



PCI Pal Results Presentation

Interim results to 31 December 2022



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 Enabling Compliance: PCI DSS, GDPR & More
- 5 Cloud-only, SaaS Product-set

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 Enabling Compliance: PCI DSS, GDPR & More
- 5 Cloud-only, SaaS Product-set

Solutions



Agent Assist 6



Digital 6



IVR 6



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 Enabling Compliance: PCI DSS, GDPR & More
- 5 Cloud-only, SaaS Product-set

Solutions



Agent Assist 6



Digital 6



IVR 6

pci pal 6

Partnerships



Amazon Connect

worldpay
from FIS

talkdesk

8x8 Global Cloud Communications

GENESYS

freshworks

sitel

dialpad

VONAGE

carahsoft

Teleperformance

Five9

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 Enabling Compliance: PCI DSS, GDPR & More
- 5 Cloud-only, SaaS Product-set

Solutions



Partnerships



Awards



H1FY23 - Strong Metrics Performance

£7.26m

33% INCREASE
REVENUE FOR
H1FY23

£11.92m

33% INCREASE
EXIT ARR
RUN RATE

£14.74m

TACV – FUTURE
INDICATOR OF
ARR

95%

CUSTOMER
RETENTION

106%

NET REVENUE
RETENTION



Sustained strong YoY revenue growth (up 33%) driven by on-going accumulation of TACV which increased 29%



Adjusted EBITDA loss better than management expectations at £0.6 million.



Gross margins increased further to 87%, reflecting benefits of true cloud platform



Record number of new logo customers signed (77) plus 39 upsells, with strong sales pipeline outlook for H2.

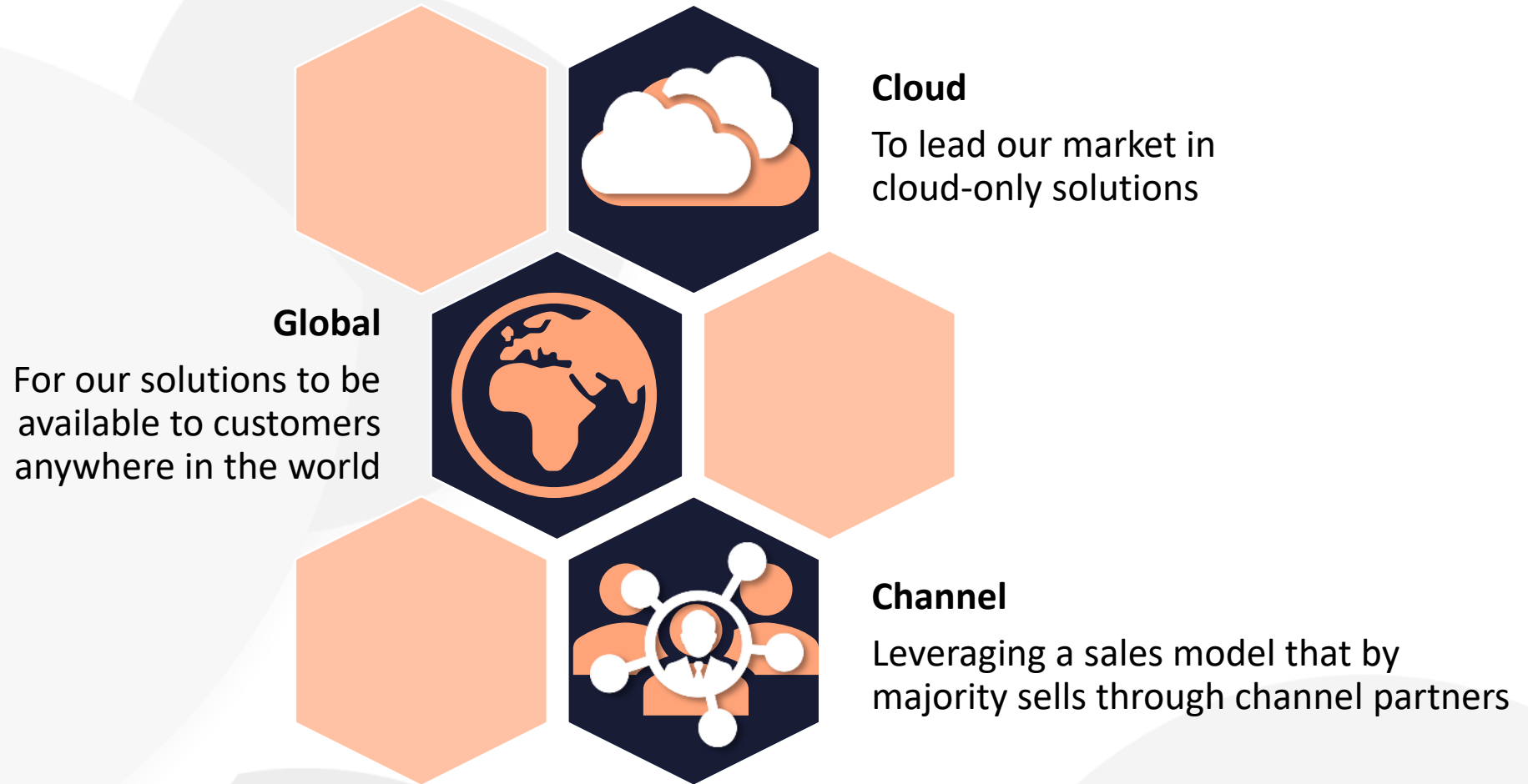


Customer retention on target at 95%; NRR also inline with expectations at 106%



High employee retention (93%); strong working culture; fast & effective on-boarding of new hires worldwide

