

PRESIGHT AI HOLDING PLC

Management Discussion & Analysis Report

Q1 2024 Results

7 May 2024

Continued momentum in top line growth and profitability during Q1 2024

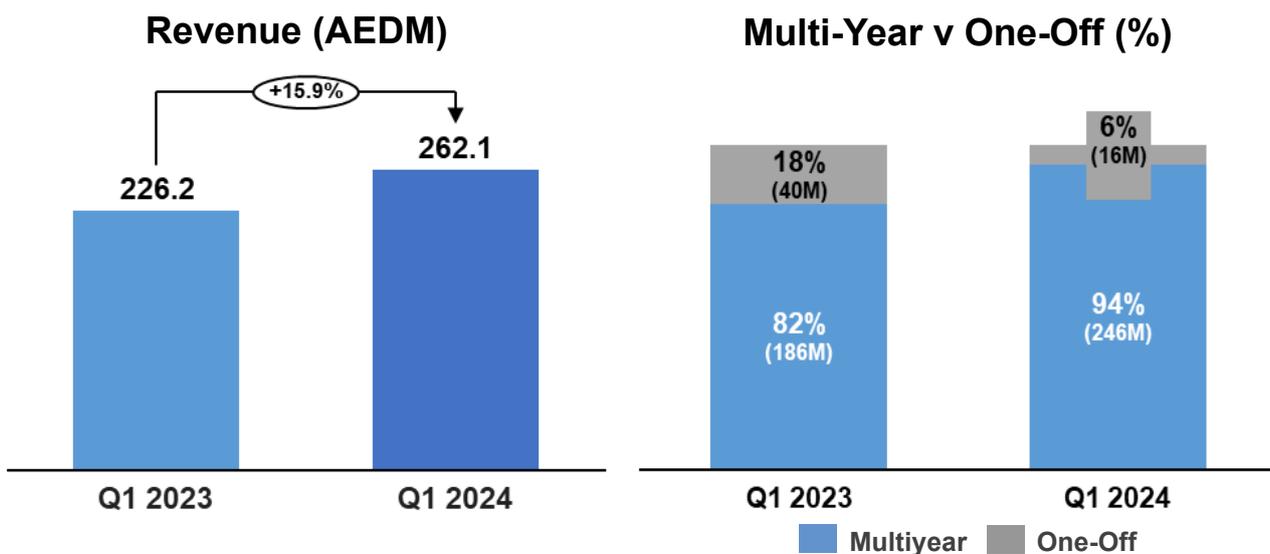
- Q124 revenue growth of 15.9% YoY, ahead of the 14.7% growth achieved in FY 2023
- Q124 net profit before tax +45.8% YoY with pre-tax net margin increasing by 8.3% YoY to 40.3%
- Robust, debt-free balance sheet with AED 2.0bn of cash to fund future growth
- Growing proportion of multi-year contracts to underpin future revenue and cash flow generation

Presight AI Holding Plc (PRESIGHT:UH) (“Presight”) today announces its first quarter results for the three months ending 31 March 2024, with strong growth in year-on-year revenue and profitability underpinned by an increasing proportion of multi-year contracts.

Financial highlights

Revenue

- Revenue increased by AED 35.9 million to AED 262.1 million, with growth of 15.9% year-on-year more than twice the rate achieved in the prior comparable quarter.

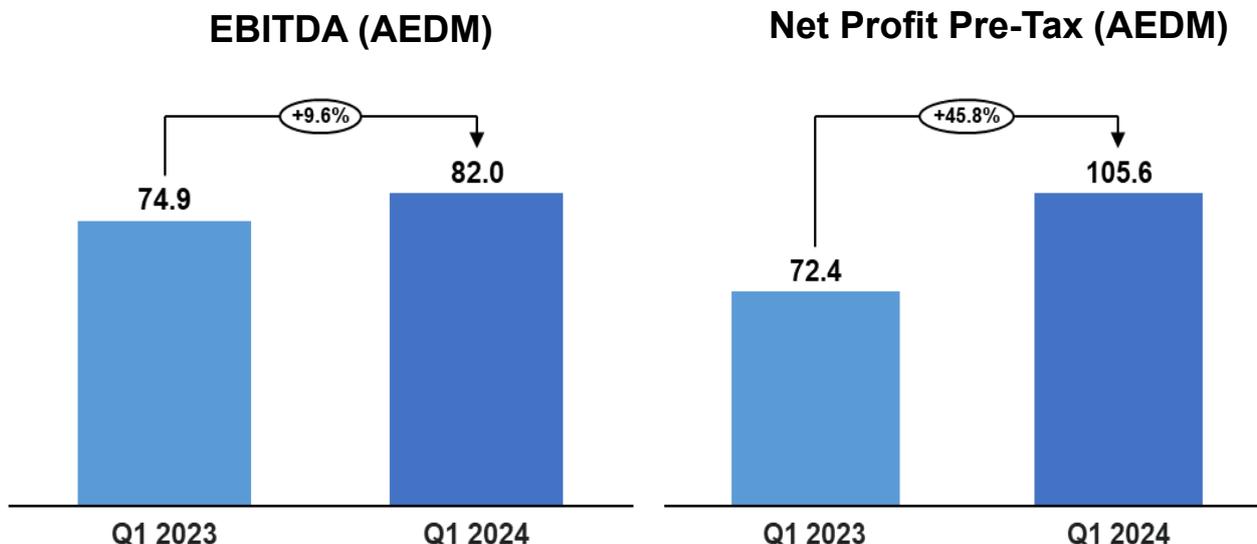


- 94.0% of revenue (AED 246.4 million) came from multi-year contracts (82.0% or AED 185.6 million in the prior comparable quarter), which provide a strong foundation for future revenue and cash flow growth.
- 98.5% of revenue (AED 258.2 million) came from “backlog contracts” (contracts won in prior years) compared to 81.5% (AED 184.4 million) in the prior comparable quarter.
- 9.1% of revenue (AED 23.9 million) came from international markets (7.7% or AED 17.4 million in the prior comparable quarter).

