

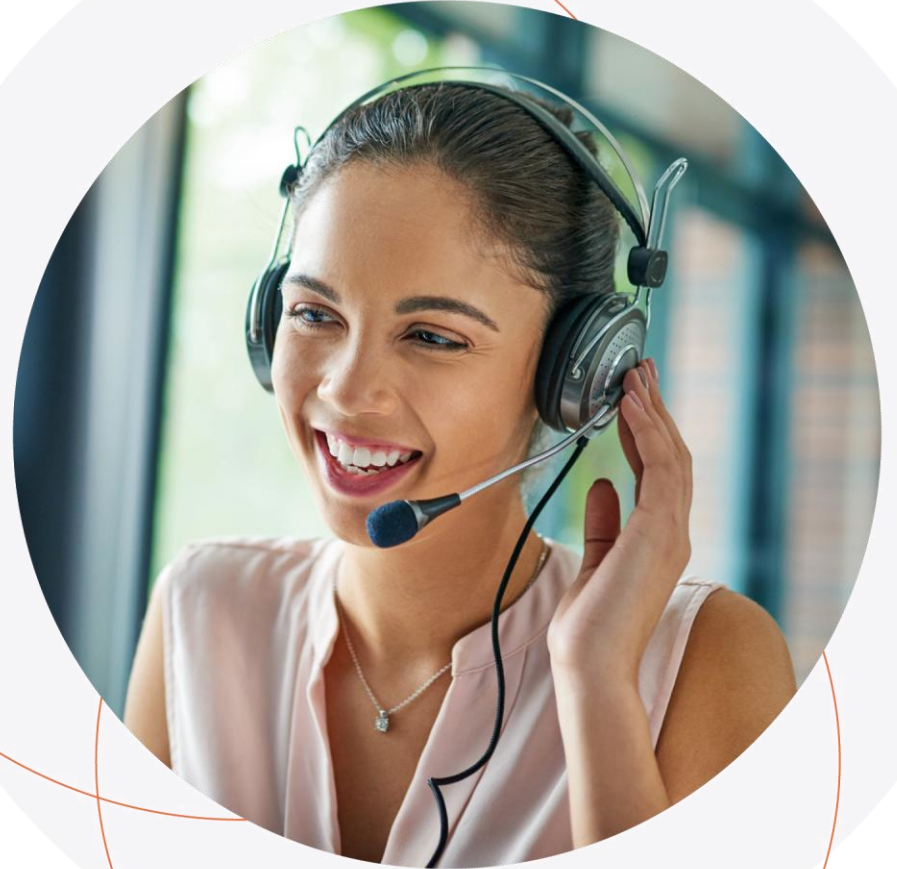


PCI-PAL plc

Results Presentation

FY24

Period to 30 June 2024



FY24 highlights

£18.0m

20% increase in revenue in period

£15.5m

Exit ARR increased 23% yoy

£19.2m

TACV - future ARR indicator up 17%

£0.9m

Adj EBITDA profit

£1.0m

Adj Free Cash Inflow

1

Revenue up 20% YoY to £18.0m
Exit run rate ARR increased 23% YoY to £15.5m
Recurring revenue up 2pts YoY to 88% (2023: 86%)

2

Full confidence of continued growth in FY25
Cashflow positive in year
Profits to drive investments in future organic growth

3

Gross margins maintained from H1; GM increased YoY to 89% emphasising high quality revenue streams (FY23: 88%)

4

TACV up 17% YoY, with new business ACV (licenses) contributing £3.8m, 10% down on prior year, but with stronger underlying run rate new business (FY23: £4.16m)

5

Customer retention up 2bps YoY to 97%;
NRR as expected at 102% (FY23: 103%) - future opportunity persists with NRR

6

Cash draining patent litigation fully resolved following resounding victory for PCI Pal in UK courts.
Competitor patent invalidated. £1.1m costs awarded. Full settlement reached in June 2024.

A fast-growing SaaS business

What we do

- 1 Enable businesses with secure, frictionless payments
- 2 Across all business communications environments *CCaaS*, *UCaaS*, *CPaaS*
- 3 Contact Centre, Voice, Chat, Social, Email, Conversational AI
- 4 Driving revenue growth & improved CX
- 5 Whilst ensuring compliance & security (PCI DSS & more)

“We enable all businesses to take secure and frictionless payments in their contact centers, and to step confidently into a more digitally diverse future.”

