



PCI Pal Results Presentation H1FY22

Half year ended 31
December 2021

A Fast Growing SaaS business

What we do

- 1 Facilitating Secure Payments
- 2 Across All Business Communications
- 3 Voice, Chat, Social, Email, Contact Centre
- 4 PCI DSS, GDPR & More
- 5 Cloud-only, SaaS Product-set

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Our Solutions



Agent Assist 6



Digital 6



IVR 6

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Digital 6



IVR 6

Our Partners

GENESYS™

8x8 Global Cloud Communications

VONAGE

Pay360
by Capita

talkdesk®

worldpay
from FIS

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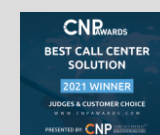
VONAGE

Pay360 by Capita

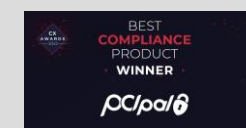
talkdesk®

worldpay from FIS

FY22 Awards



WorkL Workplace of the Year Awards 2021 Gold Winner



WorkL Workplace of the Year Awards 2021 Most Engaged Employees

Strong SaaS Metrics Performance

72%

INCREASE IN
REVENUE

£5.5m

REVENUE FOR
H1FY22

£11.4m

TACV – FUTURE
INDICATOR OF
REVENUE

120%

NET REVENUE
RETENTION

<5%

CHURN



Inline or ahead of management expectations for all key metrics



Substantial increase in revenue YoY
Driven by TACV and delivery performance



Partner eco-system growing & performed well in period



Growing existing customer accounts, proven by high NRR and minimised Churn



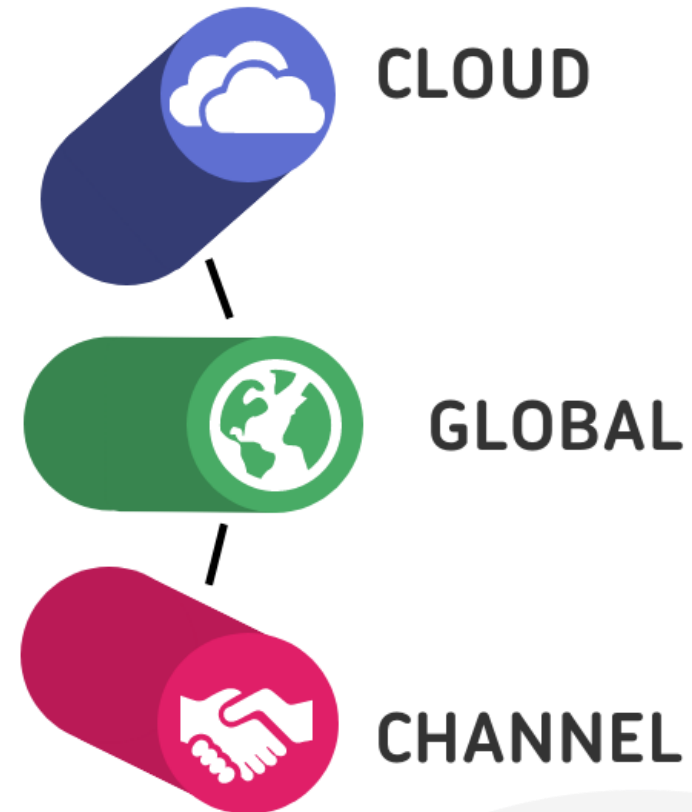
Key strategic hiring initiatives on track despite hiring market headwinds
Canadian business launched



High employee retention 90%+

Three Strategic Pillars for Growth

- 1 To be the leader for true cloud solutions in our space
- 2 For our solutions to be available to customers anywhere in the world
- 3 Leveraging a sales model that by majority sells through channel partners



Expanding Global Presence

Cloud Platform

- Pioneer in cloud in our market >400 customers
- The leaders in cloud to cloud integration methods
- Global availability of services
- Highly cost efficient - increasing gross margins

Global Strategy

- Operations now cover UK, US, Canada, Australia
- Geographic expansion driving increased TAM
- Building a highly reliable global SaaS platform
- Investing in product development



Partner Eco-system Update

Partner Types

Integrated Partners

CCaaS, UCaaS, CPaaS, Carriers



Solution Providers

VARs, SIs, Payment Providers, BPOs



Referral Partners

Agents, Master Agents, VARs, PSPs

Technology Partners



H1 Partner Update



81% contracts through channel partners
58% ACV value through partners



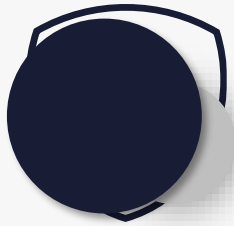
New partnerships signed with:

- Amazon for AWS Marketplace
- Global Canadian CCaaS vendor
- Global US-HQ'd CRM and CCaaS vendor
- Two major target European BPOs, with global footprint
- Reseller partnership signed with VoiceFoundry