Gross Profit and EBITDA

- Gross profit increased by 31.3% to AED 131.4 million, with favourable deployment mix underpinning a 5.9% increase in margin year-on-year to 50.1%.

- EBITDA (earnings before interest, tax, depreciation, and amortization) increased by 9.6% to AED 82.0 million (margin 31.3%) and included the planned phasing of incremental personnel and marketing costs in the first quarter to meet expected demand growth in H2.



Net Profit before and after tax

- Net profit before tax, increased by 45.8% year-on-year to AED 105.6 million, with pre-tax net margin of 40.3% compared to 32.0% in the prior comparable quarter.
- Net profit after tax increased by 32.5% year-on-year to AED 95.9 million, with post-tax net margin up 4.6% year-on-year to 36.6%, notwithstanding a maiden quarter of corporation tax in the UAE (-3.7% impact of taxation on Q1 2024 profitability).

Balance sheet: Our debt-free balance sheet remains robust with cash and equivalents of AED 2.0 billion (post operating cash outflow of AED 104.4 million in the quarter to support investment in growth and capability), providing significant financial flexibility to fund future organic and inorganic growth.

Guidance and outlook: Presight recently issued financial guidance for the years 2023-2027 and anticipates compound annual growth in revenue of between 17% and 23%, annual growth in EBITDA of 15-20% and annual growth in post-tax net profit of 10-15%.

Operational highlights

Presight made continued progress across its strategic objectives during the quarter, with new domestic and international agreements and partnerships, and further investment in GAI-centric offerings and GAI-enhanced next generation versions of current products. Some notable highlights included:

- A new multi-year contract with the Emirati Talent Competitiveness Council (ETCC) to develop a National Employment AI Platform (NEAP). The platform will include predictive analytics focused on improving the skillsets of the Emirati workforce and increasing employment opportunities in specialized and technical roles for Emirati nationals in the UAE.
- A Memorandum of Understanding with the Ras Al Khaimah Police General Headquarters to leverage big data analytics and AI to improve operational efficiency, enhance public safety, and improve public services in the Emirate.

- A Memorandum of Understanding with Hitachi Digital Services to explore the integration of AI into smart and cognitive city technologies, solutions for urban planning and infrastructure, environmental and energy efficiency solutions, and digitalization and the use of data analytics for urban management systems.
- A strategic partnership with UAE Team Emirates and UAE Team ADQ, the UAE's male and female pro-cycling teams, solidifying Presight's dedication to supporting sporting excellence both within the UAE and on a global scale through Gen-AI powered big data analytics.
- A strategic partnership with Nesma Injazat, a leading provider of hybrid multi-cloud and digital service solutions, to help accelerate the digital transformation of government and commercial entities across the Kingdom of Saudi Arabia and expand the Kingdom's digital ecosystem in support of its Vision 2030.

At the World Police Summit 2024, Presight unveiled its groundbreaking suite of GAI-powered solutions for public safety and law enforcement, including:

- A multi-faceted emergency response management platform, enabling first responders to react more quickly and effectively in emergency situations, thereby reducing the impact on lives and property.
- An LLM-based enterprise AI platform, "Vitruvian", designed to ingest and interpret multi-source case investigation content and, using a natural language interface, enable investigators to expedite content understanding and investigative steps, manage evidence, and track the progress of investigations thereby reducing investigation time.
- A digital forensics platform that incorporates advanced analytics for the analysis of digital footprints, evidence, and assets across multi-modal devices.

During the quarter, Presight was proud to receive the 'Dell AI Data Analytics Solutions Providers META Partner Award' in acknowledgment of its 'Excellence in Intelligence and Analytics Innovation'.

Thomas Pramotedham, Chief Executive Officer, commented: "Our performance during Q1 marks a strong start to 2024, with new agreements and partnerships to help transform public safety, create the smart cities of the future, and support governments around the world in sustainably realizing their digital ambitions.

"Our best-in-class big data and analytics solutions continued to be recognized externally, and we were delighted to showcase some early wins of our ongoing investment in Generative AI (GAI) at the World Police Summit 2024, with cutting-edge, GAI-enabled solutions that help public safety and law enforcement agencies improve investigative outcomes, enhance emergency response, and increase community trust.

"Creating an impact globally is only possible because of the passion and can-do attitude of our people, and, on behalf of the Board and Leadership Team, I would like to thank them for their collective dedication to delivering positive societal benefits".

- End of announcement -

The Consolidated Financial Statements for the three months ended 31 March 2024 will be available through the following link on Presight's website: <https://www.presight.ai/ir/>. Our next scheduled update will be our H1 2024 results in August 2024.

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Presight Overview

Presight 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. 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 Sector:** Enhance public services and optimize government efficiencies through AI powered big data analytics.
- **Finance:** Identify financial anomalies, fraud, and risks using big data analytics and AI.
- **Utilities:** Enable efficient utilities and minimize leakages by using big data analytics.
- **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.

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.