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Partnerships



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Partnerships



>700 customers worldwide, including many leading brands



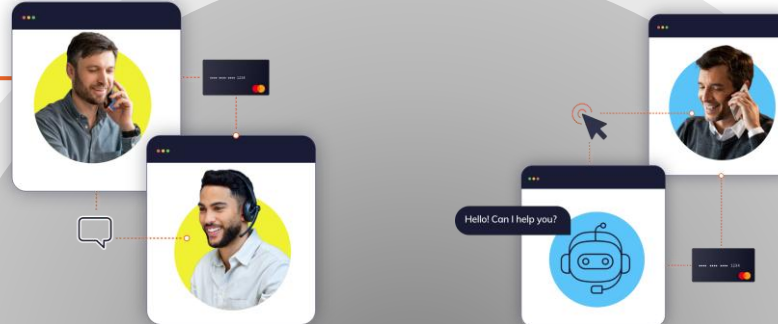
Our **solution** portfolio

BY SCALE:

- Smaller Contact Centers
- Larger Contact Centers
- Customer Facing Teams

BY INDUSTRY:

- Business Process Outsourcers
- Financial Services & Insurance
- Government
- Travel & Leisure
- Logistics & Shipping
- Retail
- Not For Profit
- Utilities



Agent Assisted

Automated



Click
to Pay



Speak
to Pay



Key
to Pay

BY VALUE:

- Improving Customer & Agent Experience
- Increasing Revenue & Profitability
- Instilling Trust & Ensuring PCI DSS Compliance

BY TECHNOLOGY:

- Secure Digital Links
- DTMF Masking
- Speech Recognition
- Conversational AI

Three pillars of **strategic** growth



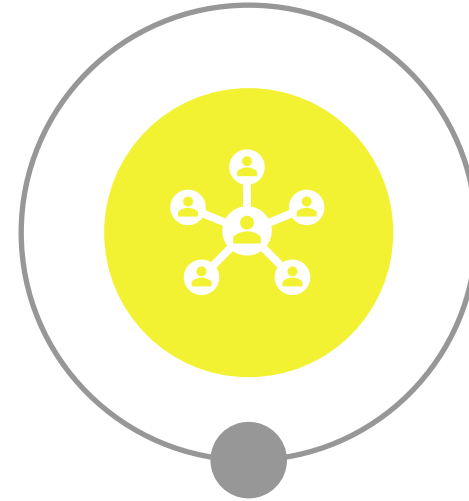
Cloud

To lead our market in cloud-only solutions



Global

For our solutions to be available to customers anywhere in the world



Channel

Leveraging a sales model that by majority sells through channel partners

Global Cloud Coverage



Holistic Global Approach

- Business model drives holistic global view
- Strongholds in North America, UK, and ANZ
- Taking initial steps into mainland Europe
- Remote-first workforce >130 across the globe
- Geographic expansion opportunity to drive TAM
- Product roadmap with international appeal
- Leveraging expansion through partner eco-system

AWS Cloud Platform

- Single global platform for all services
- Public cloud environment within AWS
- Truly global service delivery capability
- The leaders in cloud in the market
- Numerous internal patents of key functionality
- Consistently strong platform uptime: >99.999% in FY24 (inc. 3 quarters at 100%)

Partner Ecosystem Update



The Numbers

80% contracts through partners (FY23: 83%)
70% ACV value through partners (FY23: 77%)



>75% new partner business sold through integrated partners

Run rate partner business up 15% YoY

FY24 Highlights

- New major partnership signed with Zoom
- Zoom products at GA for UCaaS & CCaaS
- New partnerships created with a number of conversational AI vendors
- 100% retention of global partners for all time
- Preferred or sole vendor for majority of resellers
- Won 8x8 Tech Partner of the Year
- Majority of enterprise pipeline opportunities sourced through partners
- >50 partners actively contributing to sales pipeline globally
- Roll out of new core product versions expected to complete for key partners by end H1FY25