Three Pillars of Strategic Growth



Global Cloud Coverage

Cloud Platform

- Pioneer in cloud in our market >500 customers
- The leaders in cloud to cloud integration methods
- Patented methods across the globe
- Global availability of services
- Highly cost efficient – strong gross margins

Global Strategy

- Holistic global view, with strongholds in UK, NA, ANZ
- Remote-first workforce across the globe
- Geographic expansion driving increased TAM
- Platform to support global partner eco-system
- A product roadmap with international appeal



Partner Ecosystem Update

Integrated Partners

CCaaS, UCaaS,
CPaaS, Carriers

Solution Providers

VARs, Payment
Providers, BPOs

Referral Partners

Master Agents,
VARs, PSPs

GENESYS™



talkdesk®

VONAGE

8x8

dialpad

worldpay
from FIS

Capita

carahsoft.

CIVICA



sitel

PayPal

PRESIDIO™

NICE



TELARUS

CISCO

87% contracts
through partners
(2021: 81%)



65% ACV value
through partners
(2021: 58%)



Highlights

- Strong momentum with key global partners
>>> Including expanded global engagement
- Record number contracts won through partners
- Record levels of partner-sourced enterprise sales pipeline
- Positive partner engagement to evolving product roadmap
- New reseller deal with global UC/CCaaS provider
- Continued growth of public sector customer-base in UK

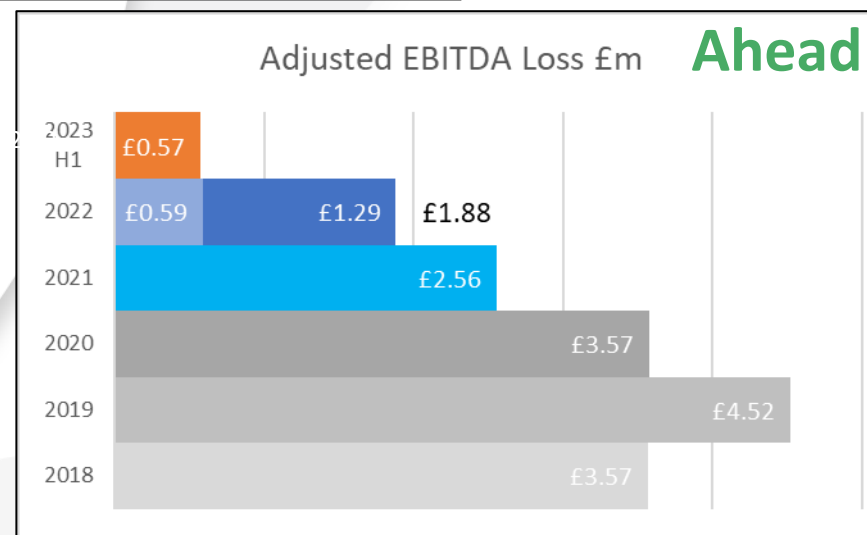
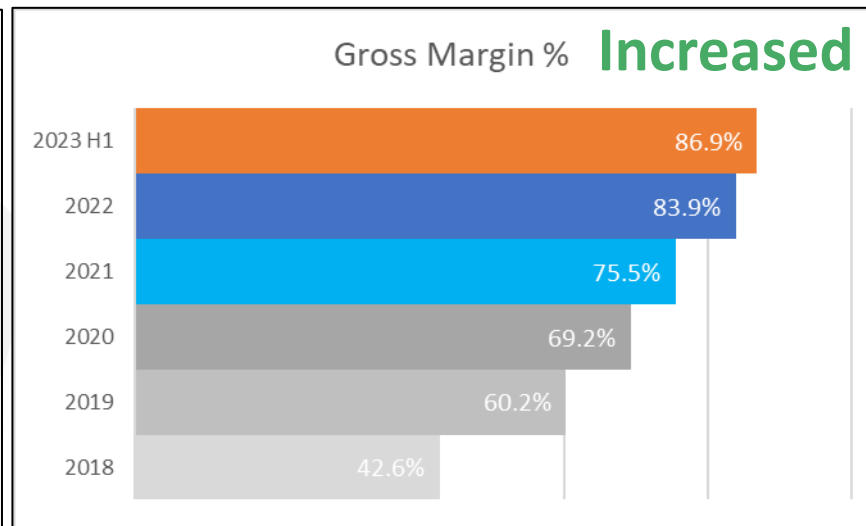
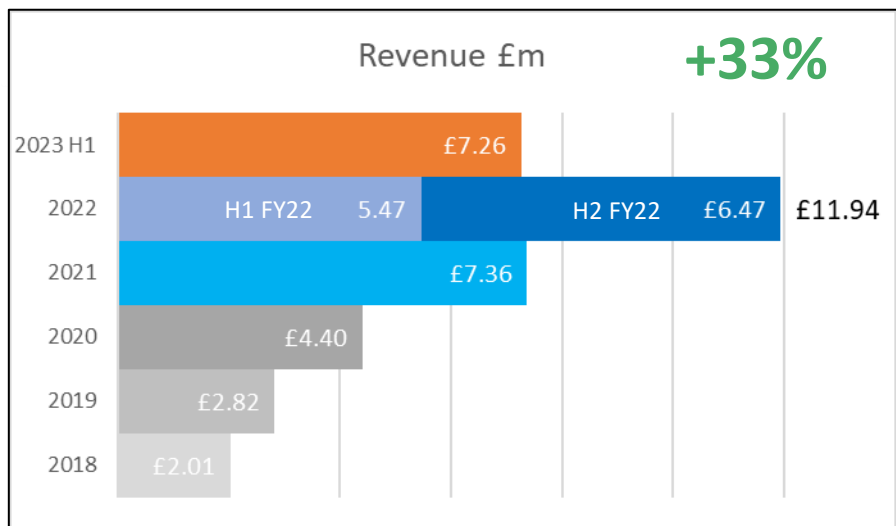


