Omar Good morning and good afternoon, everyone. This is Omar Maher from EFG Hermes. I'd like to welcome everyone to Presight’s 1Q 2025 Results Conference Call. The call will begin with a discussion of the key highlights of the quarter, and this will be called [audio disruption 00:20] session. I will now hand the hand the call over to Roger Tejwani, Senior Director of Investor Relations at Presight. Thank you very much.

Roger Thank you, Omar, and good afternoon, ladies and gentlemen. Thank you for joining us on today's call covering Presight’s First Quarter 2025 Results, hosted by Thomas Pramotedham who's our Group CEO, and Ram Meyoor, Group CFO. As usual, Thomas will give an update on strategic highlights during the period. Ram will then cover our financial performance, followed by the outlook. We will then open the floor for Q&A. For your reference, the presentation we're about to run through is available on our website [www.Presight.ai](http://www.Presight.ai). And please note that the contents of this call may contain forward-looking statements which should be considered in conjunction with the disclaimer included in the presentation.

I'll now hand over to Thomas.

Thomas Good afternoon, everyone. Thanks for joining us. This has been an exciting quarter, and before I start, I think in the last few calls I've talked about it and the different strategies I've put in place and the questions you have asked. I think in this quarter, as we take you through the operational highlights, it's a convergence of the strategies that were shared with you over the past seven, eight quarters, and each of them firing its piston and bringing the results. So, we're happy to take questions later, but let me start.

The strong momentum we saw in the final quarter has really accelerated in 2025. In terms of new orders, we secured AED 1.4 billion, which contributed to a backlog of AED 3.87 billion by the end of March, a 29% increase since last December. In our domestic market, we won new orders from existing and new clients. And internationally, we have reported a new smart city project in Kazakhstan and signing a smart city letter of engagement in Albania.

In terms of new agreements and partnerships, we have signed a memorandum of understanding with an EDGE company, Beacon Red. This will help us enhance our safe and smart city initiatives within Latin America, unlocking further new markets for us.

AIQ continues to lead innovation in the energy global sector, entering on the back of its recent launch of Energy AI, a collaboration agreement with Colombia's Echo Petrol, to explore the deployment of cutting edge AI solutions across Echo Petrol’s operations. In the product section, we have launched new AI solutions, including Presight Synergy, an end to end data and AI platform that mitigates operational inefficiencies caused by fragmented AI tools and silo data systems, as well as Presight Life Saver, a ground breaking end to end emergency and crisis management platform that is already deployed by the Abu Dhabi National Emergency Crisis and Disaster Management Authority.

We have also formally launched our Presight AI startup. We’ll go a bit in detail later, but in partnership with Microsoft and the Mohammed bin Zayed University of AI, this brings along direct access to venture capital funding, and is designed to be one of the world's most powerful and unique AI Accelerator programs. As we continue our journey as a key AI and digital transformation partner across the UAE federal government and state owned enterprises, playing a critical role in helping the UAE leverage applied intelligence to enable AI governance, strengthen national safety and security, enhance decision making, we look forward to supporting Abu Dhabi's government in its recently announced digital strategy, which aims to position the UAE as the worst first AI native government by 2027.

Unpacking the operational highlights, let me first go into the details of the domestic international contracts. In the UAE, we signed a multiyear agreement with the UAE Accounting Authority to deliver a video analytics and access management platform, and a new contract with the Emirates Nuclear Energy Company to deliver the first Presight Connect, the sovereign agent AI platform as part of the enterprise suite. In the same quarter, AIQ commenced the deployment of Energy AI, the world’s first of its kind agentic AI, energy AI solution across ADNOC’s upstream value chain as part of a 340 million contract signed in Q4 2024. Over the next three years, AIQ will complete the rollout of Energy AI to all ADNOC’s upstream assets comprising more than 28 producing fields, including some of the world's largest and least carbon intensive oil fields, reinforcing ADNOC’s mission to become the world's most AI enabled energy company.

Internationally, we signed 119 million, six year agreement with the capital city of Astana to develop an AI powered ecosystem to optimize urban management and mobility, increase public safety, enhancing livability, sustainably and safety among the citizen of Astana. The smart city project gives us a strategic approach to international expansion, which often commences as part of a sovereign led in country transformation program. We have reported many often that Presight first partners with digital ministries and state-owned enterprises in the host country. In the case of Kazakhstan, we have a joint venture with Samruk Kazyna, the sovereign fund of Kazakhstan, in order to support the country's SOEs digital transformation initiatives. As part of the digital transformation as it scales, we ensure that local content forms a key part of this journey. In Kazakhstan, for example, we expect local companies to be responsible for 60% of the total smart city project; therefore, ensuring local stakeholder participation in country value creation, as well as for us a decentralized delivery mechanism that allow us to take, in the long run, better advantage of the lower cost in country.

