PRESIGHT AI HOLDING PLC

Review report and condensed consolidated interim financial information for the three-month period ended 31 March 2024

PRESIGHT AI HOLDING PLC

Review report and condensed consolidated interim financial information for the three-month period ended 31 March 2024

	Pages
Report on review of condensed consolidated interim financial information	**1**
Condensed consolidated statement of financial position	**2**
Condensed consolidated statement of profit or loss and other comprehensive income	**3**
Condensed consolidated statement of changes in equity	**4**
Condensed consolidated statement of cash flows	**5**
Notes to the condensed consolidated interim financial information	**6 - 24**

Deloitte & Touche (M.E.) LLP
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PRESIGHT AI HOLDING PLC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Presight AI Holding PLC (the "Company") and its subsidiaries (together referred to as the "Group") as of 31 March 2024, and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ('IAS 34'). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.) LLP



Monah Adnan Abou-Zaki
7 May 2024
Abu Dhabi
United Arab Emirates

Condensed consolidated statement of financial position as at 31 March 2024

	Notes	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
ASSETS			
Non-current assets			
Property and equipment		**3,751**	3,824
Intangible assets		**63**	77
Right-of-use assets	**5**	**20,902**	23,872
Total non-current assets		**24,716**	27,773
Current assets			
Trade and other receivables	**6**	**1,553,299**	912,857
Contract assets	**7**	**515,671**	1,012,734
Due from related parties	**8**	**37,957**	26,973
Bank balances	**9**	**1,970,953**	2,092,631
Total current assets		**4,077,880**	4,045,195
Total assets		**4,102,596**	4,072,968
EQUITY AND LIABILITIES			
Equity			
Share capital	**11**	**560,868**	560,868
Share premium	**11**	**1,679,952**	1,679,952
Retained earnings		**823,290**	727,311
Equity attributable to owners of the Company		**3,064,110**	2,968,131
Non-controlling interest		**65,179**	83,105
Total equity		**3,129,289**	3,051,236
Non-current liabilities			
Employees' end of service benefits		**16,098**	14,436
Lease liabilities		**16,336**	19,335
Total non-current liabilities		**32,434**	33,771
Current liabilities			
Trade and other payables	**12**	**513,843**	578,559
Lease liabilities		**7,269**	9,329
Contract liabilities		**68,351**	57,929
Current tax liabilities	**10**	**9,612**	-
Due to related parties	**8**	**341,798**	342,144
Total current liabilities		**940,873**	987,961
Total liabilities		**973,307**	1,021,732
Total equity and liabilities		**4,102,596**	4,072,968

Thana Pramotedham
Chief Executive Officer

Dr. Adel Al Sharji
Chief Operating Officer

Raghupathy Ramadorai Meyoor
Chief Financial Officer

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024

	Notes	Three-month period ended 31 March	
		2024	2023
		AED'000	AED'000
		(unaudited)	(unaudited)
Revenue	**13**	**262,131**	226,210
Direct costs	**14**	**(130,721)**	(126,159)
Gross profit		**131,410**	100,051
General, administrative and marketing expenses	**15**	**(53,114)**	(27,651)
Finance income		**27,261**	-
Profit for the period before tax		**105,557**	72,400
Income tax expense	**10**	**(9,612)**	-
Profit after tax for the period		**95,945**	72,400
Other comprehensive income		-	-
Total comprehensive income for the period		**95,945**	72,400
Profit/(loss) attributable to:			
Owners of the Company		**95,979**	72,408
Non-controlling interest		**(34)**	(8)
		95,945	72,400
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**95,979**	72,408
Non-controlling interest		**(34)**	(8)
		95,945	72,400
Basic and diluted earnings per share	**18**	**0.02**	0.03

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated statement of changes in equity for the three-month period ended 31 March 2024

	|--Attributable to the owners of the Company--|				
	Share capital AED'000	**Share premium AED'000**	**Retained earnings AED'000**	**Total AED'000**	**Non-controlling interests AED'000**	**Total equity AED'000**
At 1 January 2023 (audited)	184	-	650,052	650,236	117,514	767,750
Total comprehensive income/(loss) for the period:						
Profit/(loss) for the period	-	-	72,408	72,408	(8)	72,400
Total comprehensive income/(loss) for the period	-	-	72,408	72,408	(8)	72,400
Issue of share capital (note 11)	560,684	1,679,952	-	2,240,636	-	2,240,636
Dividend declared (note 16)	-	-	(492,849)	(492,849)	(34,903)	(527,752)
At 31 March 2023 (unaudited)	560,868	1,679,952	229,611	2,470,431	82,603	2,553,034
At 1 January 2024 (audited)	560,868	1,679,952	727,311	2,968,131	83,105	3,051,236
Total comprehensive income/(loss) for the period:						
Profit/(loss) for the period	-	-	95,979	95,979	(34)	95,945
Total comprehensive income/(loss) for the period	560,868	1,679,952	823,290	3,064,110	83,071	3,147,181
Dividend declared (note 16)	-	-	-	-	(17,892)	(17,892)
At 31 March 2024 (unaudited)	**560,868**	**1,679,952**	**823,290**	**3,064,110**	**65,179**	**3,129,289**