H1FY23 Financials



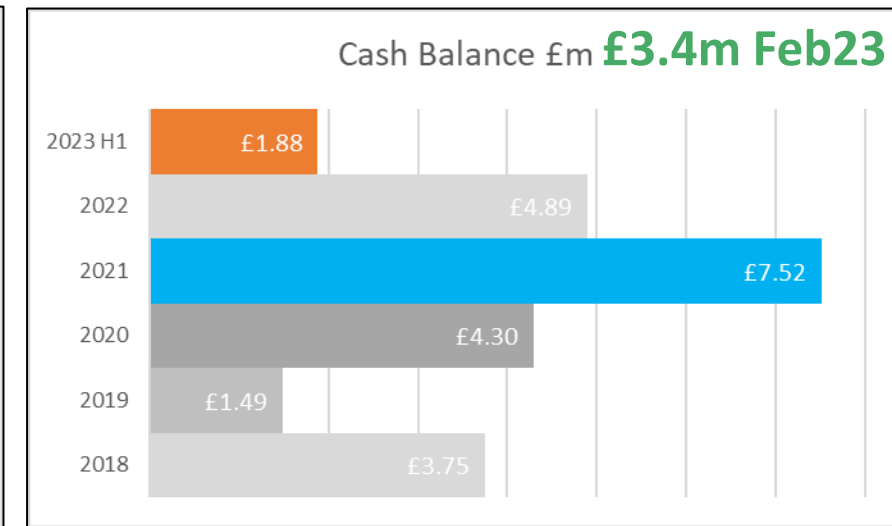
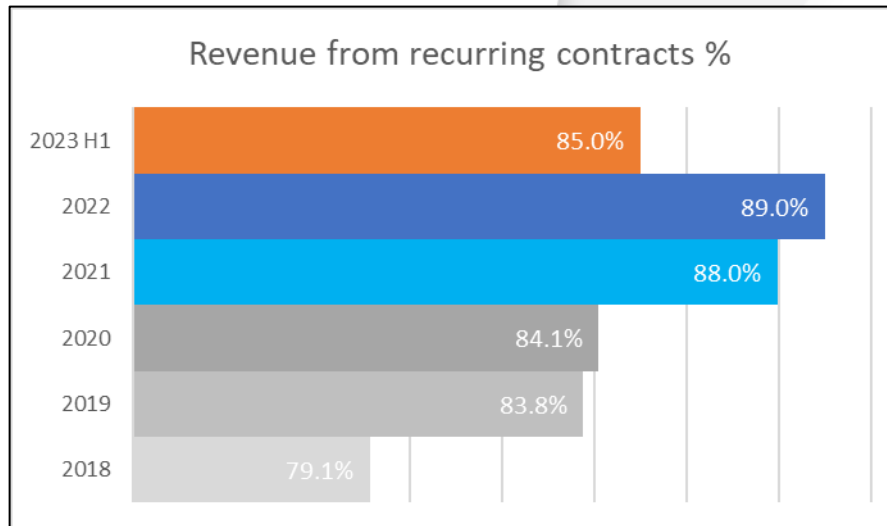
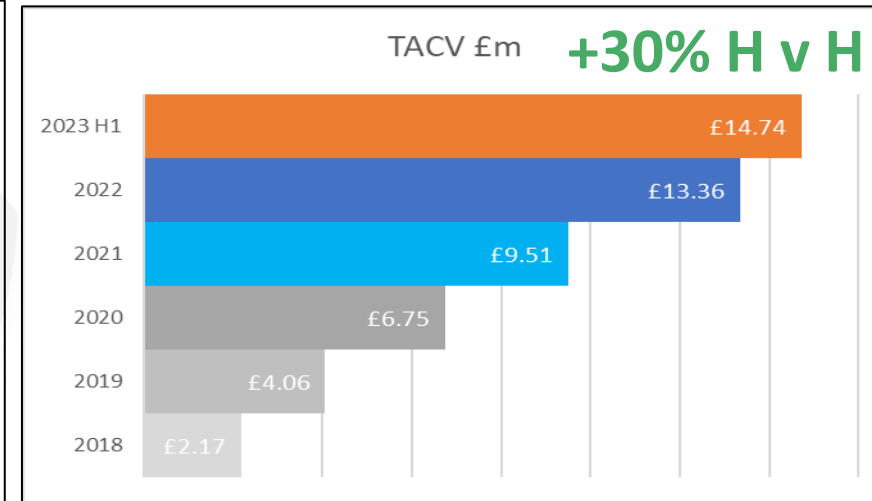
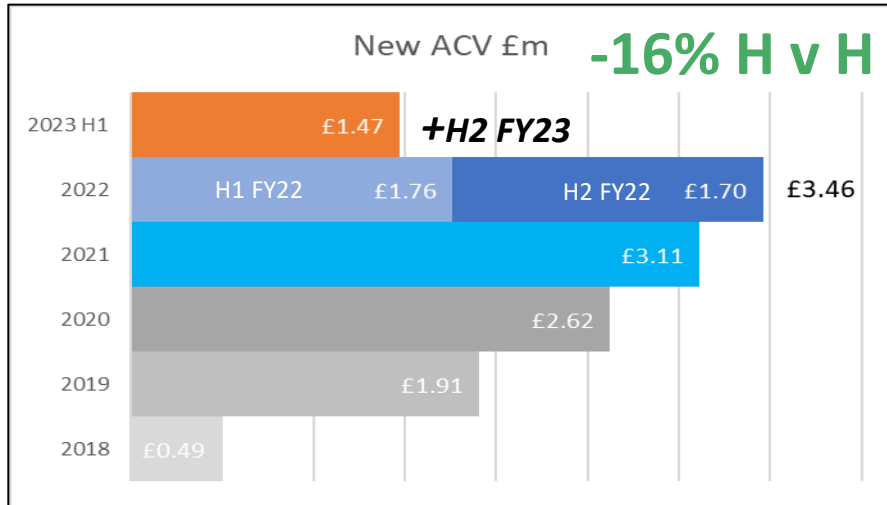
Financial Highlights