Additionally, we are going to expand our physical presence on the ground, developing key pools of local talent to support the projects. In Kazakhstan, we are going from 1 person in 2020 to a 45 strong team currently creating a platform for us to service the other economies in Central Asia.

Outside of Kazakhstan, moving to the Balkans, we signed a letter of engagement in the Albania city to develop an AI powered smart city project covering all 20 key cities in Albania. It's going to be built on the same best practice smart city design principles and the lessons we learned from deploying AI infrastructure across Abu Dhabi and the UAE.

The engagement will include an AI smart city and traffic management system, and advanced controls center which will utilize cutting edge AI to drive public service operation, emergency response and infrastructure. We expect this to deliver significant community wide impact through the digitization of urban infrastructure, improving traffic management, optimizing public services and healthcare services, at the same time, elevating Albania as one of Europe's leading adopters of AI and smart nation infrastructure.

On this note, Albania is also the gateway for us to get into the Balkans. And if some of you have followed the *Bloomberg* interviews that we did yesterday, we are planning to make Albania a regional HQ to continue to develop the business in the region.

Moving ahead, new agreements and partnerships has been signed. The agreement and MOU with Beacon Red, the security solutions entity of EDGE, which is one of the world's largest and leading advanced technology defense group based out of the Emirates, is to collaborate on smart and safe city initiatives in strategic markets, especially in Brazil and Latin America. The agreement is expected to strengthen national security systems by combining our AI driven platforms and Beacon Red cyber security expertise to enhance threat detection, especially in the areas of safe guarding national infrastructure and advancing smart city initiatives by integrating AI technologies that will improve urban planning, public safety and crisis management.

From AIQ, a new partnership with Schlumberger to accelerate autonomous energy operations using Schlumberger’s Agora’s HAI and IOT solutions. It enables energy companies to reduce costs, improve efficiency and enhance safety. AIQ and SLB will develop a framework to accelerate the deployment of EDGE AI workflows, including AIQ's ROBOWELL, which is our flagship product for the autonomous well control solutions, and SLB suite of AI applications to accelerate the integration of AI in upstream and downstream operations.

Coming to the products. During the first quarter, we launched Presight Synergy, a next generation enterprise grade data and AI platform, and LifeSaver. We’ll describe that a little bit more in the next slides.

So Presight Synergy brings about the applied intelligence to the unified data management analytics and business intelligence. It provides governance into one cohesive ecosystem that is built on existing infrastructure. This has been the bread and butter of Presight as we bring our products together. It's built on a modern and modular architecture, including the library of 150 prebuilt machine learning models, and connects seamlessly to leading Open Source large language models, enabling enterprises to create, to refine and deploy industry specific applications with less complexity and higher impact; thereby maximizing overhead and accelerating innovation through an AI driven intelligence across the workflows.

The platform is industry agnostic and can be deployed on premise to maintain data sovereignty or in the cloud for greater scalability. With real time compliance monitoring, bias detection in AI models, and transparent audit trails, ensuring enterprises can trust AI driven decisions. Based on market insights, we expect that the deployment of Synergy will cost less than 30% of the nearest comparable platforms for total cost of ownership. It should drive 50% more development and production timeline because of the built in capabilities. The low code, no code environment, we expect that it should use less 30% of the infrastructure and therefore drive a more efficient deployment of AI and data center platform.

Moving on to LifeSaver, this is a groundbreaking end to end emergency crisis management platform. It combines AI big data analytics and real time insights to a single, unified platform that addresses the full emergency system. This is the same platform that's already deployed by the National Emergency Crisis and Disaster Management Authority in Abu Dhabi, overcoming fragmented communications between first responder agencies and inefficient use of resources by transforming the data they have to enable meaningful and immediate decisions. The outcome is often measured in lives saved, time to respond in crisis averted.

It's built on a multi cloud infrastructure. It integrates devices like drones, IoT real time feeds to create situational awareness with unmatched clarity and depth. For example, using AI to access emergency severity and automatically dispatching the nearest available response team, recommending the best hospitals of real time availability, and electronically tracking patient care from the scene to the hospital, as well as simulating potential scenarios to stay ahead of unfolding emergencies.