Strengthened partnership positioning with a number of key partners

pci/pal6

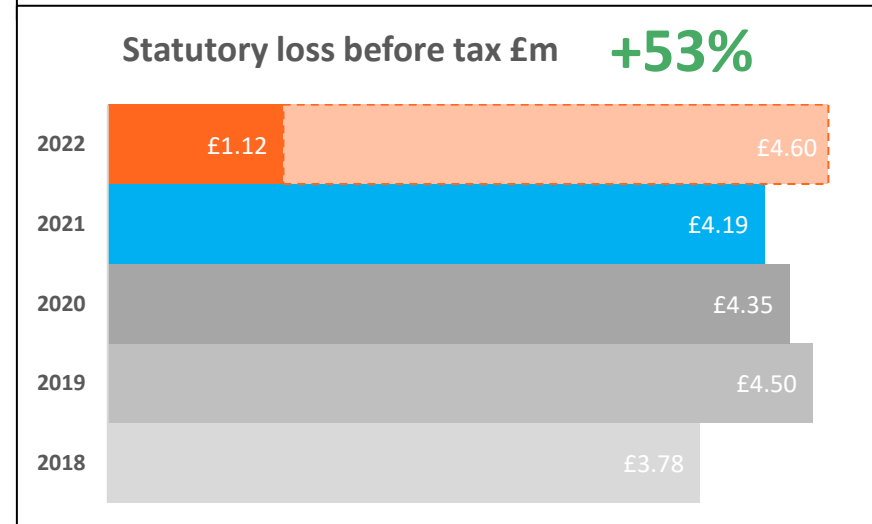
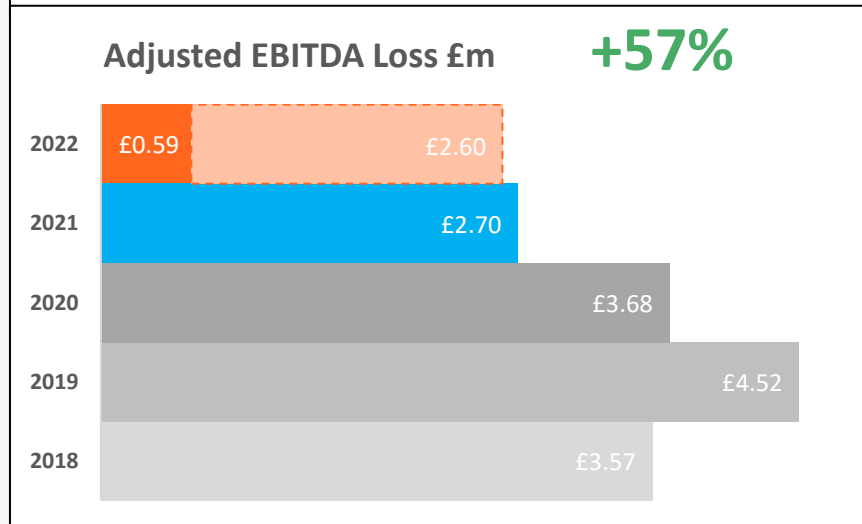
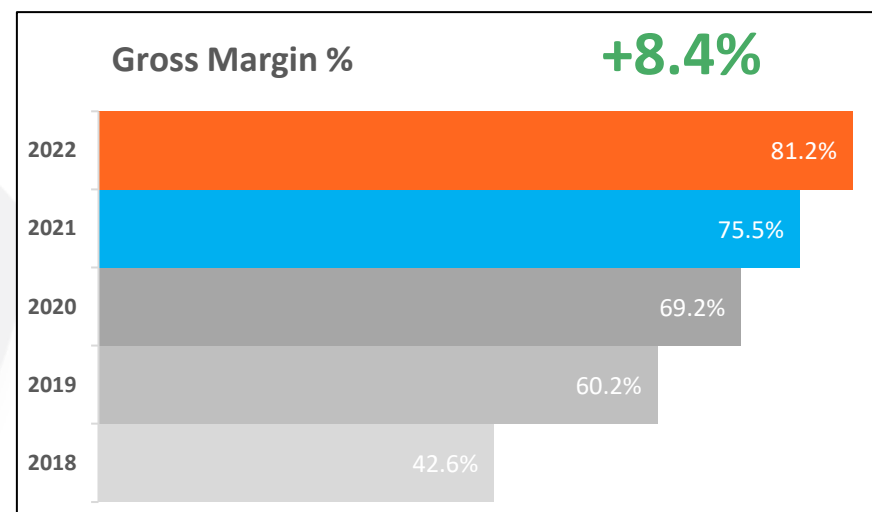
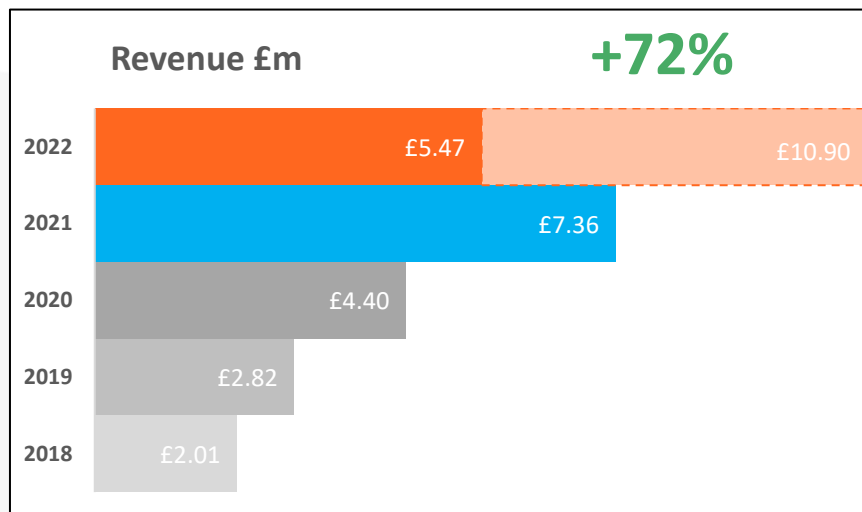