FY24 financials



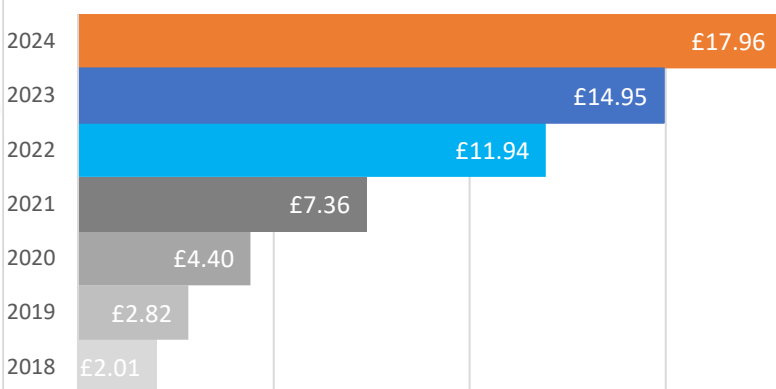
Summary financials

| £000s | FY24 | FY23 | Change |
|--------------------------------------|---------------|----------------|-------------|
| Recurring Revenue | 16,055 | 12,930 | 24% |
| Non-recurring revenue | 1,905 | 2,015 | -5% |
| Total Revenue | 17,960 | 14,945 | 20% |
| Gross Profit | 16,021 | 13,096 | 22% |
| Gross profit Margin | 89.2% | 87.6% | 160bp |
| Adjusted EBITDA¹ | 868 | (1,112) | 178% |
| Adjusted Loss after tax ¹ | (84) | (2,638) | 97% |
| New ACV signed | 3,760 | 4,160 | -10% |
| Exit TACV | 19,210 | 16,430 | 17% |
| Exit ARR | 15,450 | 12,580 | 23% |
| Exit Cash balance | 4,332 | 1,169 | 271% |

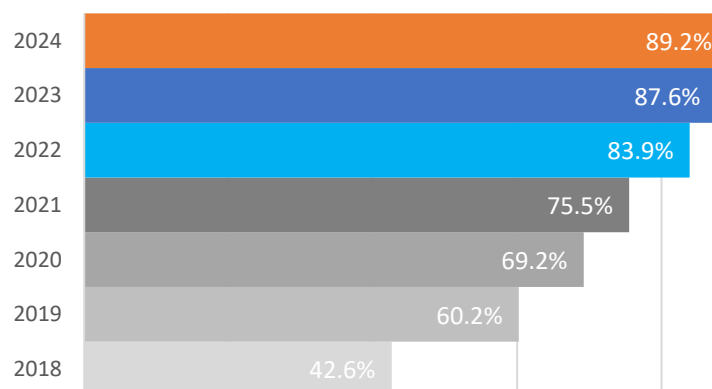
¹ Adjusted for exceptional items and share option charges