Last quarter, we discussed the planned launch of the Presight AI Accelerator, a unique UAE based program designed to empower market ready AI businesses with access to cutting edge resources from the UAE as well as the ability to commercialize opportunities within UAE and globally through Presight. Presight signed a memorandum of understanding with Microsoft as a key partner. Microsoft will contribute its expertise in technical enablement, mentorship, go to market expertise, as well as access to $150,000 worth of compute resources for every one of the businesses selected.

Besides direct access to further venture fund capital, Presight’s Accelerator is unique because we attract AI startups and businesses who wants to be a part of UAE’s ambition to become a world leading AI hub. Second, for Presight it drives value accretive opportunities. It allows us to build a portfolio of leading AI solutions, integrating these innovations into our ecosystem and that of our partners. In the same breath, we have also announced a strategic collaboration on this Accelerator program with the MBZ University of AI in Abu Dhabi. The partnership will focus on not just startup sourcing, but on technical advisory and talent access, bringing about two of Abu Dhabi's flagship AI institutions to create a multiplier effect and broadening the UAE’s AI ambition.

With that, I'll hand over to Ram to walk you through the financial performance for the quarter.

Ram Thank you, Thomas and good afternoon, everyone.

Before I unpack our first quarter performance, I wanted to reflect briefly on our post IPO journey. The quarter ending March 2025 marked the second anniversary of Presight AI Holdings listing on the Abu Dhabi Stock Exchange. This slide highlights the company's financial performance during that period, demonstrating strong growth, not only organically, as we execute on our strategy to become the region's largest exporter of digital services and responsible AI, but also through value accretive acquisitions such as AIQ.

Thomas mentioned at the outset that the strong momentum in Q4 2024 accelerated during the first quarter of 2025, and this can be clearly seen in the financial performance. We saw record growth in revenues, EBITDA, profit after tax using a like-for-like corporate tax rate of 9%. Organically, revenue growth in Q1 was approximately twice the peak rate of growth in Q4 2023 and EBITDA growth was 2.5x the previous high point in Q124.

From this year onwards, in line with many other companies in the UAE, we are applying a higher rate of tax toward our financial results compared to the 9% tax rate in 2024. Despite that, our profit after tax, whether on a consolidated or a post minority interest or pure organic basis, showed a year-on-year growth even against a high base post tax profit in the comparable quarter of the prior year had grown by 32.5%.

Our international expansion strategy continues to bear fruit, with revenues from markets outside of the UAE growing five-fold year-on-year, and that's excluding any contribution from the smart city engagements in Kazakhstan and Albania that Thomas mentioned. These are expected to start contributing from Q2 2025 onwards.

Our balance sheet liquidity remained in great shape, zero debt, almost 2 billion of cash, and our operating cash flow saw a positive year-on-year swing of 165 million dirhams, reflecting our continued focus on proactively managing working capital. And, as we already have mentioned, our order book increased by 1.4 billion and a strong growth in order book translated to a 29% increase in backlog since 2024 to about 3.89 billion dirhams, which represents a very strong platform of which to generate future revenues and cash flow growth.

Turning now to the first quarter headline financials, the group revenue, we saw a record quarter of growth with revenues up 115.1% year-on-year to $563.9 million dirhams. This reflected a good execution on existing contracts, several of which were renewed at the end of the year 2024 as well as accelerated software deployment internationally and continued momentum in AIQ. Organic revenue was also at record levels, approximately twice the previous peak of growth. And as mentioned, this was achieved before any contribution from our recent engagements in Kazakhstan and Albania, which have a combined project value of about $310 million.

AIQ contributed about 30% to the Group revenue. Group earnings, before interest, tax, depreciation or amortization, Group EBITDA increased by 71.9% to 141 million dirhams with the exceptional top line growth driving a record growth in EBITDA. Organic EBITDA also grew strongly, approximately 2.5x the previous peak rate of growth, despite our ongoing investment in internal capabilities to meet planned future demand. AIQ contributed 27.4% to the Group EBITDA.

And from a margin perspective, Group EBITDA margin was 25%, which is lower than last year due to continued investments in growth, international expansion and Q1 deployment mix at AIQ. Organic operating expenses were up by 1/3 approximately as we continue to build our world-class talent pool and applied intelligence R&D programs.