H1FY22 Financials



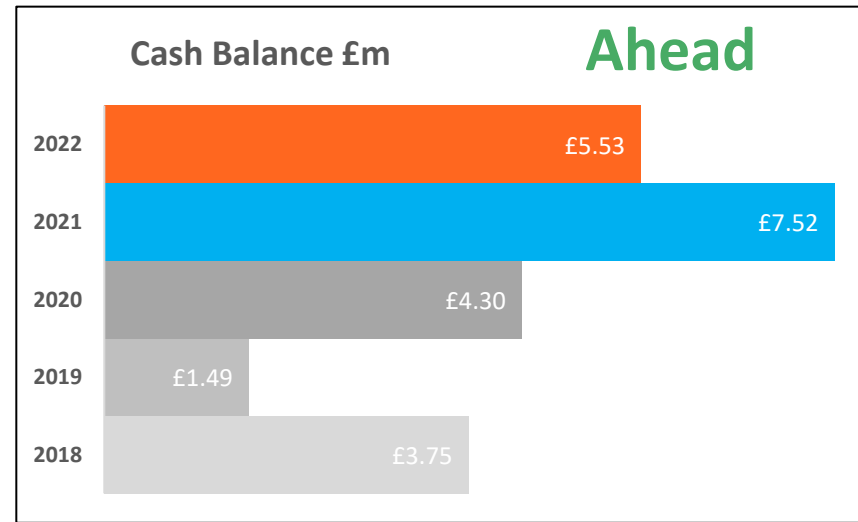
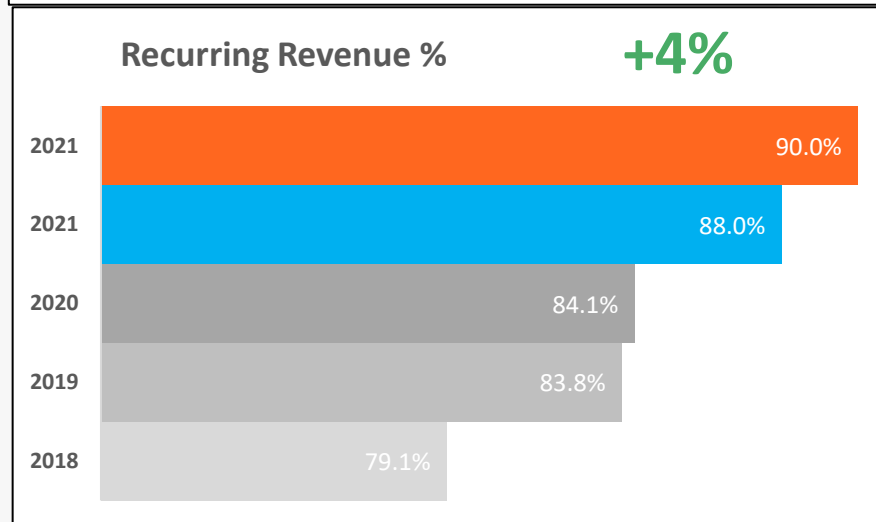
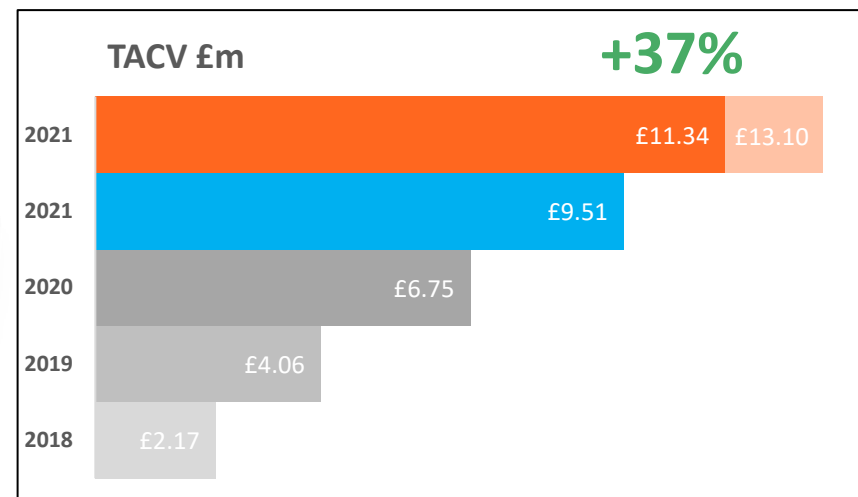
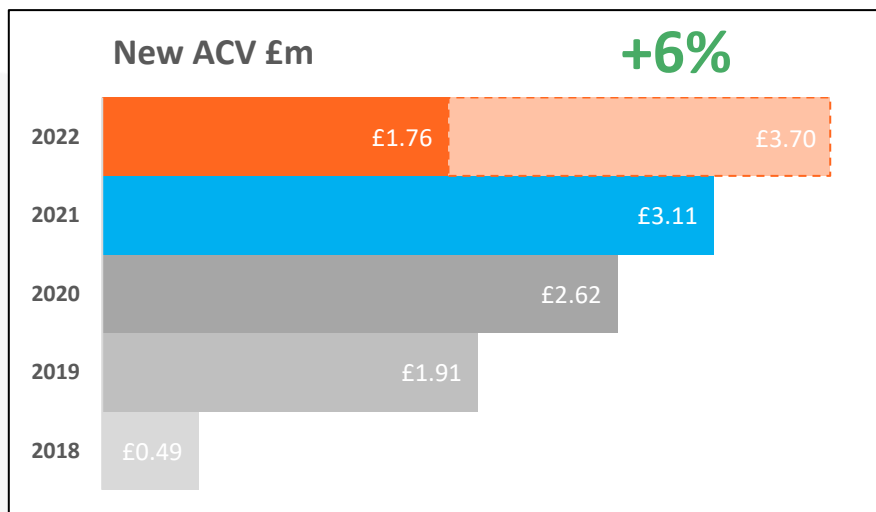
Financial Highlights