Financial Highlights

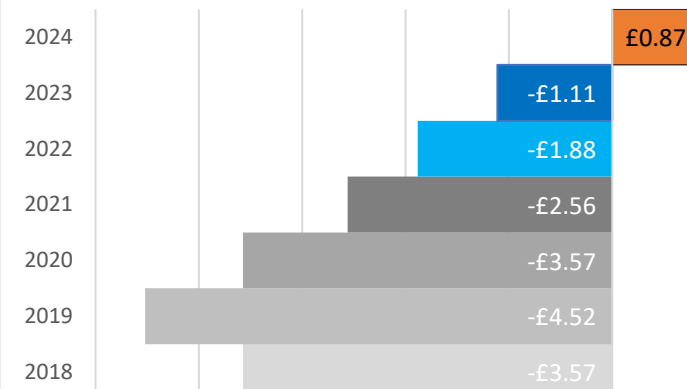
Revenue £m



Gross Margin %



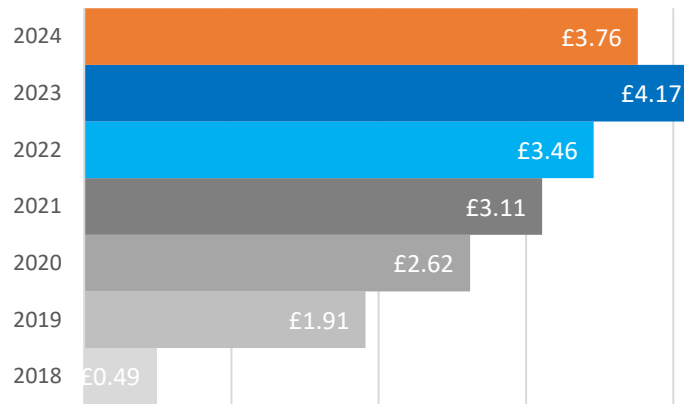
Adjusted EBITDA £m



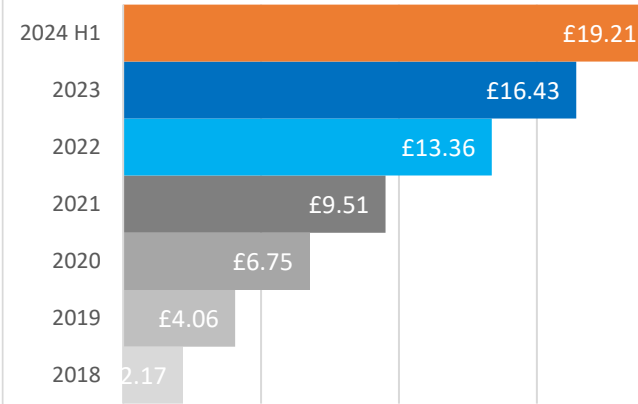
- ❑ Revenues continue to grow strongly up 20% as we continue to sell and deploy our solutions.
 - EMEA £11.26m (+ 13%) - North America £6.29m (+ 32%) - ANZ £0.42m (+ 82%)
 - Revenue from recurring contracts was 89% (FY23: 86%)
 - Non-recurring professional services was stable at £1.59m (FY23: £1.41m)
- ❑ Margins continue to progress towards expected 90% level.
- ❑ Adjusted EBITDA £0.87m - now moved into profit, the first since the relaunch in 2016.

Financial Highlights – Sales

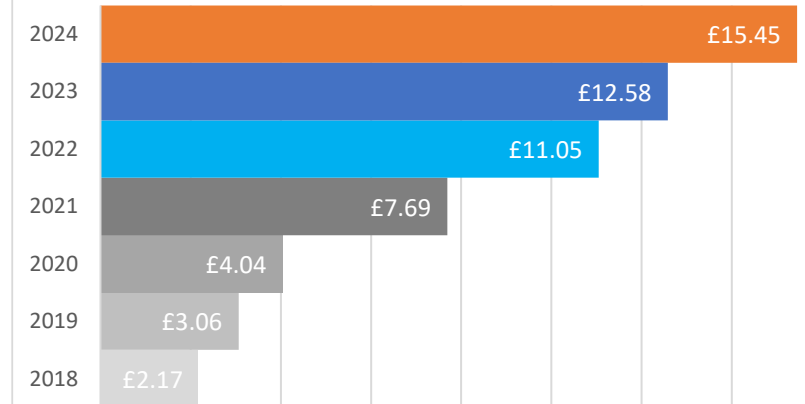
New ACV Sales £m



TACV £m



ARR £m



- ❑ New ACV sales down 10% to £3.76m (FY23: £4.16m) - North America region largest contributor
- ❑ TACV grew 17% to £19.21m
 - Transactional revenues now make up only 12% of TACV (FY23: 14%) as licence revenues continue to grow
- ❑ Exit Run Rate ARR now at £15.45m
 - To be added are contracts in deployment of £3.18m (FY23: £3.08m)
 - Positive reduction in contracts on hold reduced to £0.58m (FY2023: £0.77m) which is just 3% of TACV
- ❑ Customer retention rates remain excellent at 97% (FY23: 95%)
- ❑ NRR remains positive as expected at 102% (FY23: 103%)

Other Highlights

❑ Continued investment in people, processes and technology

- Headcount has grown from 71 (FY21) to 103 (FY22) to 114 (FY23) to 122 (FY24) reflecting :
 - Considered and Conservative investment in additional people in drive for in year cashflow positivity and profit
 - Increased investment in partner management, product (inc. product marketing), and customer success to drive continued strong retention.
- Personnel related costs now account for 78% of overheads (FY23: 78%)