Organic EBITDA margin was, however, 310 basis points ahead of organic margin for the full year 2024, and that was driven by favorable deployment mix with the organic gross margin in the first quarter up 3.5% compared to the full year 2024 organic gross margin.

Now, Group profit before tax, Group profit before tax increased 33.4% year-on-year to 141 million, almost twice the level of growth achieved in FY 24. For organic pretax profit grew high single digit year-on-year, resuming the positive trajectory during the first half of 2024. And despite a very high pace in Q124, pretax profit growth of 45.8%. AIQ contributed about 19.4% to the Group profit before tax.

And from a margin perspective, Group pretax margin was down year-on-year, incorporating lower interest income and AIQ amortization not in the prior year base, but the organic pretax margin was both ahead of the Group and almost 2% higher than the organic margin for the full year 2024.

Now looking at the profit after tax, based on management’s assessment of the Global Anti-Base Erosion Rules and UAE’s recent domestic minimum top up tax rules, Presight is now applying a higher rate of tax on its financial results for the first quarter of 2025 relative to the comparable quarter of the prior year. Group profit after tax, applying a 9% tax rate applicable in the comparable year, quarter of the prior year, increased by 33.6% year-on-year, the highest level of quarterly growth to date. Group profit after tax applying the 15% tax rate from January 2025 increased 25.1% year-on-year.

Organic profit after tax resumed its growth trajectory well ahead of the previous three quarters, and despite the high base with Q124 profit after tax growth of 32.5% year-on-year. AIQ contributed 19.4% to the Group profit after tax.

Now from a margin perspective, Group post tax margin was 21.3% or 22.7% applying a 9% corporate tax rate. The organic post tax margin was in line with what was achieved in FY24 despite an additional 6% rate of tax in the current quarter.

Now looking at some key performance indicators that we usually track, one such metric is the revenue quality. The proportion of revenue from multiyear contracts continues to increase and now comprises almost all of our revenue base, which is significant. Multiyear contracts provide a strong foundation for future revenue and cash flow growth. 80% of the revenues in the first quarter came from backlog, lower than the 98.5% in the comparable quarter of the prior year. This is due to a stronger order book in the current quarter compared to Q1 2024.

Looking at the geographical split of the business, we continue to see good growth from international markets, with proportion of international revenues in the current quarter well head of the same quarter last year, excluding any revenues from recent smart city engagements in Kazakhstan and Albania. This year, we expect the proportion of international revenue to increase between 35% to 40% of the total.

Now, before closing remarks, I want to reiterate our expectations for 2025 and beyond. At this stage, we continue to anticipate compounded annual growth rate over the next three years to be as follows: Group revenue growth of 19% to 25%, Group EBITDA growth of 16% to 21%; Group post tax profit growth of 6% to 11%, applying an increase in the rate of cooperation tax from 9% up to 15%.

With that, I'll hand it back to Thomas for some closing remarks before we open the line for Q&A. Thank you.

Thomas Thanks, Ram.

So I hope you have seen that it’s been a really strong quarter, both operationally and financially for Presight. We've progressed strongly in this journey as a key AI digital transformation partner across the UAE, federal government and state-owned enterprises, and we continue to support the Abu Dhabi government's recently announced digital strategy aiming to make the Emirates the world's first AI native government.

Further out, we continue to make progress in expanding our offering, supporting governments and enterprises across high growth markets in this Middle East, Central Asian and Africa region, deploying digital transformation solutions that help to optimize public services, drive economic diversification and enhancing national resilience. Looking ahead, our national and international strategy will continue to form a key part of our growth trajectory over the coming years, as we scope opportunities across the US, Saudi Arabia, Latin America, South East and Central Asia as part of the broader mission, positioning Presight as the region's largest exporter of digital technology and responsible AI.

We thank you for your time, and we will now open for Q&A.

Omar Thank you very much for the presentation, Thomas, Ram and Roger. We will now move to Q&A. So, if you'd like to ask any questions, you can either use the raise hand button to ask the question verbally, or can put your question in writing via Slido.

We will take our first question from [indiscernible 23:40]. If you can unmute. Alright, we'll move to the second question from Aaron Armstrong. Please go ahead.

Aaron Good afternoon. Thank you very much for taking the question. Congratulations on a very strong set of numbers.

Just two questions for me, please. One is on the outlook for the rest of the year. So, it looks like the order book growth is very strong. Q1 revenue recognition is very strong. It looks as though the run rate of revenue and earnings you could deliver for 2025 could be a little bit ahead of the midterm guidance. So, any thoughts you have around that. Would you consider guiding to a faster growth rate in 2025? That's question one.