Significant progress across all key metrics

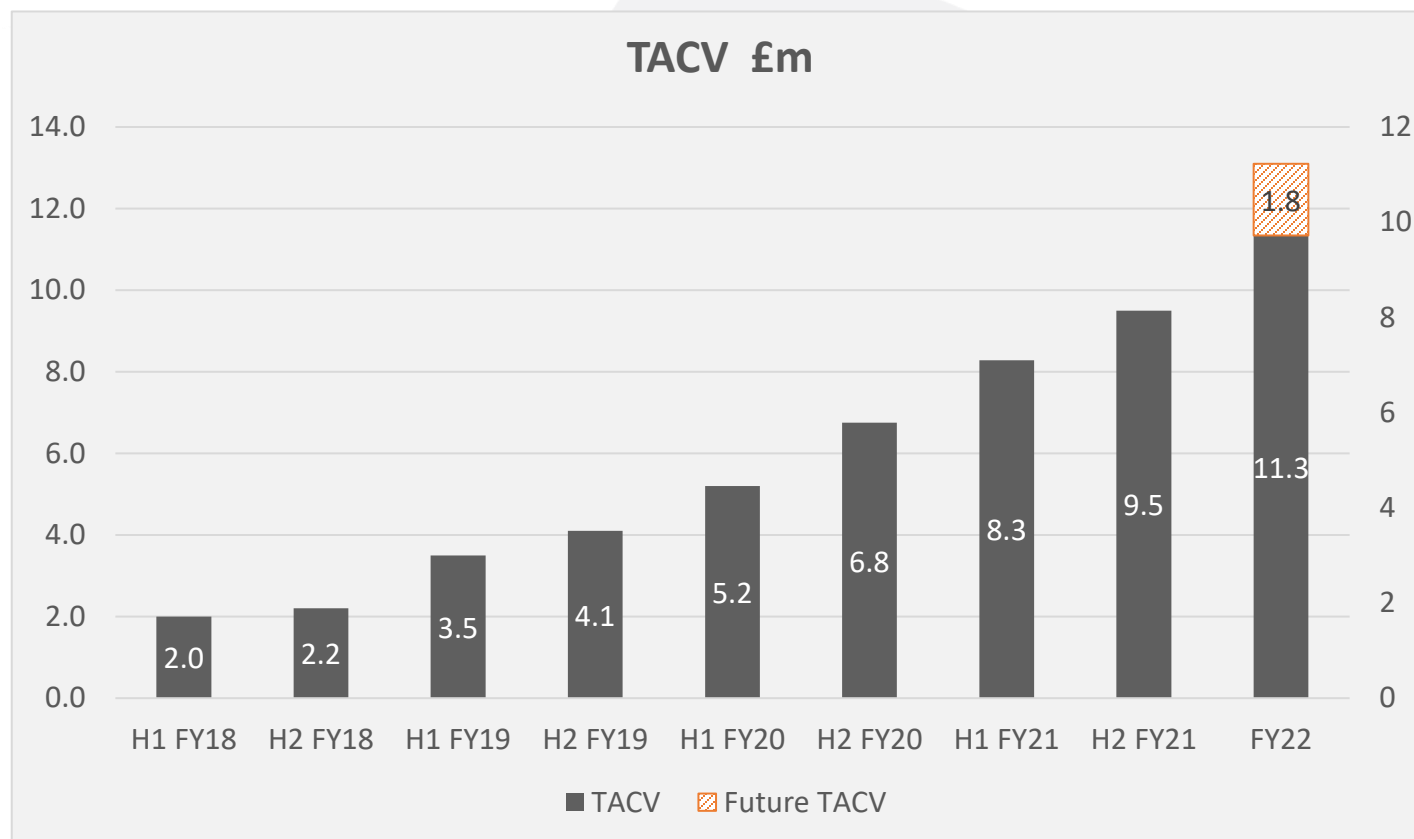


Financial Highlights

Significant progress across all key metrics



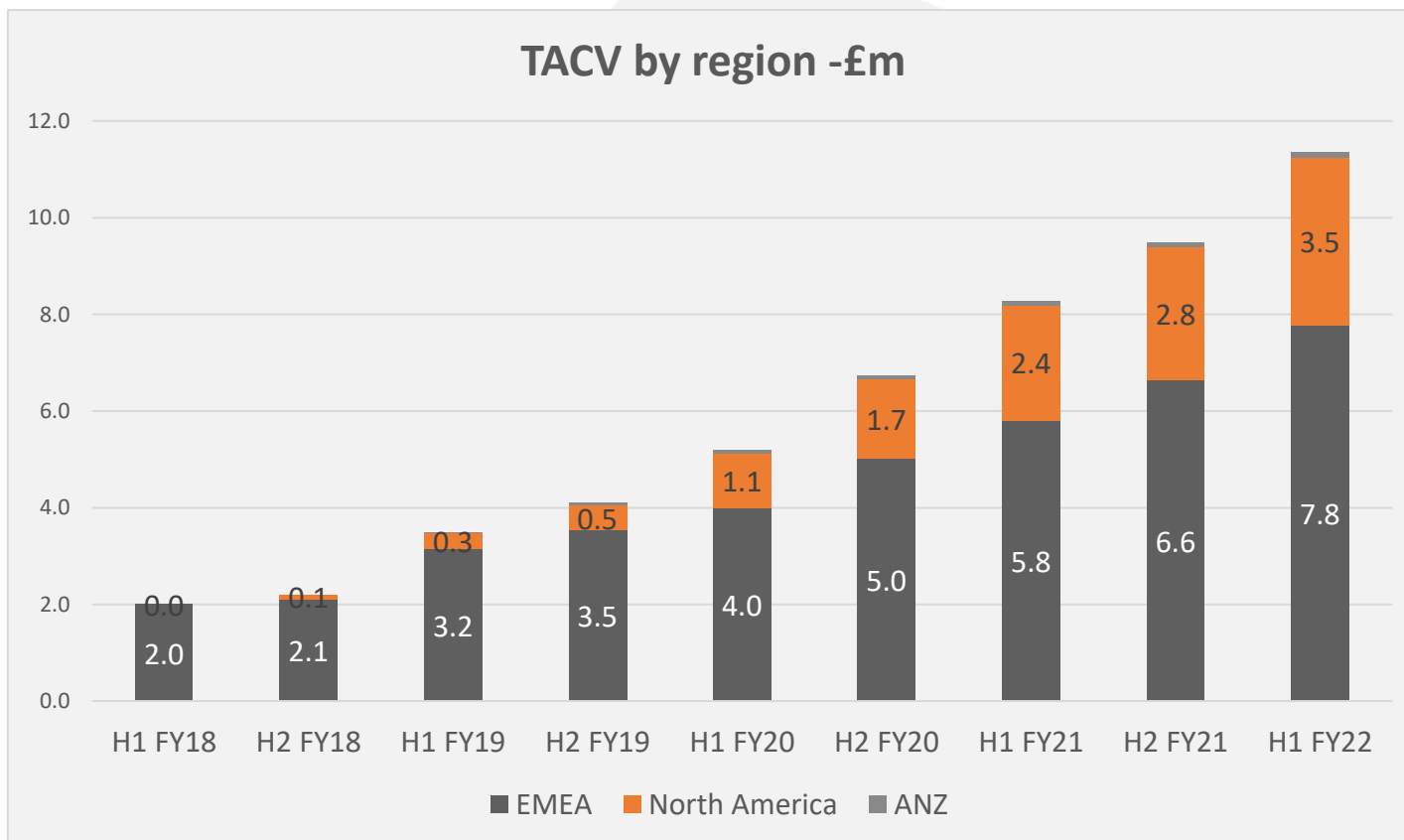
Growth in TACV



TACV is the total annual recurring revenue of all signed contracts, whether invoiced and included in deferred revenue or still to be deployed and/or not yet invoiced

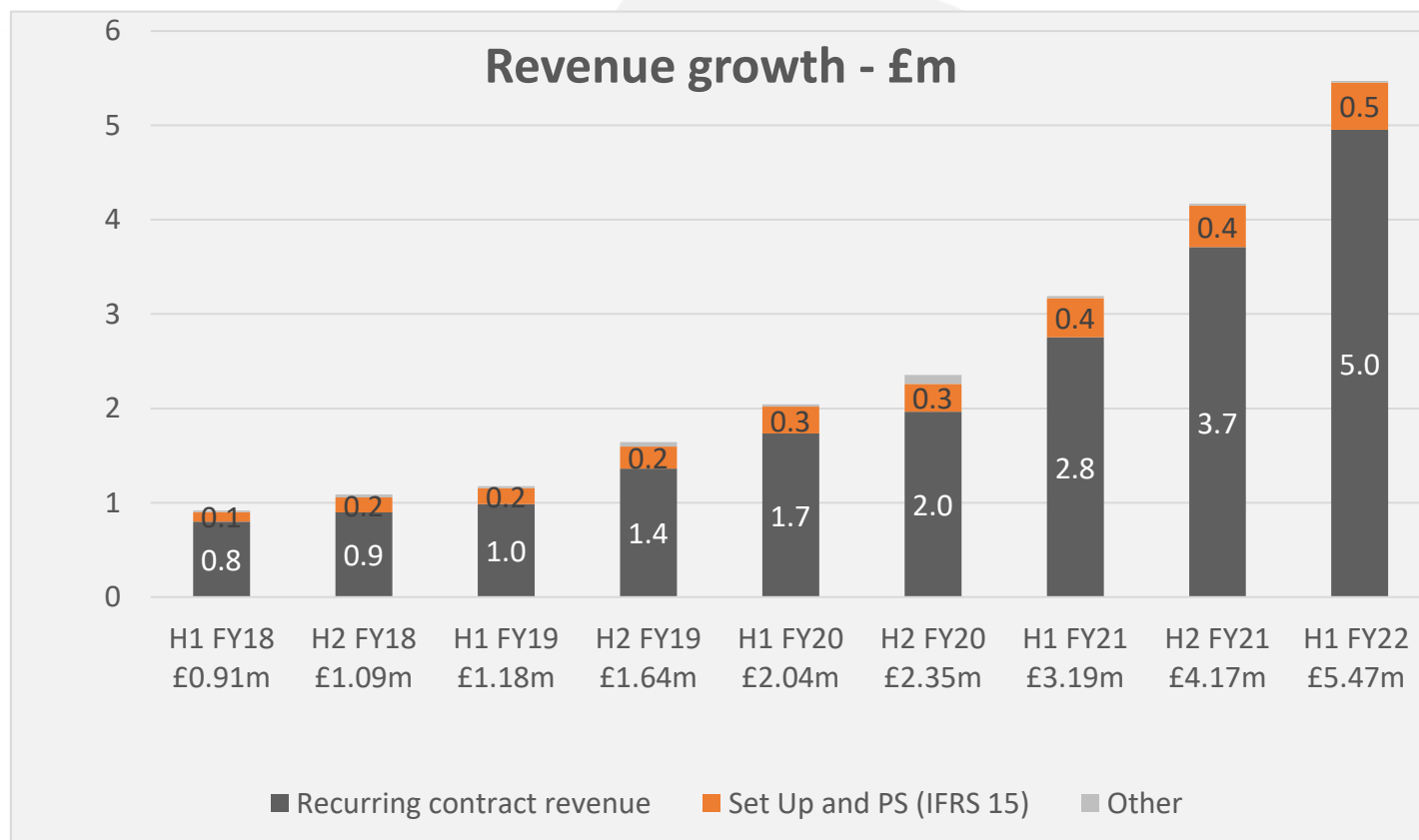
- **TACV:** metric for sustained cash flow and profitability
- Underpins following years financial forecast revenue
- Up 19% since June 21
- Churn on AWS platform in last 12 months at 3.5%
- Net Retention on AWS platform in last 12 months at 120.4% following strong upsells

TACV Analysis



TACV Breakdown by stage		
	Dec 21	Dec 20
Deployed and recognising revenue (ARR)	£8.96m	£5.89m
In deployment	£1.89m	£2.11m
On hold	£0.49m	£0.27m

Recognised Revenue for Period



Revenue & Gross Profit

- Revenue up 31% H1 FY22 v H2 FY21 and 72% YoY
- Recurring revenue at 90% (2020: 86%)
- Professional Services release £0.50 m (2020: £0.41 m) up 21% YoY
- Recently revised forecast revenue to £10.9 m from £10.40 m
- Continued improvement in gross profit margin 81% (2020: 73%)