❑ Patent case settled

- Full and final confidential settlement achieved, with £1.1m High Court award received in cash in FY24
- Total spend to date £4.3m – net of High Court award £3.1m
- Cash spend (net) in FY24 £1.1m, remaining £0.2m paid post year end

❑ Positive cashflows & strong Balance Sheet

- Adjusted free cash inflow (excluding proceeds from share issue and exceptional costs) was +£0.97m
- Positive adjusted cashflow from operations £2.53m
- Finished period with £4.33m of cash
- Maximum HSBC facility headroom is £3m and is currently undrawn. The availability of the facility fluctuates based on the level of assets and liabilities at the time of drawing.



PCI Pal product update



Product update

1

Release of enhanced user interface for agent and consumers across all voice and digital channels. Improved and more efficient payment process, incorporating all new digital payment methods

2

Roadmap progress in period on track with various product enhancements now in the market at MVP stage or going through partner enablement. These include:

- New user interface now live for direct and due for GA in H2
- Availability of digital payment methods in new UI, such as ApplePay and GooglePay to new UI
- Substantial upgrade to payment service provider integration capabilities, expected to reduce TTGL and effort required to on-board new PSPs
- Improved data analytics, launched internally for customer success usage tracking of accounts. Due for launch to customer side in H2. Improved reporting and data analytics.

3

New GTM model splitting “standard” and “custom” deployments across small-mid size accounts and enterprise respectively.

Launched from 1st July 2024 for direct

Key partner rollouts continue, strong traction, completion expected end H1FY25

4

Artificial Intelligence roadmap has progressed with anticipation of launches in FY25 across:

- Improved data analytics around CX and payments touch points
- New data insights and journey tracking to increase customers' revenue & reduce costs
- Introduction of payment bot API

Outlook

1

Patent case behind us, cash flow positive, strong pipeline, exciting multi-year outlook

2

Well positioned with future growth expected, with further considered additional investments made into the business in FY25

3

Deeper broader relationships with partners; fast on-boarding of new partners; and accelerated time to value for customers through product enhancements

4

Expansion of AI strategy; on-boarding of new conversational AI partners; launch voice/chat bot payment API; release first own AI products

5

Exciting pipeline for core business; with opportunities to expand our addressable marketing in front of us.



Appendices



Appendices

Disclaimer

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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.

Income Statement

| | FY24 | FY23 | Change | Comment |
|------------------------------------|----------------|----------------|------------|--|
| | £000s | £000s | % | |
| Revenue from recurring contracts | 16,055 | 12,930 | 24% | |
| Other revenue | 1,905 | 2,015 | -5% | |
| Total revenue | 17,960 | 14,945 | 20% | |
| Cost of sales | (1,939) | (1,849) | 5% | |
| Gross Profit | 16,021 | 13,096 | 22% | |
| Gross Staff Costs | (12,845) | (12,037) | 7% | |
| Staff costs capitalised | 1,825 | 1,550 | 18% | Additional investment in R & D for new products Includes Exchange movements, exceptional costs and options |
| Other Expenses | (5,280) | (6,306) | 16% | |
| EBITDA | (279) | (3,697) | 92% | |
| Depreciation and Amortisation | (1,383) | (1,155) | 20% | |
| Loss from Operations | (1,662) | (4,852) | 66% | |
| Exceptional costs | 794 | 1,982 | | |
| Expenses relating to share options | 301 | 272 | | |
| Adjusted Operating loss | (567) | (2,598) | 78% | |