And then question two, if you could give any more details on the order book growth, obviously, again, very strong quarter on quarter. Is that mainly driven by smart city contracts? Are they not included in that number? And if you can give any kind of breakdown, is it a handful of a few large contracts? Are there smaller contracts within there? Is it domestic, international mix, kind of similar? Any kind of additional color you could give on the order book, please.

Ram Thanks, Aaron, and good to hear you. So we had a very strong Q1 building up of the very strong Q4 2024 as we see today. However, it's just the first quarter of the year. What's pleasing is the tremendous growth in the strength in the organic business, as well as the composition of the international business. So, yes, we are cognizant of the fact that we started this year with a tremendous amount of momentum behind our backs. However, we are also conscious that this is the first quarter of the year, and that we are typically guiding to a three-year medium term guidance. So, we are assessing the outlook constantly, and we will be reverting back to you guys if there is an update at the right time, so please stand by.

Thomas I think there’s a second question.

Ram The second question about the order book, yes, the 1.44 billion orders is largely composed of two-thirds international, out of which the Kazakh, Astana smart city project contributed almost $200 million. That forms a significant bid. And there was also a significant order bookings here in the domestic market, both at AIQ and at Presight. So that forms the composition of the 1.44 billion of orders.

Aaron That's excellent. Thank you. And then maybe one follow up, if I may, just on the growth rate of AIQ's revenue. And so Q125 versus Q124, is AIQ growing?

Ram So we didn't consolidate Q124, Aaron, as a part of our financials, so there's no base to compare to as such. But then, in general, we are very pleased with the way AIQ has been developing, and we have been incorporating that into our overall operations and financials as well.

As you may recall, we recently won a 340 million contract for deploying an agent [indiscernible 27:05] platform with ADNBOC upstream operations, and we are very pleased to know that they continue to deploy. They made a lot of progress on that front and there's a quite a bit of runway to be had as we look forward in the outer years to deploy the similar platform for the ADNOC’s downstream operations as well. So, the outlook for AIQ is pretty strong as well, and we are very pleased with the way they have come along so far.

Aaron Thanks. Would you expect AIQ revenue, now that it’s kind of included in the base, to grow at a similar rate as the Presight core business in line with your three-year guidance number? Or would you think that'd be growing at a faster rate and contributing more growth over time?

Ram Our growth rates as we guided, top line revenue is about 19% to 25%, so we expect AIQ's overall growth rates to be falling towards the higher end of that guidance.

Aaron Excellent. Thanks very much.

Ram Thank you.

Omar And the next question comes from [indiscernible 28:14]. Go ahead.

M Hi. Am I audible?

Omar Yes, you are.

M Great. Thank you for the presentation and opportunity to ask questions. I have two, please.

First, can you please give more color on the material organic growth acceleration in Q1 to around 50%? If you can maybe decompose it in the impact of any projects delayed from Q3 and Q4 from new projects? And overall, given the strong Q1, is it fair to assume that the quarterly pattern in 2025 might change from 2024? So potentially, we might see this year lower weight of 2H in Q4 in particular?

Ram So yes, the Q1 had a very strong organic growth. Essentially, if you notice, that is a bit of a catch up since our Q3 of last year. We had a very strong Q4, but then we caught up with a bit of the timing issues that happened in Q3 last year. And then that momentum continued into a little bit into Q1 of 2025, as well.

There was also an accelerated deployment of a software platform internationally, which is a point in time of revenue recognition, you drop the software platform, and once the customer accepts, you are able to take the revenue as per our IFRS guidance. And that kind of enabled the revenue growth for Q125 as compared to Q124.

Basically, if you kind of remove that, and then you compare it, then the Q1 revenue growth year-on-year roughly falls towards the higher end of the guidance that we have given between 19% to 25%. So you can get a sense of the International deployment from that.

And then your next question was about the linearity? Yes, as I was responding to Aaron earlier, we are assessing the strong performance in Q1, and we will revisit the guidance at the appropriate time. And there is also a little bit of a conscious effort to improve the linearity across the next three quarters as well, but at the same time to be able to meet or exceed our guidance. So, you should see some amount of improvement as compared to last year in terms of the proportions of the quarters contribution to the revenue in the financials as linearity improves with more revenue being pulled into Q2 and Q3 and avoid the big peaks that we saw last year in Q4, so we are able to model the business better and also provide a consistent growth pattern into the outer years.