Income Statement

	H1 FY22	H1 FY21	Change
	£000s	£000s	%
Recurring revenue	4,952	2,753	80%
Other revenue	520	437	19%
Total revenue	5,472	3,190	72%
Cost of sales	(1,029)	(869)	-19%
Gross Profit	4,443	2,321	91%
Staff Costs	(4,020)	(2,946)	-36%
Other Expenses	(1,071)	(1,175)	+9%
EBITDA	(648)	(1,800)	64%
Depreciation and Amortisation	(452)	(346)	-31%
Loss from Operations	(1,100)	(2,146)	49%
Exchange losses/(gains) recognised	(330)	366	
Exceptional costs	285	-	
Expenses relating to share options	108	71	
Adjusted Operating loss	(1,037)	(1,709)	39%

Highlights

- ❑ Recurring revenue continues to grow strongly making up 90% of total revenue
- ❑ Gross margin increased to 81% reflecting higher margin of AWS platform
- ❑ Underlying staff cost increase 36% reflecting growth in headcount which increase from 71 at June 21 to 86 employees at Dec 21 as detailed in Apr 21 fundraise
- ❑ Adjusted underlying operating loss £1.04 m (2020: £1.71 m) a 39% improvement

Cash Flow

	H1FY22	H1FY21
	£000s	£000s
EBITDA	(648)	(1,800)
Other non cash movements	(343)	494
Increase in trade and other receivables	(1,038)	(793)
Increase in trade and other payables	(25)	(241)
Increase in deferred income	658	1,830
Cash used in operating activities	(1,396)	(510)
Income tax received	-	153
Net interest (paid)/received	(6)	(98)
Purchase of property plant and equipment	(134)	(88)
Development expenditure capitalised	(467)	(394)
Cash used in business before financing	(2,003)	(937)
Cash at start	7,518	4,301
Used in business - per above	(2,003)	(937)
Lease repayment	(15)	(16)
Net equity fundraise	28	33
Net borrowing	-	847
Cash at end	5,528	4,228
Debt available to draw	-	1,250
Cash facility	5,528	5,551

Highlights

Business funded by:

- Advanced invoicing
- Cash reserve
- Debt & equity

Summary:

- ❑ Net £0.66 million of advance billing in period – prior year included US\$1.13m multi year prepayment
- ❑ Cash used in business in period £2.00 million
- ❑ No borrowing facilities required
- ❑ Period end cash of £5.53 million

Balance Sheet

	FY21	FY20
	£000s	£000s
Fixed assets	2,603	2,378
Trade Debtors	3,002	1,998
Other receivables	1,765	1,506
Cash and cash equivalents	5,528	4,228
Total Assets	12,898	10,110
Deferred revenue	(8,752)	(6,363)
Trade and other payables	(1,625)	(1,278)
Bank Borrowing	-	(2,120)
Net Assets	2,521	349
Share capital and premium	14,926	9,645
Share based payment reserve	512	360
Currency reserve	44	247
Retained losses	(12,961)	(9,903)
Equity attributable to shareholders	2,521	349

Highlights

- ❑ Fixed asset primarily development capitalisation
- ❑ Trade receivables
 - Average collection period just over 2 months
 - minimal debt over 90 days
- ❑ Deferred revenue growth reflects net new advanced billing
- ❑ No bank borrowing

Sales & Revenue Growth



ACV ahead of management expectations

- Excellent H1 for EMEA
- NA inline with expectations



Strong ARR growth (52%)

TTGL within management expectations
High NPS scoring



High levels of customer satisfaction

- Churn at just 3.5%



Successful upselling and expansion of existing customer base

- NRR at 120%



Average deal size marginally higher YoY

Mass mid-small end market critical to scale



Numerous enterprise deals signed, with long term expansion opportunities

North America Update

Revenue momentum continuing to build

+14%

Increase in new contract ACV signed to £0.8m (2020: £0.7m)

+45%

TACV increased to £3.4m (2020: £2.4m). Strong indicator of future revenues

Sales highlights in period included:

- Enterprise deal signed with major US HQ'd Pharma
- 500+ seat resold deal with large Energy firm
- Partnership signed with Amazon Connect
- Partnership signed with Voicefoundry, part of TTEC

100%

Top performing global partners for group in H1 are US Headquartered

71% ACV value

Through channel partners, illustrating value opportunity through channel

Launched in Canada

Sales, marketing, and operations resources now online.

EMEA Business Update

+65% Revenue

Increased to £3.9m
(2020: £2.4m)

New contract ACV
signed of £1.0m (2020:
£1.0m) – including
strong upsells

Traded
profitably in
the period
with Adjusted
EBITDA of
£0.7m (2020:
loss £0.2m)

Sales highlights in period included:

- New contract with another major central gov agency in UK
- Sizeable upsell to a leading global Logistics provider
- New partnership and first sales with major German tech & BPO provider

Top performing EMEA
partners include a
number of US HQ'd
partners, benefitting
the group

Further additional
investment in
Product, Engineering
and Customer
Success.

TACV +34%

TACV for EMEA increased to
£7.8m (2020: £5.8m)

Outlook



Strong start to H2 inline with management expectations



New business ACV sales tracking well



Highlight wins to end Feb include:

- Fortune 500 retailer
- FTSE 100 oil and gas firm



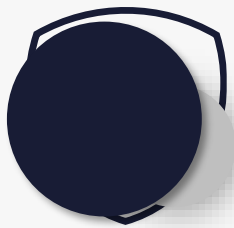
New hires joining business across key initiatives: customer success, product, and new regions



Opened Australian operation



Product initiatives expected to gather pace in line with resource increase



Appendices

Disclaimer

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PCI Pal Advisory Committee



Emilia D'Anzica - Advisor

Appointment Date: 1st September 2021

With more than twenty years of customer success experience, Emilia is Managing Director of Growth Molecules, a management consulting firm focused on customer success. Previously, Emilia has held senior positions, and has been an early-stage employee, at several successful high-growth SaaS companies including WalkMe, the Forbes Cloud 100 unicorn, where she was VP of Customer Engagement. Emilia is based in the San Francisco Bay area, US.