Cashflow

| | FY24 | FY23 |
|---|--------|--------|
| | £000s | £000s |
| EBITDA | -279 | -3,697 |
| Other non cash movements | 294 | 562 |
| Increase in trade and other receivables | -27 | -1,776 |
| Increase in trade and other payables | -772 | 1,681 |
| Increase in deferred income | 2,101 | 1,214 |
| Cash generated/(used) in operating activities | 1,317 | -2,016 |
| Income tax received | 535 | -1 |
| Net interest (paid)/received | -26 | -2 |
| Purchase of property plant and equipment | -204 | -108 |
| Development expenditure capitalised | -1,825 | -1,550 |
| Gross cash used in business before financing | -203 | -3,677 |
| Cash used in defence of patent case | 1,212 | 1,279 |
| Underlying cash generated/(used) in business before financing and patent case | 1,009 | -2,398 |
| Cash at start | 1,169 | 4,888 |
| Used in business - per above | -203 | -3,677 |
| Lease repayment | -44 | -42 |
| Net equity fundraise | 3,410 | - |
| Net borrowing repaid | - | - |
| Cash at end | 4,332 | 1,169 |
| Maximum debt facility ¹ | 3,000 | 3,000 |
| Cash and debt facility | 7,332 | 4,169 |

includes £0.20 million relating to patent case

¹ Subject to asset ratio test covenant limits

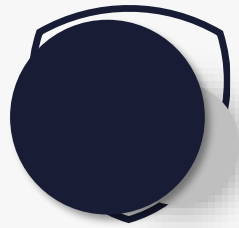
Balance Sheet

| | FY24 | FY23* | |
|--|---------------|---------------|---|
| | £000s | £000s | |
| Fixed assets | 4,215 | 3,401 | |
| Trade Debtors | 3,551 | 3,508 | |
| Other receivables | 3,418 | 3,435 | Primarily deferred contract commissions |
| Cash and cash equivalents | 4,332 | 1,169 | |
| Total Assets | 15,516 | 11,513 | |
| Deferred revenue | -14,336 | -12,235 | |
| Trade and other payables | -3,150 | -3,800 | |
| Bank Borrowing | - | - | |
| Net Assets | -1,970 | -4,522 | |
| Share capital and premium | 18,347 | 14,937 | |
| Share based payment reserve | 1,223 | 922 | |
| Currency reserve | -274 | -294 | |
| Retained losses | -21,266 | -20,087 | |
| Equity attributable to shareholders | -1,970 | -4,522 | |

* As restated

Company History

- ❑ FY2011 – PCI Pal Concept Conceived within IPPlus PLC
- ❑ FY2013 – First Gen PCI Pal privately hosted platform launched in UK
- ❑ FY2017 – Sold Group’s call centre businesses raising £6.7 million, renamed group PCI-PAL PLC
- ❑ H1 FY2018 – Launch Second Gen PCI compliant AWS public cloud platform across UK and Ireland
- ❑ H2 FY2018 – Raised £4.95 million for North America expansion + Extended PCI Pal’s AWS Platform to US and Canada regions
- ❑ 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 for digital interactions in contact centres
- ❑ H2 FY2020 – Raised £5.0 million from existing institutions to fund working capital and expansion
- ❑ H1 FY2021 – Launched PCI Pal Speech recognition v1 solution
- ❑ H2 FY2021 – Raised £5.5 million from new and existing institutions to expand engineering capability and fund further 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
- ❑ H1 FY2024 – Announced new global reseller partnership with Zoom
- ❑ H2 FY2024 – Invalidated competitor’s key UK patent’s; continued to expand own patent portfolio