Thomas Just one point to add to that. The international business over the last two years, as we win and deploy, now we win more and we start deploying it, the seasonality of the revenue recognition starts to overlap. And it’s that overlap that we forecast and we estimate that will smoothen out the linearity of the quarter to quarter earnings. Last year, we had a real hockey stick at Q4, and some international revenue pushed out, and now we will start to see some normalization across the midterm guidance period.

M Thank you. And my second question is on AIQ, where revenue was very strong but net margin remains volatile, [indiscernible 31:59] 14% in Q1 compared to 40 plus last year. Are there any structural changes in project mix that skew towards higher share of infra, or is the business as usual, and we should see margin recovery towards 40% in the next quarters?

Ram I would say there are no fundamentally structural changes as such. It's predominantly business as usual. And very much so, like we say, it depends on the type of revenue that is being recognized. In Q1 it was predominantly driven by deployments of the existing generation of what they call generation one to three products, which are the AIQ suite of upstream operations like products such as ROBOWELL and the R360, there's more deployment revenue. And these deployment revenues tend to have a margin profile which is similar to like a system integration margin, and that's why some of the gross margins are suppressed for this quarter. But that said, it is very important to know that as we go through the year there will be a lot more software composition coming into the picture like it was in 2024, so that that would improve the overall margin mix for the revenues. So much so it should show a very equitable growth year-on-year, very much like [indiscernible 33:18].

Thomas So another lens to understand AIQ's, business, Gen 1 to Gen 3 business, ROBOWELL, FORESIGHT, these are automation AI driven deployment down to the well, so there's always some physical devices and software. And then when we innovated with energy, the energy AI, that's a software play. Of course, there's compute needed to structure it, and you will see the two blends. So, while it's not a change in structure in AIQ, but the energy large language model is, by and large, a software centric revenue type. And then Gen 1 to Gen 3, where we continue to deploy and exceed the deployment will take a lower margin profile because it's more of a system integration piece. So, I think that's the space to watch. We should normalize across the year.

M Thank you, Thomas and Ram. Very helpful. Thank you.

Thomas Thank you.

Omar Thank you. And we have a few questions in the Q&A box, so we'll take them one by one. First one is, “Your international strategy seems to be delivering impressive growth. How big can the international piece become? And what is your go-to-market strategy? And how do you mitigate the risk inherent in some of these emerging markets?”

Thomas So two parts to that question. The international strategy has been put in place since we listed. We shared with many of the community, when we listed, it was 99% Abu Dhabi. Last year, we finished 23%. We expect to get to a 40% international and domestic split. It is coming from the emerging markets in the global south territories that we're at.

The markets that we are after, it’s rich in opportunities and somewhat risky, and that is governed really by the strategy we have taken in the go-to-market. I've described earlier, very often when we work on the international market, it's always framed up with a G2G arrangement with UAE before Presight comes in and creates a direct arrangement with a government related entity or state-owned enterprise. And from there, projects are scoped and financially visible projects, viable projects are determined whether the country has the budget to pay for it or they take a financing arrangement with Abu Dhabi or a financing arrangement with any of the international financiers.

Most of the time the currency risk, the financial risk, is protected because of this G2G arrangement, as well as sovereign financial arrangements and contracting mechanism we put in place. The markets will continue to grow. As we establish Kazakhstan as a regional HQ, it will now serve the growth in Uzbekistan, in Kyrgyzstan, as well as the work that we're doing in Azerbaijan. And looking at the Balkans, we expect soon to announce another Balkan region smart city project as we implement Albania.

So, this is the pattern that we're taking. We see that trajectory because it's in a market that has much fewer competitors for large tech. It's tricky to get into, and because we have been doing it for the last two years, we do it on the back of UAEs trade missions, that has given us the protection we need to confidently deploy. And once we win the project, like Kazakhstan, we're able to decentralize our delivery into lower cost components, but at the same time, build an ecosystem in the region to deliver even more projects.

Omar Thank you, Thomas. That's clear. The next question says, “The Abu Dhabi government recently announced its digital strategy 2025/27. Can you give us a bit more color on that and what it might mean for Presight?”

Thomas So the ambition to become not just an AI enabled government, but AI native. As the government now pushed out chief AI officers across all federal agencies, Presight’s working very closely with each one of them, particularly the Department of Government Enablement. You've read quite recently an announcement from the Prime Minister's office about creating AI curriculum across all schools, and they have also named specifically that Presight, among others, like the MBZ Universal AI are the key components.