Continued excellent progress

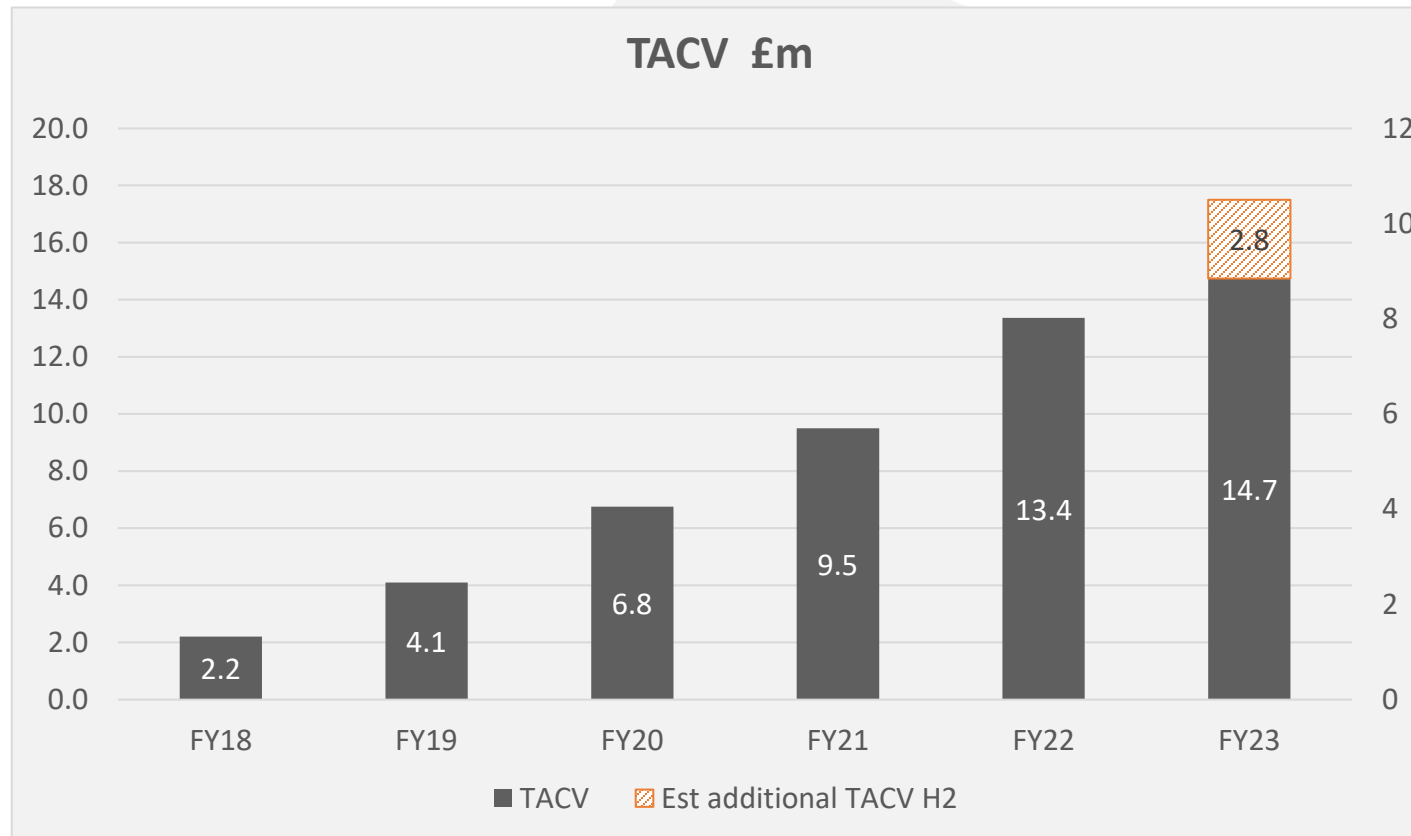


Financial Highlights Cont.