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated statement of cash flows for the three-month period ended 31 March 2024

	Notes	Three-month period ended 31 March	
		2024	2023
		AED'000	AED'000
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit for the period		**105,557**	72,400
Adjustments for:			
Depreciation of property and equipment		**519**	404
Amortisation of intangible assets		**14**	13
Depreciation of right-of-use assets	**5**	**2,970**	1,741
Expected credit loss on trade receivables		**964**	-
Provision for employees' end of service benefits		**1,972**	2,210
Finance expenses		**250**	305
Finance income		**(27,261)**	-
Operating cash flows before movements in working capital		**84,985**	77,073
(Increase)/decrease in trade and other receivables		**(620,496)**	624,738
Decrease/(increase) in contract assets		**497,063**	(114,682)
Increase/(decrease) in contract liabilities		**10,422**	(3,830)
Increase in due from related parties		**(10,984)**	-
Decrease in trade and other payables		**(64,716)**	(37,196)
Decrease in due to related parties		**(346)**	(39,079)
Cash (used in)/generated from operating activities		**(104,072)**	507,024
Employees' end of service benefits paid		**(310)**	(321)
Net cash (used in)/generated fromoperating activities		**(104,382)**	506,703
Cash flows from investing activity			
Payment for acquisition of property and equipment		**(446)**	(165)
Movement in fixed deposit – under lien		**(1,469)**	-
Finance income received		**6,351**	-
Net cash generated from/(used in) investing activity		**4,436**	(165)
Cash flows from financing activities			
Proceeds from issuance of share capital, net		**-**	2,240,636
Payment of dividends	**16**	**(17,892)**	(527,752)
Payment for the principal portion of lease liabilities		**(5,309)**	(1,088)
Net cash flow (used in)/generated from financing activities		**(23,201)**	1,711,796
Net (decrease)/increase in cash and cash equivalents		**(123,147)**	2,218,334
Cash and cash equivalents at the beginning of the period		**2,076,288**	184
Cash and cash equivalents at 31 March	**9**	**1,953,141**	2,218,518

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024

1 Legal status and principal activities

Presight AI Holding PLC (the "Company") is incorporated as a public company limited by shares operating under a license number 000008980 issued by Abu Dhabi Global Market Registration Authority pursuant to Abu Dhabi Global Market Companies Regulations 2020 on 12 December 2022. The Group's parent company and controlling party is Group 42 Holding Ltd (the "Parent Company"), a private company registered in Abu Dhabi Global Market. The Company was listed on the Abu Dhabi Securities Exchange on 27 March 2023.

The registered address of the Company is Al khatem Tower, Abu Dhabi Global Market square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The principal activity of the Company is to act as a holding company for the entities within the Group.

These condensed consolidated interim financial information include the financial performance, financial position and cash flows of the Company and its subsidiaries (collectively referred to as the "Group"), details of which are set out below:

Name of subsidiaries	**Place of incorporation and operation**	**Principal activities**	**Proportion of ownership interest and voting power held**	
			31 March 2024	31 December 2023
Assetik Tech Ltd*	Abu Dhabi, United Arab Emirates	Proprietary investment company; other information technology and computer service activities, computer consultancy and computer facilities management activities, computer programming activities, other information service activities n.e.c, treasury financial systems and applications development and web portals.	**100%**	100%
Presight AI Technologies RSC Ltd	Abu Dhabi, United Arab Emirates	Holding company	**100%**	100%
G42 Smart Nation AI Holding RSC Ltd.	Abu Dhabi, United Arab Emirates	Special purpose vehicle	**100%**	100%
Presight AI Ltd	Abu Dhabi, United Arab Emirates	Business incubator, other information technology and computer service activities, other professional, scientific and technical activities n.e.c, computer consultancy and computer facilities management activities, computer programming activities, activities of holding companies, other information service activities n.e.c, data processing, hosting and related activities, activities of head offices.	**100%**	100%

