Consolidated Financial Statements for the nine months ended 30 September 2024 will be available through the following link on Presight's website: https://www.presight.ai/ir/. Our next scheduled update will be our Q4 2024 results in February 2025.

Investor Relations Enquiries
Roger Tejwani, Senior Director Investor Relations
+971 56 400 4596

Media Enquiries
Nick Clements, Chief Marketing and Communications Officer
+971 58 985 1111

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.