Jay Patel - Advisor

Appointment Date: 1st September 2021

Jay Patel is a results-driven global executive with more than 25 years experience developing and executing growth strategies and developing innovative products and technology. Most recently Jay served as Chief Product Officer for Vonage Inc, a leading global cloud communications provider. Jay has also held various leadership roles with Motorola Mobility including leading engineering teams and leading the corporate strategy function. Jay is based in Chicago, US.



Neira Jones – Advisor

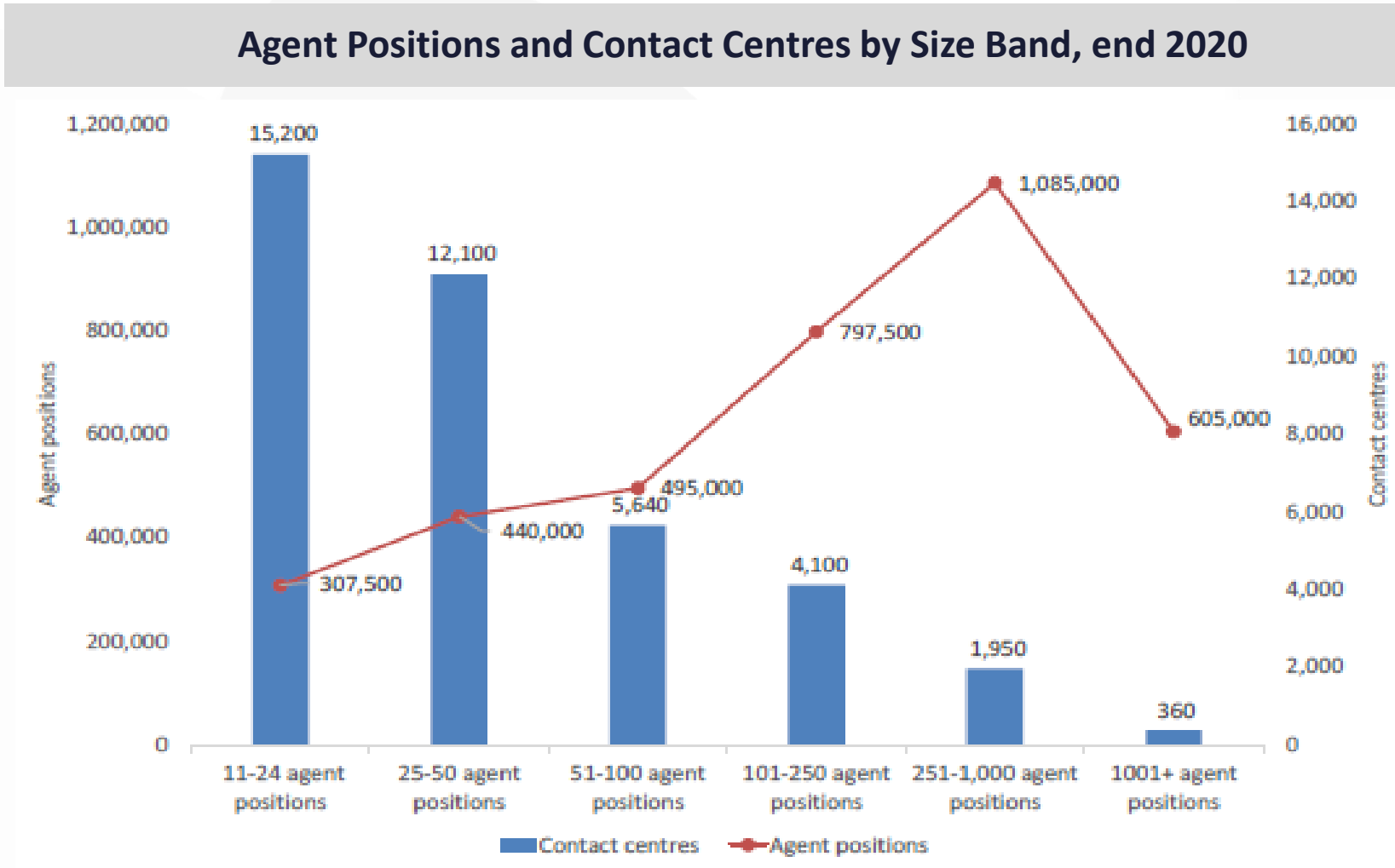
Appointment Date: 1st September 2020

With more than 20 years in financial services & technology, Neira advises organisations on payments, fintech, regtech, cyber & information security, regulations & digital innovation. She always strives to demystify the hype surrounding current issues and is a professional speaker and industry commentator. She holds a number of NED and advisory positions and has received numerous industry awards. She has previously worked for Barclaycard, Santander, Abbey National, Oracle Corp. and Unisys. Neira is UK based.