Continued excellent progress



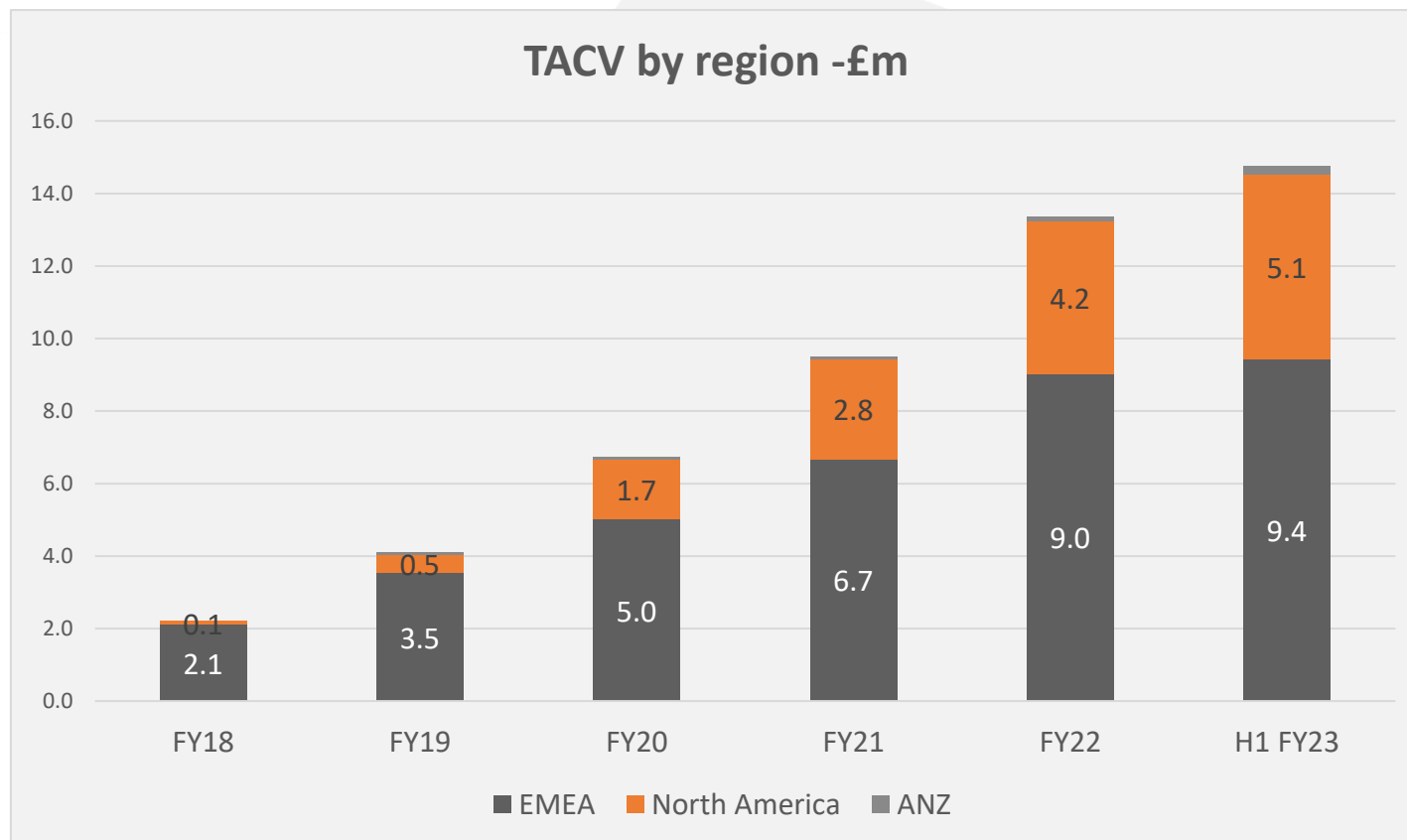
Growth in Group TACV



- **TACV:** metric for sustained cash flow and profitability
- Underpins following years financial forecast revenue
- Up 30% since Dec 21
- Churn on AWS platform in last 12 months at 5%
- Net Retention on AWS platform in last 12 months at 106%
- Management estimate FY23 to be c£17.5m