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

1 Legal status and principal activities (continued)

Name of subsidiaries	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			31 March 2024	31 December 2023
Below are the subsidiaries of Presight AI Technologies RSC Ltd:				
Presight AI Technologies L.L.C **	Abu Dhabi, United Arab Emirates	Information technology network services and technological projects management.	**99.99%**	99.99%
Smart Interaction2 Holding SPV RSC Ltd* (i)	Abu Dhabi, United Arab Emirates	Special purpose vehicle	**100%**	100%
Below are the subsidiaries of G42 Smart Nation AI Holding RSC Ltd.:				
G42 Smart Nation Technology Projects LLC**	Abu Dhabi, United Arab Emirates	Information technology network services, technological projects management, innovation & artificial intelligence research & consultancies, security & surveillance systems installation & maintenance, telecommunication systems equipment installation and maintenance, services, management and operation of computer networks, computer infrastructure establishment, institution and maintenance, retail sale of computer outfit and data processing.	**99.99%**	99.99%
G42 Smart City AI SPV RSC Ltd*	Abu Dhabi, United Arab Emirates	Special purpose vehicle	**100%**	100%
G42 AS SPV RSC Ltd*	Abu Dhabi, United Arab Emirates	Special purpose vehicle	**100%**	100%
JTO Holding SPV Ltd	Abu Dhabi, United Arab Emirates	Special purpose vehicle	**60%**	60%

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

1 Legal status and principal activities (continued)

Name of subsidiaries	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			31 March 2024	31 December 2023
Below are the subsidiaries of G42 Smart Nation AI Holding RSC Ltd.:				
Intellibrain Technological Projects LLC	Abu Dhabi, United Arab Emirates	Technological projects management, innovation and artificial intelligence research and consultancies, computer systems and software designing.	**60%**	60%
Below are the subsidiaries of Presight AI Ltd:				
G42 Analytics Technology Projects LLC**	Abu Dhabi, United Arab Emirates	Information technology network services, technological projects management, innovation & artificial intelligence research & consultancies.	**99.99%**	99.99%
Presight AI Kazakhstan Ltd.*	Kazakhstan	Provision of AI-powered big data analytics platforms.	**100%**	100%
Analytics AI Limited Liability Partnership*	Kazakhstan	Implementing state of the art analytical and artificial intelligence software systems; installation works, general management, providing customer support, expand partnership networks, commercial activity, foreign economic and foreign trade activity including export and import.	**100%**	100%
SK-Presight AI LTD	Kazakhstan	Software engineering and product development services.	**70%**	-

* These subsidiaries were dormant as at 31 March 2024 and 31 December 2023.

** An entity under common control has assigned the beneficial ownership of its stake in these subsidiaries to the Company, thereby, the Group holds 100% of the shareholding.

(i) On 4 May 2023, the Company acquired shareholding in the subsidiary from an entity under common control for a nominal consideration.

On 17 November 2023, the Company opened a branch in Azerbaijan. The branch did not have any operations as at 31 March 2024 and 31 December 2024.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs and IFRS Sustainability Disclosure Standards	Effective for annual periods beginning on or after
IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*	1 January 2024*
IFRS S2 *Climate-related Disclosures*	1 January 2024*
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* — Lack of Exchangeability	1 January 2025
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to IFRS 10 *Consolidated Financial Statements* and *IAS 28 Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided.

*Subject to adoption by the local jurisdiction.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information as and when they are applicable and adoption of these new standards and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

3 Statement of compliance and basis of preparation

Statement of compliance

These condensed consolidated interim financial information for the three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" and applicable requirements of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015.

Basis of preparation

The condensed consolidated interim financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. In addition, results for three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

3 Statement of compliance and basis of preparation (continued)

Basis of preparation (continued)

The condensed consolidated interim financial information is presented in UAE Dirhams ("AED"), the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest thousand (AED'000) except where otherwise indicated.

The condensed consolidated interim financial information has been prepared on the historical cost basis.

4 Summary of significant accounting policies and estimates

The accounting policies applied by the Group in this condensed consolidated interim financial information are consistent with those in the annual audited consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective 1 January 2024 and the following policy relating to taxation:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the condensed consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the condensed consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the condensed consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

4 Summary of significant accounting policies and estimates (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax are recognised in condensed consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Critical judgements and key sources of estimation uncertainty

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual consolidated financial statements for the year ended 31 December 2023.