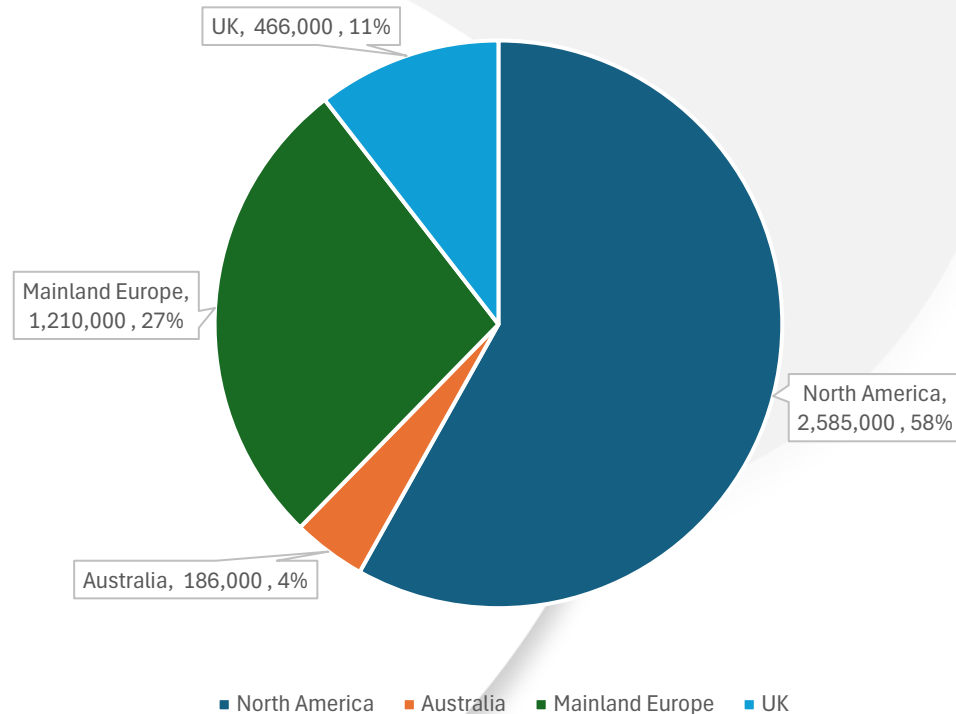


An Expanding Addressable Market



TAM of Current Focus Markets

PCI Pal Main Market Regions & Agent Seats Predicted to handle Payments



Source: OMDIA - Global Contact Center Market Forecast 2023



Source: Contact Babel - US Contact C

Revenue Model:

- Majority annual or monthly license fee
- Average license ~£100 ARR
- Av contract length 2.5years
- Minimum contract length 12 months

TAM for current market focus:

- We have assumed 60% of agents to handle payments
- 4.5 million agents taking payments (excludes bots)
- Therefore, we estimate today's TAM to be ~£450 million

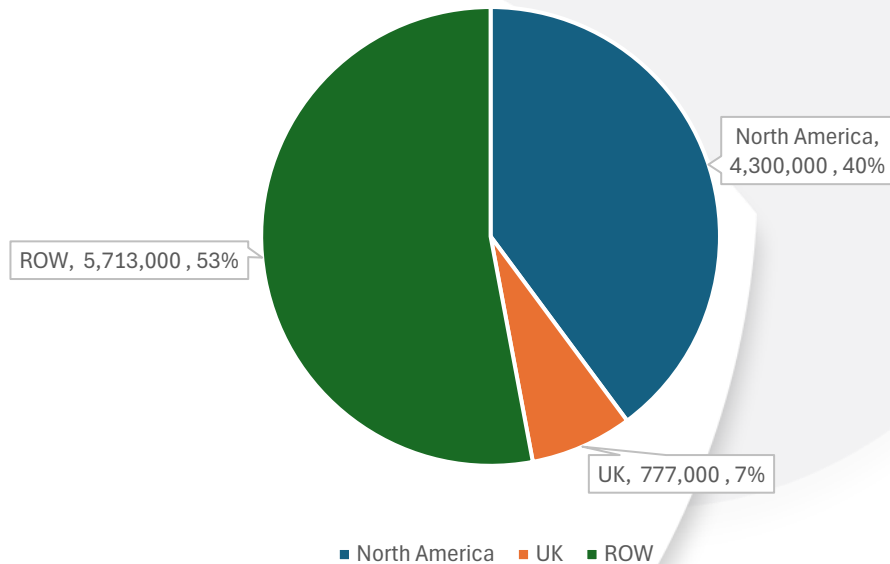
Of TAM, how much is contacted?

- We predict between £75-100 million contracted by vendors in space
- Leaves further £325-350 million TAM to target in current focus regions

But the global CC market is much larger than this.