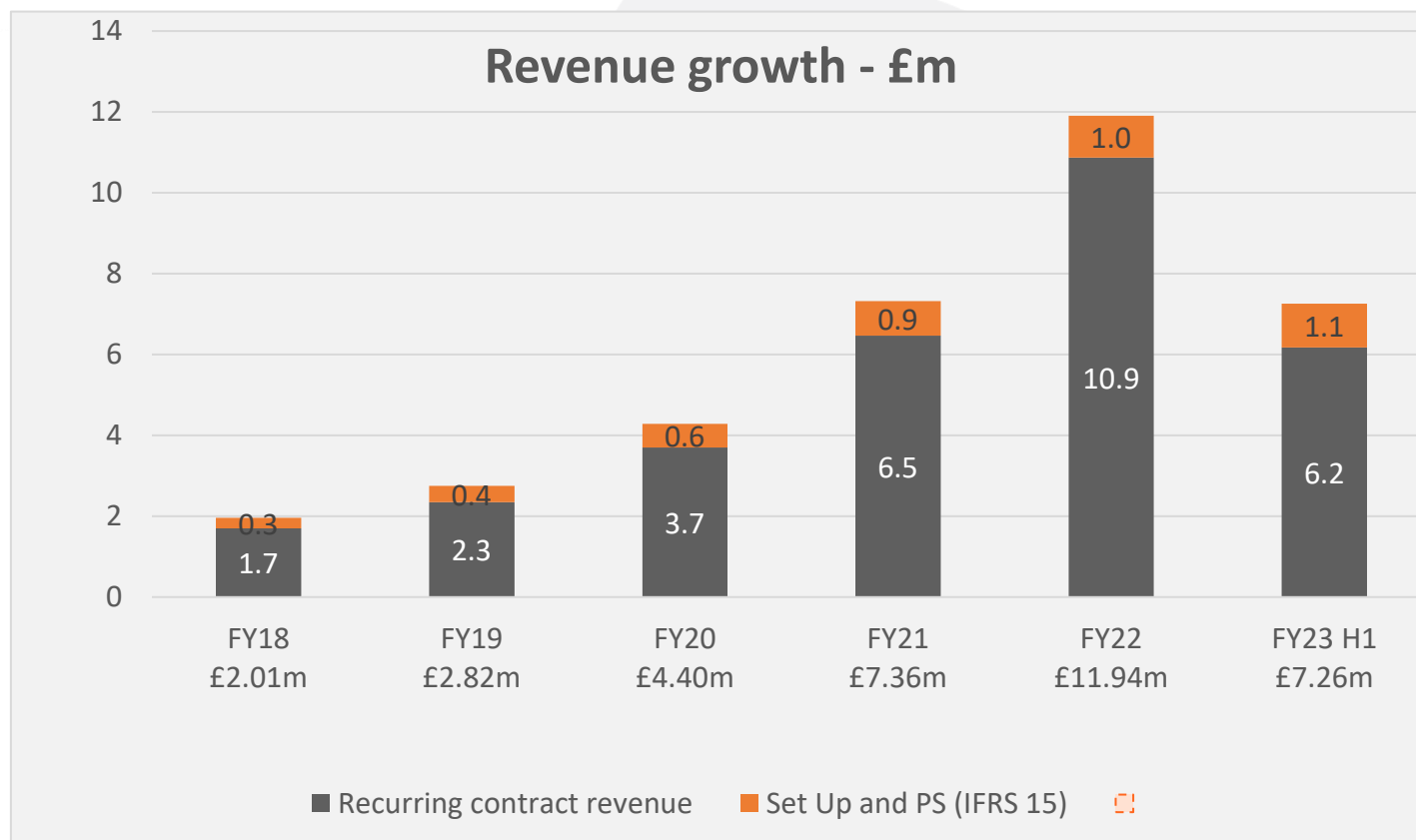
TACV is the total annual recurring revenue of all signed contracts, whether invoiced and included in deferred revenue or still to be deployed and/or not yet invoiced

TACV Analysis



TACV Breakdown by stage		
	Dec 22	Dec 21
Deployed and recognising revenue (ARR)	£11.92m	£8.96m
In deployment	£1.94m	£1.89m
On hold	£0.88m	£0.49m

Recognised Revenue for Period



Revenue & Gross Profit

- Revenue up 33% H1 to H1
- Professional Services release & non-recurring transactions £1.08 m (H1 FY22: £0.55 m) up 96% H1 to H1
- Management confident in delivering revenue expectations for FY23
- Continued improvement in gross profit margin 87% (H1 FY22: 81%)

Income Statement

	H1 FY23	H1 FY22	Change
	£000s	£000s	%
Revenue from recurring contracts	6,172	4,952	25%
Other revenue	1,087	520	109%
Total revenue	7,259	5,472	33%
Cost of sales	(950)	(1,029)	+7%
Gross Profit	6,309	4,443	42%
Staff Costs	(5,854)	(4,020)	-46%
Other Expenses	(1,772)	(1,071)	-65%
EBITDA	(1,317)	(648)	-103%
Depreciation and Amortisation	(568)	(452)	-26%
Loss from Operations	(1,885)	(1,100)	-71%

Exchange losses/(gains) recognised	182	(330)	
Exceptional costs	433	285	
Expenses relating to share options	128	108	
Adjusted Operating loss	(1,142)	(1,037)	-10%
Depreciation and Amortisation	568	452	
Adjusted EBITDA	(574)	(585)	+2%

Highlights

- ❑ Revenue recognised from recurring contracts continues to grow strongly making up 85% of total revenue
- ❑ Underlying staff cost increase 46% reflecting growth in headcount which increase from 86 at Dec 22 to 108 employees
- ❑ Patent case cost £0.43 m in period (£1.23 m in total since Sep-21)
- ❑ Adjusted underlying operating loss £1.14 m (H1 FY22: £1.04 m) a 10% decrease in spite of continued investment in new employees
- ❑ Adjusted EBITDA loss flat at £0.57m (H1 FY22: £0.58 m) again reflecting the ongoing strong performance

