

Company Summary

Investment Profile

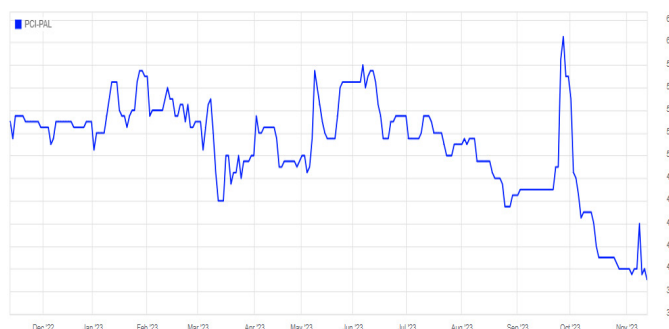
1. Fastest growing company in its space, established relationships with key industry players - channel first strategy drives organic growth across multiple sectors
2. Channel partnership model of cloud-based product makes offering scaleable
3. 86% recurring revenue due to strong customer retention levels
4. Pipeline of complementary products in development

Share Information

Ticker	AIM: PCIP
Share Price (GBX)	39.5
Shares in issue (m)	65.5
Market Cap (£m)	34.4
12m Hi/Low (GBX)	75.3/44.0

(Source: The London Stock Exchange, November 2023)

12-Month Share Price



(Source: The London Stock Exchange, November 2023)

Major Shareholders (as of Oct 2023)

Name	%
Canaccord Genuity Group	15.99
Gresham House Asset Management	10.92
Octopus Investments	7.75
Herald Investment Management Ltd	5.37
P Wildey	4.05
Unicorn AIM VCT PLC	3.05
Spreadex	3.05

(Source: company website)



Company Overview

Safeguarding Reputation and Trust

PCI Pal is a leading provider of Software-as-a-Service ("SaaS") solutions that empower companies to take payments from their customers securely, adhering to strict industry governance, and protecting their business from the significant risks posed by non-compliance and data loss. Its products secure payments and data in any business communications environment including voice, chat, social, email, and contact centre. PCIP products are integrated to, and resold by, some of the worlds' leading business communications vendors, as well as major payment service providers. PCI Pal was the first to launch a true cloud solution to the market in early 2017, and as a result has the most mature platform. PCI Pal's patented approach disrupted a market that was previously burdened by hardware-led, on-premise solutions, and as a result has empowered its customers to secure their data through the use of highly flexible, light-touch, and easy-to-integrate cloud solutions.

Product Roadmap: Broadening Addressable Market

Having successfully established a core cloud technology platform, combined with a strong partner eco-system, it is beginning to increase the breadth of its product offering to best capitalise on investments made. As a result, PCI Pal's product vision is evolving to incorporate many of the digital payment methods available to merchants across e-commerce environments and bringing those capabilities to the contact centre.

PCI Pal's near term product roadmap includes further features incorporating modern-day digital payment methods, such as Buy Now Pay Later and e-Wallets, as well as enhancements to its user interfaces and data analytics capabilities. The majority of these enhancements and new features, over time, will not only drive further demand and retention in core licenses today, but also help to drive incremental transactional revenue as PCI Pal benefits from more involvement in the individual payments being processed.

What's New?

PCI Pal's full year results for the year ended 30 June 2023 was **marked by strong growth and record new business**, as the Company made **significant strategic progress**. Revenue increased 25% to £14.95m, the gross margin increased by 4% to 88%, and the adj. EBITDA loss was cut 41% to £1.11m.

Notably, the Company saw continued **strong momentum in its key US market**, with £2.5m new business ACV won in the year, representing 61% of new business for the Group. Overall, the Group had **241 new sales contracts signed with average ARR value up 14% to £17k** as PCI Pal **strengthens in the mid-market and enterprise space**. Likewise, the Company has seen the **growing strength of its partner eco-system** illustrated by further increases in contract value signed through resellers, now making up 77% of ACV signed.