5 Right-of-use assets

The Group's right-of-use assets include leases for office premises. The lease term is 2-5 years.

During the three-month period ended 31 March 2024, the Group recognized right-of-use assets amounting to AED nil (31 December 2023: AED 14,230 thousand). Depreciation expense during the period amounted to AED 2,970 thousand (31 December 2023: AED 9,343 thousand).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

6 Trade and other receivables

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade receivables	**1,504,380**	855,616
Less: expected credit loss allowance	**(6,557)**	(5,593)
	1,497,823	850,023
Advance to suppliers	**31,878**	36,430
Accrued interest income	**22,603**	23,762
Refundable deposits	**513**	1,689
Prepayments	**203**	480
Other receivables	**279**	473
	1,553,299	912,857

The Group measures the allowance for expected credit loss (ECL) for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a loss rate, with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The expected credit loss on trade receivables is AED 6,557 thousand as at 31 March 2024 (31 December 2023: AED 5,593 thousand).

Trade and other receivables include AED 1,468,070 thousand (31 December 2023: AED 864,705 thousand) pertaining to related parties (note 8).

The Group has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for sale of services or goods from counterparty.

7 Contract assets

Contract assets mainly represent balances due from customers under software development, installation and support service contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group recognises a contract asset for any work performed in excess of amounts billed to the customer.

Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Payments are usually not due from the customers until either the services are complete or the respective milestones are achieved and therefore a contract asset is recognised over the period in which the services are performed to represent the Group's right to consideration for the services transferred to date. All the contract assets are expected to be realized within one year and hence classified under current assets. The expected credit loss on contract assets is AED 3,067 thousand as at 31 March 2024 (31 December 2023: AED 3,067 thousand).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

7 Contract assets (continued)

Carrying amount of contract assets is as follows:

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Contract assets	**518,738**	1,015,801
Less: expected credit loss allowance	**(3,067)**	(3,067)
	515,671	1,012,734

Contract assets include AED 475,629 thousand (31 December 2023: AED 971,388 thousand) pertaining to relatd parties (note 8).

8 Related party transaction and balances

Related parties, as defined in International Accounting Standard 24: *Related Party Disclosures* include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Management approves prices and terms of payment for these transactions and these are carried out at mutually agreed rates.

The Group, in the ordinary course of business, enters into transactions, with other business enterprises or individuals that fall within the definition of related parties contained in International Accounting Standard 24. The Group has a related party relationship with the Government of Abu Dhabi, directors and executive officers (including business entities over which they can exercise significant influence, or which can exercise significant influence over the Group).

The Group maintains significant balances with these related parties, which arise from commercial transactions.

Balances with related parties at the end of the reporting period comprise:

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Due from related parties:		
Entities under common control	**37,957**	26,973
Due to related parties:		
Entities under common control	**341,798**	342,144

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

8 Related party transaction and balances (continued)

Significant transactions with related parties in the condensed consolidated statement of profit or loss include the following:

	Three-month period ended 31 March	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Revenue (note 13)	**258,484**	195,627
Staff cost and allowances (ii) (notes 14 and 15)	**78,759**	47,192
Support services and manpower fee* (note 15)	**6,691**	6,177
Sub-contractor costs and project consumables (note 14)	**38,613**	63,464
Dividend payable (note 16)	**-**	492,849
Marketing expense (note 15)	**2,893**	-

*Support services and manpower fee are paid by the Group for support and manpower services provided by an entity under common control (a "related party") in accordance with an Intra Group Services Agreement (the "Agreement") between the parties.

i. In accordance with an Inter-Group arrangement (the "Arrangement"), the Group's employees are legally under the sponsorship of an entity under common control (a "related party") and the related payroll costs (including end of service benefits) are recharged to the Group (note 14 and 15).
ii. Refer notes 6, 7, 9 and 12 for balances with related parties.
iii. Guarantees amounting to AED 1,427 thousand (31 December 2023: AED 1,427 thousand) are in the name of related parties but assigned for the benefit of the Group (note 19).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

8 Related party transaction and balances (continued)

Compensation of key management personnel is as follows:

	31 March 2024 (unaudited)	31 March 2023 (audited)
Number of key management personnel	**7**	6
Short-term benefits (AED 000's)	**11,690**	6,552
Long-term benefits (AED 000's)	**166**	87

9 Bank balances

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Cash at bank – current accounts	**27,598**	142,727
Short-term deposits (i)	**1,943,355**	1,949,904
	1,970,953	2,092,631
Less: Fixed deposit – under lien	**(17,812)**	(16,343)
Cash and cash equivalents for the purpose of cash flows	**1,953,141**	2,076,288

(i) Short-term deposits have original maturities between three to twelve months. The deposits carry interest at prevailing market rates. Short-term deposits include a fixed deposit amounting to AED 17,812 thousand (31 December 2023: AED 16,343 thousand) with an original maturity of 12-months and is held under lien as security for a bank guarantee.