Company History

- ❑ FY2011 – PCI Pal Concept Conceived within IPPlus PLC
- ❑ FY2013 – First Gen PCI Pal privately hosted platform launched in UK
- ❑ FY2016 – Commenced build of true-cloud AWS PCI Pal Platform
- ❑ FY2017 – Sold Group's call centre businesses raising £6.7 million, renamed group PCI-PAL PLC
- ❑ H1 FY2018 – Achieved PCI DSS compliance of true-cloud AWS platform across UK and Ireland
- ❑ H2 FY2018 – Raised £4.95 million for North America expansion
- ❑ H2 FY2018 – Extended PCI Pal's AWS Platform to US and Canada regions
- ❑ H1 FY2019 – First contract through reseller relationship with leading Canadian Telco
- ❑ H1 FY2019 – Signed first customers in Australia through existing global partners
- ❑ H2 FY2019 – Launched global Partner Program
- ❑ H2 FY2019 – Extended PCI Pal's AWS Platform to Germany and Australia regions
- ❑ H2 FY2019 – Transition to channel substantially complete with 84% of sales from partner
- ❑ H1 FY2020 - £2.75 million of debt finance raised to fund expansion
- ❑ H2 FY2020 – Launched PCI Pal Digital solution
- ❑ H2 FY2020 – Raised £5.0 million from existing institutions to fund working capital and expansion
- ❑ H1 FY2021 – Launched PCI Pal Speech solution
- ❑ H2 FY2021 – Debt facility repaid
- ❑ H2 FY2021 – Raised £5.5 million from new and existing institutions to fund international expansion

US Contact Centres and Agent Positions



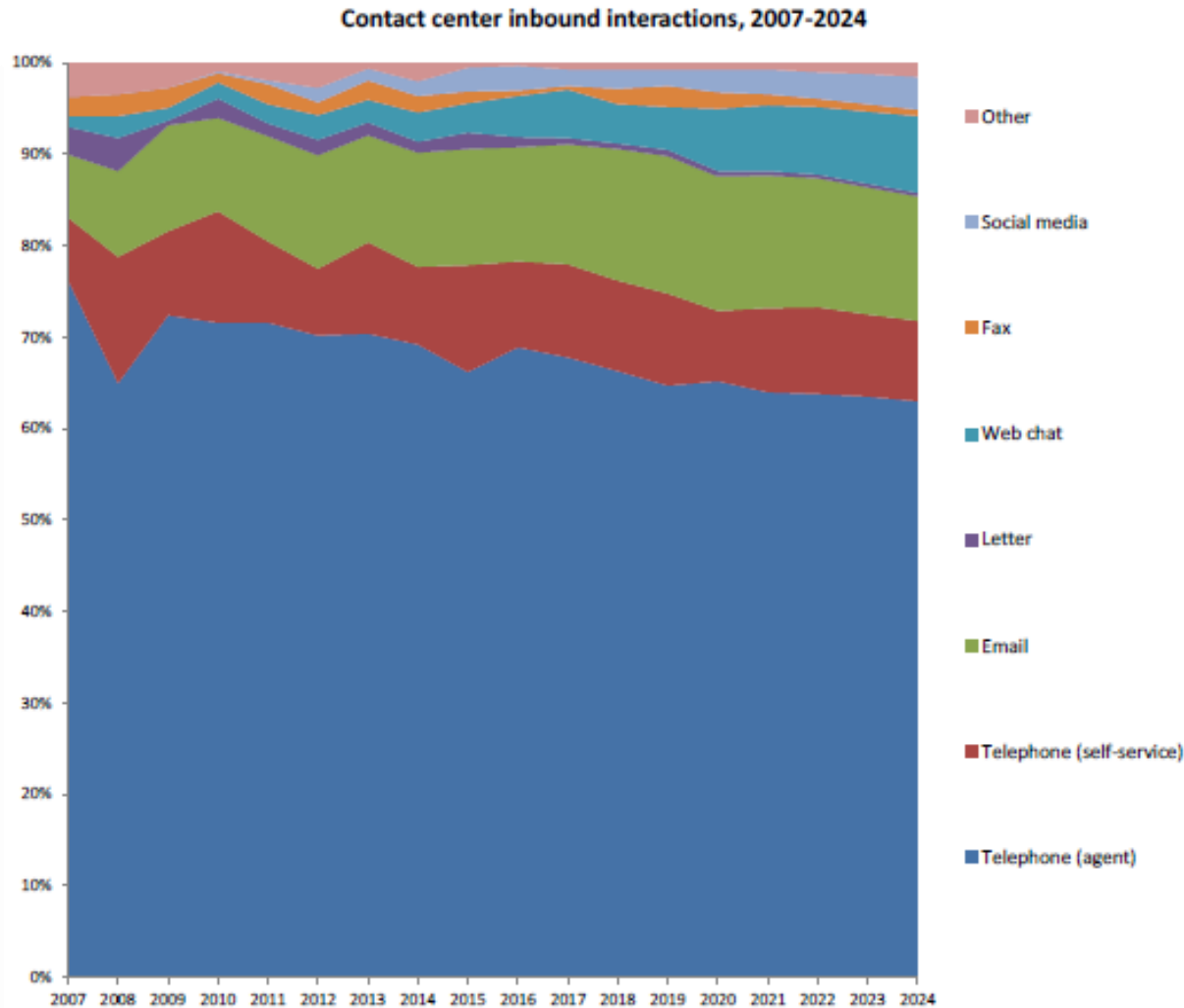
Source: Contact Babel - US Contact Centres 2021-2025 "The State of the Industry"

US Contact Centre Agent Positions

Agent Positions and Contact Centres by Size Band, end 2020

Year	Agent positions	Net annual change (APs)
2004	3,115,000	-
2005	3,090,000	- 25,000
2006	3,070,000	- 20,000
2007	3,146,750	76,750
2008	3,203,500	56,750
2009	3,100,000	- 103,500
2010	3,080,000	- 20,000
2011	3,125,000	45,000
2012	3,195,000	70,000
2013	3,315,000	120,000
2014	3,430,500	115,500
2015	3,485,000	54,500
2016	3,545,000	60,000
2017	3,595,000	50,000
2018	3,625,000	30,000
2019	3,660,000	35,000
2020	3,730,000	70,000
2021	3,710,000	- 20,000
2022	3,700,000	- 10,000
2023	3,685,000	- 15,000
2024	3,670,000	- 15,000

US Contact Centres Channel Mix



PCI Pal products secure payments across all channels where payments are handled in contact centres:

- *Telephone (agent)*
- *Telephone (self-service)*
- *Email*
- *Web chat*
- *Social Media*



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