In that space, Presight plays the role of a digital platform for big data analytics and AI use cases. You'll see such patterns happen across. We have also recently been appointed as part of the Emiratis HR Council as their base big data analytics and AI platform. There are about 245 use cases across the government that is being deployed as part of the 13.6 billion dirhams budget. We are a strategic partner already, the ones with the public safety agencies, the national accounting authority, and we continue to expand that. And you will see the reports. So, when you see an announcement from a ministry, a federal ministry, very often their AI strategy will bring about a platform that is needed to support the AI use cases, and this is where Presight plays a part.

Omar Thank you. And the next question from the Q&A box as well says, “Presight has a cash rich balance sheet and no debt. Should we expect more M&A? And if so, what does good M&A look like to you? And how does the recent launch of your Accelerator play into your thinking on capital allocation?”

Thomas So two parts of that. The ambition to grow enterprise value and to drive M&A has two parts. So one, for inorganic growth, like the acquisition of AIQ last year, has been accretive. Energy is now about 25% of the total revenue. The AI Accelerator is our funnel for us to get access to innovative IPs that are affordable and accretive to the sector.

So, let me put some color to that. I've also announced the AI Accelerator received 105 applications across 27 countries. We've closed it. From the 105, we’ll pick 10 where we aim to accelerate in a 6 months period. So it will be 2 batches of 10 per year. In the 10 companies that we see, the first three months is strategy, go to market with them, but the second three months that they will be with us, they will be deployed onto any one of our projects across the markets that we're in, and that allows us to test the technology, the synergy with the Presight platform and also client satisfaction. And from there, we can more confidently find solutions and innovation that is accretive to us in the sectors we're focused in, but also proven.

Alongside, I have also given hints that we will set up a venture capital fund right next to the Accelerator, allowing us to take smaller ticket size, between 500,000 to 2 million in each of this innovative AI companies that are starting up. So we keep a strong balance sheet to be able to take big acquisitions where we need to. But at the same time, we diversify a wider catchment area through the Accelerator program and the VC fund that will allow us to really examine the innovation that's coming out this very fast paced AI, Generative AI ecosystem. And very often, some of these are overpriced if you don't test it. So, this is what we're doing around our M&A and driving IP acquisition into the group.

Omar Thank you. And once again, as a reminder, if you have any questions, you can either use the raise hand function to ask the question verbally, or you can put it in the Q&A box through Slido.

The next question is in the Q&A box as well. Sorry, let's take the question from Harry Wilkin first. Harry, please go ahead.

Harry Hi, thanks. Thank you. I was a bit late to join the call, so I apologize if I've asked something that's already been explained. But I just wanted to understand what the impact of what the AIQ was like before the first quarter? How much growth was there for the AIQ business, if you look on a proforma basis?

Ram So you mean the revenue? The first quarter revenue grew consolidated business 115%. If you take out AIQ and do a like to like for last year, it's about 50%.

Harry Yes. I just mean, just for AIQ, if you look AIQ on AIQ, like for like.

Ram I wouldn't be able to comment on that specifically, because we didn't consolidate AIQ growth from Q1 2024.

Harry No, understand. I understand.

Ram But then again, if you can normalize it, I think this will be, again, I would say somewhere in the guidance ranges that we have given you, maybe slightly north of that, which is I guess another 25% is probably something you can model.

To be very specific, we started consolidating AIQ into our financials from June of last year.

Harry Thanks. Okay.

Thomas A big part of it is we're still very confident. When we did the acquisition, we said it will be our second largest revenue sector. We see the trend as free site organic business growth, and AIQs energy businesses fold into it. We see that the energy sector contribution of AIQ will be about 25% to 28%, 29% of the total revenue, and that's the pattern that we can see trending forward.

Harry Got it. And then just in terms of net income or profit before tax, just because of the change in tax rates, excluding AIQ, what was the growth rate in PBT, ex AIQ?

Ram Excluding AIQ, the organic growth rate is high single digits.

Harry Okay. And we should understand the margin contraction there is just from more international business, which is quite heavy in the infrastructure components?

Ram So, without just doing it just on the organic side, yes, one of the margin compression is a very conscious decision we have made to invest internally, develop R&D to focus on international expansion, which underpins our growth. And also, if you compare it to last year, a couple of things. There is also an interest income difference, there was a much higher interest income that was there last year, which is not this year, and also the fact that this year we also have some amortization costs, which comes after the EBITDA, before the PBT. That's a significant amortization that's as a result of AIQs consolidation, so that's also included. So that kind of erodes the PDT percentages a bit more.