The Group's bank balances are part of a cash pooling facility arrangement (the "Arrangement") where all balances at the end of the day are transferred to the bank account of the Company at the end of the day.

Cash at bank and short-term deposit of AED 97,598 thousand (31 December 2023: AED 602,873 thousand) pertain to banks which are a related party (note 8).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of the UAE. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

10 Income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in the financial year ending 31 December 2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The tax charge for three months ended 31 March 2024 is AED 9,612 thousand (31 March 2023: AED nil), representing an Effective Tax Rate ("ETR") of 9% (31 March 2023: 0%).

11 Share capital

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Issued and fully paid:		
5,608,680 thousand ordinary shares of AED 0.10 each (31 December 2023: 5,608,680 thousand ordinary shares of AED 0.10 each)	**560,868**	560,868

On 16 February 2023, the Company's Board of Directors resolved to increase the share capital of the Company from AED 184 thousand divided into 1,836 thousand shares of AED 0.10 each to AED 560,868 thousand divided into 5,608,680 thousand shares of AED 0.10 each.

On 3 March 2023, pursuant to the public offering approved by the Securities and Commodities Authority, the Company offered the remaining 1,359,680 thousand shares of AED 0.10 each for public subscription on the Abu Dhabi Securities Exchange. The Company's offer price was set at AED 1.34 per share and was fully subscribed on 27 March 2023, resulting in a share premium of AED 1,686,001 thousand. Share issue costs amounted to AED 6,049 thousand which have been off set against the share premium.

The Board further resolved to allot 4,204,674 thousand shares of AED 0.10 each to the existing shareholder and 42,490 thousand shares of AED 0.10 each to other shareholder (an "entity under common control").

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

12 Trade and other payables

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade payables	**130,994**	167,010
Project and other accruals	**346,809**	346,881
Provision for bonus	**13,117**	43,176
VAT payable (net)	**20,020**	19,350
Provision for leave salary	**2,008**	1,529
Other payables	**895**	613
	513,843	578,559

Trade payables amounting to AED 21,847 thousand (31 December 2023: AED 53,832 thousand) pertain to a related party (note 8).

13 Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services as follows:

	Three-month period ended 31 March	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Revenue from contracts with customers		
Revenue recognised over time		
Revenue from project services	**261,920**	201,455
Revenue recognised at point in time		
Revenue from sale of hardware and software licenses	**211**	24,755
	262,131	226,210

	Three-month period ended 31 March	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Revenue by geographical markets:		
Within UAE	**238,285**	208,791
Outside UAE	**23,846**	17,419
	262,131	226,210

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

13 Revenue (continued)

Revenue includes AED 258,484 thousand (31 March 2023: AED 195,627 thousand) pertaining to related parties (note 8).

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March are as set out below.

	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)
Within one year	**945,878**	701,587
More than one year	**419,527**	1,069,263
Revenue from project services	**1,365,405**	1,770,850

14 Direct costs

	Three-month period ended 31 March	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Sub-contractor costs and project consumables (i)	**82,285**	93,048
Staff costs and allowances (note 8)	**47,479**	31,767
Other direct costs	**957**	1,344
	130,721	126,159

(i) Sub-contractor costs and project consumables include an amount of AED 38,613 thousand (31 March 2023: AED 63,464 thousand) pertaining to related parties (note 8).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

15 General, administrative and marketing expenses

	Three-month period ended 31 March	
	2024	2023
	AED'000	AED'000
	(unaudited)	(unaudited)
Staff costs and allowances (note 8)	**31,280**	15,425
Support services and manpower fee* (note 8)	**6,691**	6,177
Depreciation of right-of-use assets (note 5)	**2,970**	1,741
Marketing expense (i)	**3,380**	323
Professional fees	**3,059**	1,733
Provision for expected credit loss, net	**964**	-
Depreciation of property and equipment	**519**	404
Amortisation of intangible assets	**14**	12
Other expenses	**4,237**	1,836
	53,114	27,651

*Support services and manpower fee are paid by the Group for support and manpower services provided by a related party in accordance with an Intra Group Services Agreement (the "Agreement") between the parties (note 8).