Cash Flow

	H1 FY23 £000s	H1 FY22 £000s
EBITDA before cash cost of patent case	(884)	(363)
Cash cost of patent case	(433)	(285)
EBITDA	(1,317)	(648)
Other non cash movements	260	(343)
Increase in trade and other receivables	(1,855)	(1,038)
Increase in trade and other payables	(224)	(25)
Increase in deferred income	911	658
Cash used in operating activities	(2,225)	(1,396)
Income tax received	-	-
Net interest (paid)/received	(1)	(6)
Purchase of property plant and equipment	(34)	(134)
Development expenditure capitalised	(732)	(467)
Cash used in business before financing	(2,992)	(2,003)
Cash at start	4,888	7,518
Used in business - per above	(2,992)	(2,003)
Lease repayment	(20)	(15)
Net equity fundraise	-	28
Net borrowing repaid	-	-
Cash at end	1,876	5,528
Debt available to draw	-	-
Cash facility	1,876	5,528

Highlights

Business funded by:

- Advanced invoicing (deferred income)
- Cash reserve
- Debt & equity as required

Summary:

- ❑ Underlying cash used in business in period £2.559 m (£2.992 m including cash cost of patent)
- ❑ Underlying change H v H therefore £0.841 million in spite of continued growth in headcount
- ❑ No current borrowing facilities
- ❑ Period end cash of £1.88 m, now £3.41 m as at end of Feb 2023 following strong annual renewals.

Balance Sheet

	H1 FY23	H1 FY22
	£000s	£000s
Fixed assets	3,060	2,603
Trade Debtors	4,651	3,002
Other receivables	2,371	1,765
Cash and cash equivalents	1,876	5,528
Total Assets	11,958	12,898
Deferred revenue	(11,527)	(8,752)
Trade and other payables	(1,908)	(1,625)
Bank Borrowing	-	-
Net Assets	(1,477)	2,521
Share capital and premium	14,937	14,926
Share based payment reserve	778	512
Currency reserve	(507)	44
Retained losses	(16,685)	(12,961)
Equity attributable to shareholders	(1,477)	2,521

Highlights

- ❑ Fixed asset primarily development capitalisation of AWS platform
- ❑ Other receivables primarily capitalised commission costs as required by IFRS15
- ❑ Trade receivables
 - Balance at 31 Dec 2022 include two large renewal invoices – both now collected
- ❑ Deferred revenue growth reflects net new advanced billing of licences and Professional Services

Operating Highlights



US customer highlight wins in period

Well-known international clothing retailer
US/Canada-focused energy provider



Strong enterprise customer pipeline growth

Pipeline growth driven by key partners in US
Increased partner focus on upsell value



Key customer renewals

Majority customers auto-renew – 95% retention
Renewed largest customer in US Multi-Year



Net Revenue Retention inline with targets

NRR at 106% // CSAT scores nearing 90%



Good progress in new territories

Pipelines building and sales accumulating
Strong teams in each territory



Strong position to defend unfounded patent

Confident of position on non-infringement
Strong case on invalidity of Sycurio patents
Own IP for our cloud services – first to market

An Evolving Product Vision

We will empower businesses by providing an omni-channel checkout solution that will drive revenue and cost efficiencies whilst creating a secure, friendly, multi-payment user experience for their customers.

Market Position

A market position to push on from - availability within the worlds leading business communications platforms



Expanded Value Proposition

Layering on value to our existing compliance and security solutions.



Growing Market

Opening up the world of digital payments to business communications environments



Evolving Vision

Realising the evolving vision - Driving product development following further investment since Apr-21 fund raise



Cloud Tech

Leveraging the leading cloud tech in our space – first mover advantage, patented, and mature globally distributed



New Product

Across multiple digital payment channels including open banking, e-wallets, Buy Now Pay Later, and closer working partnerships with PSPs



Outlook



Revenue momentum continued into H2, Board confidence company will achieve management expectations for year



Cash at £3.41m end Feb-23 (End Dec-22 £1.88m). On track to reach monthly cashflow breakeven this financial year



Strong H2 pipeline including numerous enterprise deals at late stage



Launching several new products and features in period aligned to product evolution path



Highlight new deals include:

- Top 25 Global Hotel Chain
- One of world's largest luxury goods companies



Appendices

Disclaimer

This Presentation has been prepared by, and is the sole responsibility of, PCI-PAL plc (the “Company”). The directors of the Company have taken all reasonable care to ensure that the facts stated herein are true to the best of their knowledge, information and belief. This Presentation does not constitute, or form part of, an admission document, listing particulars or a prospectus relating to the Company, nor does it constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company nor shall it or any part of it, or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract therefor.

No reliance may be placed for any purpose whatsoever on the information contained in this Presentation or on its completeness, accuracy or fairness thereof, nor is any responsibility accepted for any errors, misstatements in, or omission from, this Presentation or any direct or consequential loss however arising from any use of, or reliance on, this Presentation or otherwise in connection with it. This Presentation may not be reproduced or redistributed, in whole or in part, to any other person, or published, in whole or in part, for any purpose without the prior consent of the Company.