Looking forward towards FY24, **PCI Pal is well-positioned to deliver the key financial milestones** expected whilst driving continued growth momentum and new product development: **It has won its case in the UK High Court, continued its growth in the US market, and established important partnerships - most recently, a global agreement with Zoom.**

The Market

The **addressable market is underpinned by two major global industry dynamics: the increase in regulation and governance in data security worldwide; and the transition in the communications market of services moving to cloud delivery.** PCI Pal is acting as an enabler for both security but also the payment itself - the first in the space to bring a true-cloud offering to market.

PCI Pal's addressable market today is **any size organisation taking payments within business communications environments anywhere in the world. Contact centre markets in both the UK and US represent between 2-3% of the working populations of those countries, and those trends are similar in Australia & Canada.**

In the US alone, 94% of centres have 10 - 250 agent seats, employing 2m agents - 55%+ of the entire employed agent pool. While the **majority of contracts are in the small to mid-size range, with average annual contract values of between £15k and £20k** (a substantial risk reducer for churn), PCI Pal also targets contracts with an annually recognised revenue values for the Group in excess of £100k pa, making the Company's **proven ability to service any size centre** essential.

PCI Pal wins comprehensively in UK High Court

On 25 September 2023 PCI Pal announced that the unfounded patent infringement suit brought by its competitor Sycurio at the UK High Court had been defeated and **Mrs Justice Bacon held that Sycurio's patent was invalid due to obviousness from two sources of prior art. Furthermore, Mrs Justice Bacon decided that even if the patent had been valid, PCI Pal's Agent Assist solution did not infringe the patent** - <https://caselaw.nationalarchives.gov.uk/ewhc/pat/2023/2361>.

Appeals in patent cases are common, no matter the nature of the ruling, and therefore PCI Pal is ready for an appeal should it be filed. **Given how comprehensive the ruling was in PCI Pal's favour, it remains confident in the High Court Judge's judgement that Sycurio's patent is invalid.** Similarly, Sycurio's unfounded claim in the US remains ongoing. Again, PCI Pal are confident in their position.

As the first mover in its market to a public cloud solution, PCI Pal continues to protect its innovative ideas by securing patents for its technology.

Meet PCI PAL plc

Learn more about PCI Pal and its recent activities by clicking [here](#) or on scanning the QR code below:



You can also view the latest Company presentation and register to receive future presentations by signing up with **Investor Meet Company** here: <https://www.investormeetcompany.com/pci-pal-plc/register-investor>

Financials (via Factset)

	Jun '21 (a)	Jun '22 (a)	Jun '23 (a)	Jun '24 (e)	Jun '25 (e)
Sales (£m)	7.4	11.9	15.0	19.1	22.1
EBIT (£m)	(3.3)	(2.0)	(2.3)	0.2	1.1
EPS (p)	(6.6)	(4.5)	(7.5)	0.4	1.5

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Key Newsflow

Nov: New Strategic Reseller Partnership With Zoom

Nov: Final Result, Analyst Briefing & Investor Presentation

Oct: Detail on Patent Case Outcome & Trading Update

Sep: Total Victory for PCI Pal in UK High Court

Aug: Trading Update

Jun: Breach of Confidentiality agreement by Sycurio

Management Team



Simon Wilson: Non-Executive Chairman

Simon has thirty years of experience in international business to business software, and was appointed to the Board in 2019. His past positions include CEO, CFO and corporate development roles as well as independent board director in a range of US and UK companies, including Surf Control plc, Endace plc and M86 Security.



James Barham: Chief Executive Officer

James was a founder of PCI Pal and took up the position of group CEO in 2018. He was part of the team that saw the Company through its first successful fundraising, and has been influential in the evolution of the PCI Pal product suite following a career spent entirely in the technology space. James has a BSc (Honours) in Business Management & Communications.



William Good: Chief Financial Officer & Company Secretary

William joined PCI Pal as Chief Financial Officer and Company Secretary in 2017, and is an associate of the Chartered Institute of Management Accountants. He is highly experienced having held the role of CFO and company secretary of four AIM/main market listed companies.

Investment Case

- Strong rates of growth expected to continue long term with further expansion into large, unexploited Canada, Australia/NZ and mainland Europe markets
- Scaleable offering allows capture of clients of all sizes in all locations through channel partner route to market
- High Growth market open for disruption