(i) Included in marketing expense is an amount of AED 2,893 thousand (31 March 2023: AED nil) pertaining to related parties (note 8).

16 Dividends

On 16 January 2024, JTO Holding SPV Ltd (a "subsidiary") declared a dividend of AED 17,892 thousand to its minority shareholder (31 March 2023: AED 34,903 thousand).

On 31 January 2023, the Company had declared a dividend amounting to AED 492,849 thousand.

17 Non-controlling interest

Non-controlling interest represents the minority shareholder's proportionate share in the aggregate value of the net assets of the subsidiaries, JTO Holding SPV Ltd and Intellibrain Technological Projects LLC, and the results of the subsidiaries' operations.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

17 Non-controlling interest (continued)

Movement during the period/year is as follows:

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
At 1 January	**83,105**	117,514
Share of (loss)/profit for the period/year	**(34)**	494
Dividends	**(17,892)**	(34,903)
	65,179	83,105

The summarised financial information is shown on a 100 percent basis. It represents the amounts shown in subsidiaries' financial statements prepared in accordance with IFRS under the Group accounting policies, and before intercompany eliminations.

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Non-controlling interest (%)	**40%**	40%
Revenue	**-**	1,285
(Loss)/profit for the period/year	**(85)**	1,235
- attributable to owners of the Company	**(51)**	741
- attributable to the non-controlling interest	**(34)**	494
Other comprehensive income	**-**	-
Total comprehensive (loss)/income for the period/year	**(85)**	1,235
Total assets	**162,962**	207,786
Total liabilities	**(19)**	(23)
Net assets		
- attributable to owners of the Company	**97,766**	124,658
- attributable to the non-controlling interest	**65,177**	83,105
	162,943	207,763

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

18 Basic and diluted earnings per share

Basic earnings per share amounts are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic earnings per share computations:

	Three-month period ended 31 March	
	2024	2023
	AED'000	AED'000
	(unaudited)	(unaudited)
Profit attributable to owners of the Company (AED'000)	**95,979**	72,408

The following reflects the calculation of weighted average number of shares for the purpose of basic earnings per share computations:

	Three-month period ended 31 March	
	2024	2023
	AED'000	AED'000
	(unaudited)	(unaudited)
Weighted average number of shares in issue ('000)	**5,608,680**	2,153,765
Earnings per share (AED)	**0.02**	0.03

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share is equal to basic earnings per share.

19 Contingent liabilities and commitments

The Group has the following contingent liabilities and commitments outstanding at 31 March 2024 and 31 December 2023:

	31 March	31 December
	2024	2023
	AED'000	AED'000
	(unaudited)	(audited)
Guarantees	**365,535**	368,719

The guarantees were issued in the normal course of business.

Guarantees amounting to AED 1,427 thousand (31 December 2023: AED 1,427 thousand) are in the name of related parties but assigned for the benefit of the Group (note 8).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

20 Segment information

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The operations of the Group are limited to one segment viz. artificial intelligence, machine learning, data analytics and hosting. The products and services being sold under this segment are of similar nature.

The Group's chief operating decision maker reviews the internal management reports prepared based on aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified the above segment as the only operating segment for the Group.

21 Financial instruments

All financial assets and liabilities are measured at amortised cost and management consider that the carrying amounts of financial assets and liabilities recognised in the condensed consolidated interim financial information approximate their fair values.

22 Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three month ended 31 March 2024 and 31 March 2023.

23 Comparative figures

Certain comparative figures have been reclassified, where necessary, to conform to the current year presentation of the notes to the condensed consolidated interim financial information. The reclassifications did not have an impact on the condensed consolidated statement of financial position as at 31 March 2023, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period ended 31 March 2023.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

24 Subsequent event

On 1 May 2024, the Group's Board of Directors approved the indirect acquisition by Presight AI Ltd (a 'subsidiary') of a 51% majority stake in Matrix JVCO LTD (AIQ) a joint venture that was previously established between Abu Dhabi National Oil Company P.J.S.C (ADNOC) and Group 42 Holding Ltd. As stipulated in the shareholder circular dated 1 May 2024, the transaction is conditional on certain conditions, including shareholder approval and receipt of regulatory approvals.

A general meeting will be held on 21 May 2024 for the approval of the transaction by Presight shareholders (excluding G42)".

25 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved by management and authorised for issue by the Board of Directors on7 May 2024.