This Presentation contain forward-looking statements. These statements relate to the future prospects developments and business strategies of the Company and its subsidiaries (the “Group”). Forward-looking statements are identified by the use of such terms as “believe”, “could”, “envisage”, “estimate”, “potential”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. Any forward-looking statements contained in this Presentation are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward looking statements speak only as at the date of this Presentation.

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

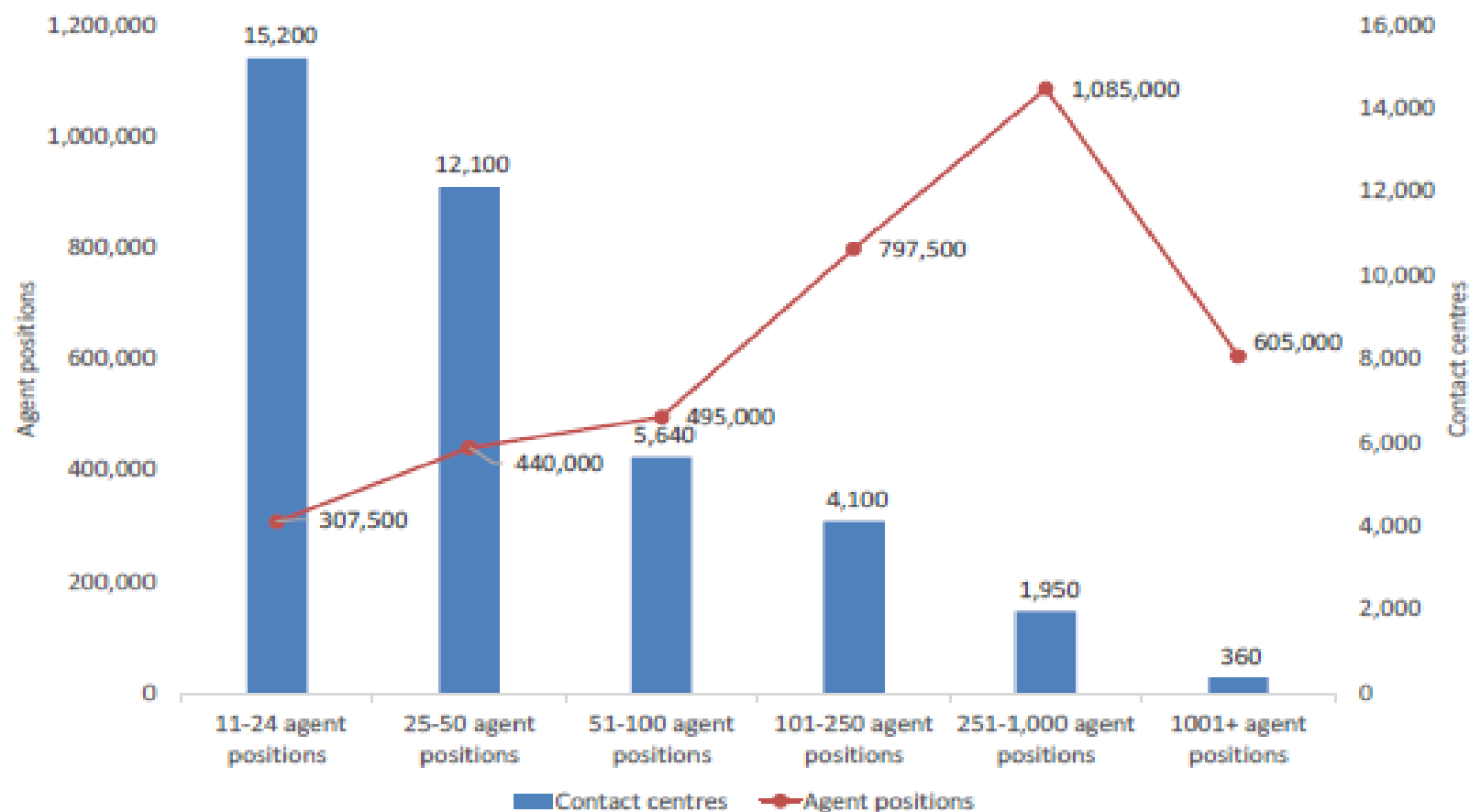
With more than 20 years in financial services & technology, Neira advises organisations on payments, fintech, regtech, cyber & information security, regulations & digital innovation. She always strives to demystify the hype surrounding current issues and is a professional speaker and industry commentator. 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 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 – Raised £5.5 million from new and existing institutions to fund international expansion
- ❑ H1 FY2022 – Announced partnership with Amazon Connect, with availability of PCI Pal services on AWS Marketplace
- ❑ H2 FY2022 – US patent approved for innovative methods PCI Pal uses to seamlessly integrate to call flows and capture data securely
- ❑ H1 FY2023 – PCI Pal launches Pay By Bank Open Banking solution, the first of its kind in business communications
- ❑ H2 FY2023 – PCI Pal patents now granted in US, EU, UK, Australia, and New Zealand covering majority of its call integration methods

US Contact Centres & Agent Positions

Agent Positions and Contact Centres by Size Band, end 2020



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