More Opportunity

Global Contact Centre Seats Split: NA, UK, ROW



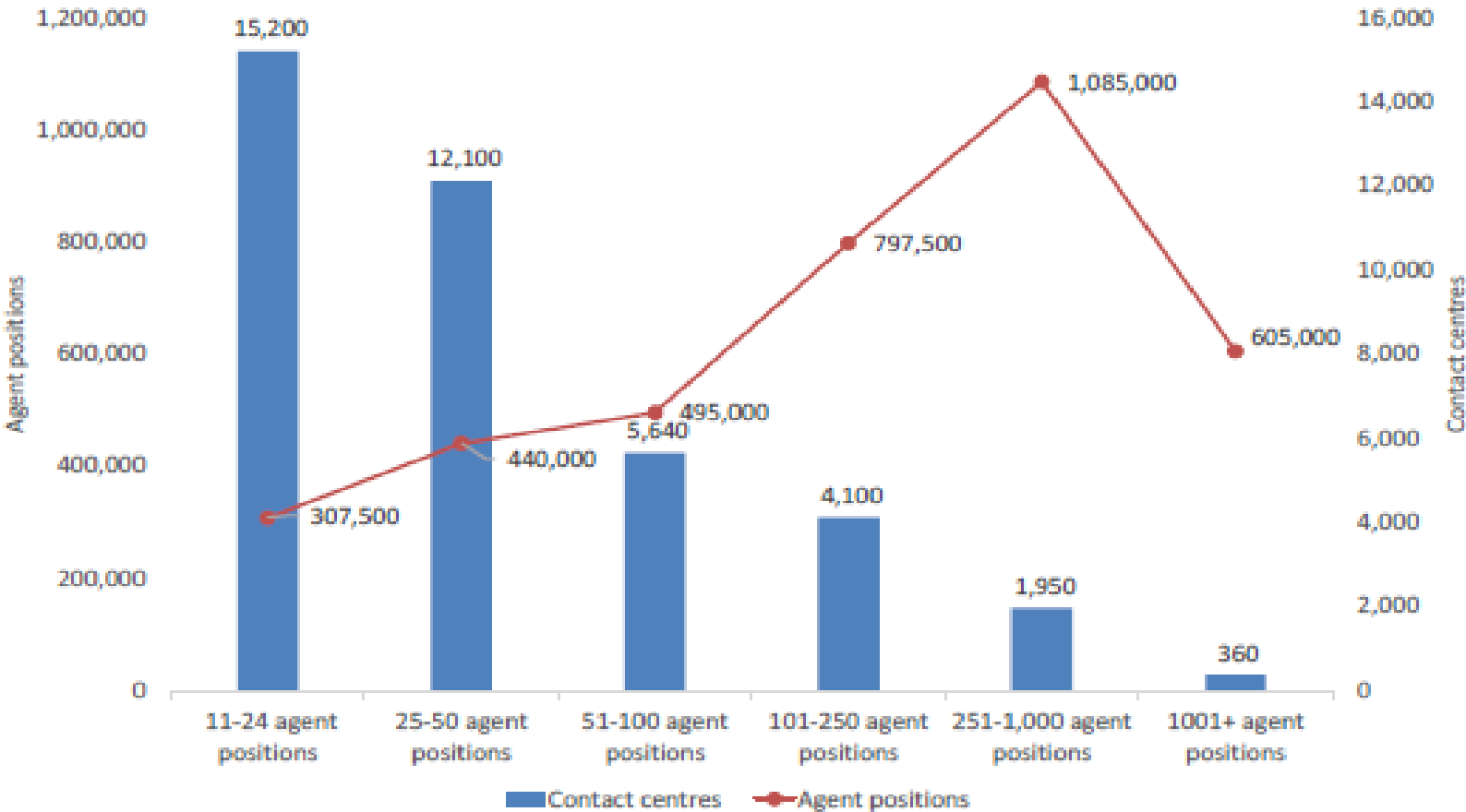
Source: OMDIA - Global Contact Center Market Forecast 2023

- Contact centre market is standardised technologically
- Business communications vendors similar globally
- Majority of global vendor partners are US headquartered
- Digital transformation of contact centres is still on-going
- Geographic opportunities:
 - More EU
 - APAC (Inc. Philippines & India)
 - LATAM
 - South Africa
- Partner-led expansion opportunity leveraging global cloud platform
- TAM 2x current focus areas.

“The top 50 Genesys Cloud CX customers average nearly 8,000 unique agents across their cloud platform.” 

US Contact Centres & Agent Positions

Agent Positions and Contact Centres by Size Band, end 2020



Source: Contact Babel - US Contact Centres

US Contact Centre Agent Positions

Agent Positions and Contact Centres by Size Band

| 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