Harry So you've absorbed some of the intangible assets, so there's amortization?

Ram That’s right. Amortization, and also the lower interest income year-on-year. Obviously, we had a much higher cash balance, and then there was also a slightly higher interest rate that contributed to higher interest income last quarter vis-à-vis this year.

Harry Okay. And would you say the kind of run rates that we're seeing in the first quarter, if I get rid of AIQ, that would be largely consistent with how you think about the remainder of the year in terms of growth rate, profitability, or is it not? Because I think usually your first quarter is a smaller contribution to your full year.

Ram That is correct. That's one of the reasons also we want to kind of wait before we make any guidance in reference to the questions earlier on the call.

Just to give you some guidelines in terms of how we think this is likely to be. We expect our EBITDA margins to continue to be between the 25% to 30% range comfortably, and we are guiding to PAD growth of about 6% to 11% that we upgraded it in Q1 earlier in February, and that 6% to 11% includes a tax rate of 15%. So as compared to last year tax rates, it will imply a growth rate of, I would say, 11% to 16% at a 9% tax rate. So just to give you a sense of like to like last year, so that EBITDA margin 25% to 30% would help us to get to this kind of PAD range going forward into the medium term.

Harry Got it. And my last question just related to that tax, and apologies again if you mentioned this already, but has it been confirmed that that's the tax amount that you’ll pay, because I think it relates to M&E’s with a certain size, I'm not sure if you guys get counted as that.

RAM So the M&E s that qualify for this base to erosion tax, DMTT, actually is at a much higher level at the parent level, and at that parent level we are fairly sure that they will clear the 750 million euro threshold.

Harry Okay, so you're pretty sure it'll be 15%?

Ram Yes.

Thomas Fortunately and unfortunately.

Ram That could be minor adjustments for allowances of [talking over each other 47:24] reductions. But predominantly we just want to take it up front and then model it into our forecast.

Harry Thank you very much.

Ram Thank you.

Thomas Thank you.

Omar Thank you. The next question is from the Q&A box. It's on geopolitics, and it says, “Do you envisage any adverse impact from tariff changes in the US or from additional restrictions on chip exports from the US?”

Thomas So the short answer to that is, no. I don't believe that we will be affected by it. I think the region is quite protected on that space, too.

On chips infrastructure, Presight is the application tier company, just like how we've addressed the release of Deep Seek and the different models available, we are platform agnostic, so we can run on any infrastructure, any chips. Most of the time, it's also related to where the clients are deploying. You know, most of our platforms are national, sovereign platforms that are deployed in country, so that doesn't impact us.

The extension of what UAE has done and invested in infrastructure and the increased interaction between UAE leadership and the US leadership gives us confidence that that relationship is definitely in a much better place. And, of course, we are all aware that the US leadership will be in country, in region in two weeks’ time. So those are pointing to a positive outlook for the region. And we were fortunate to be part of the UAE’s ecosystem. And I think we can quite safely say that we’re protected from that, at least, definitely, in the short term, before any other crazy changes happen.

Omar Thank you. And last reminder, in case anyone has any final questions before we wrap up, either verbally or in the Slido or for the Q&A box, or even chat if you're unable to use the Q&A box. So, we'll pause for a moment in case there are any final questions.

All right, no more questions, so I’ll hand back to you, Thomas, in case you have any concluding remarks.

Thomas No. Thank you, everyone, for the questions. It's been really an exciting quarter and journey. Like we've shared with many of you before, it’s not the quarters that we're looking at. It’s really the eight quarters, nine quarters we have gone through. We believe now that we're seeing each of the individual strategies that are put in place, from greater domestic dominance, growth, international markets coming in, acquisitions, acquired assets like AIQ being accretive to us, and then the investment into R&D technology, including the Sarita program. I think we're going to see a pattern as we move into the quarter that we can actually report progress on each one of these tracks, be the international countries that we get to, or just new contracts that are going to win. We have spoken about this before, but I think this quarter has been most apparent that each one of these strategies is accretive to the total contribution of the performance of the quarter.

So, we look forward to reporting in this manner. We look forward to having equally strong quarters moving ahead and thank you for your time today.

Omar Thank you very much from the Presight management team for your participant. This concludes the call and have a nice day. Thank you.

Thomas Thank you. Bye.