

Annual Report & Accounts
for the year ended 30 June 2025



Strong Revenue Growth and Positive Adjusted EBITDA

PCI-PAL PLC (AIM: PCIP), the global provider of secure payment solution for business communications, is pleased to announce its full year results for the year ended 30 June 2025 (the "Period").

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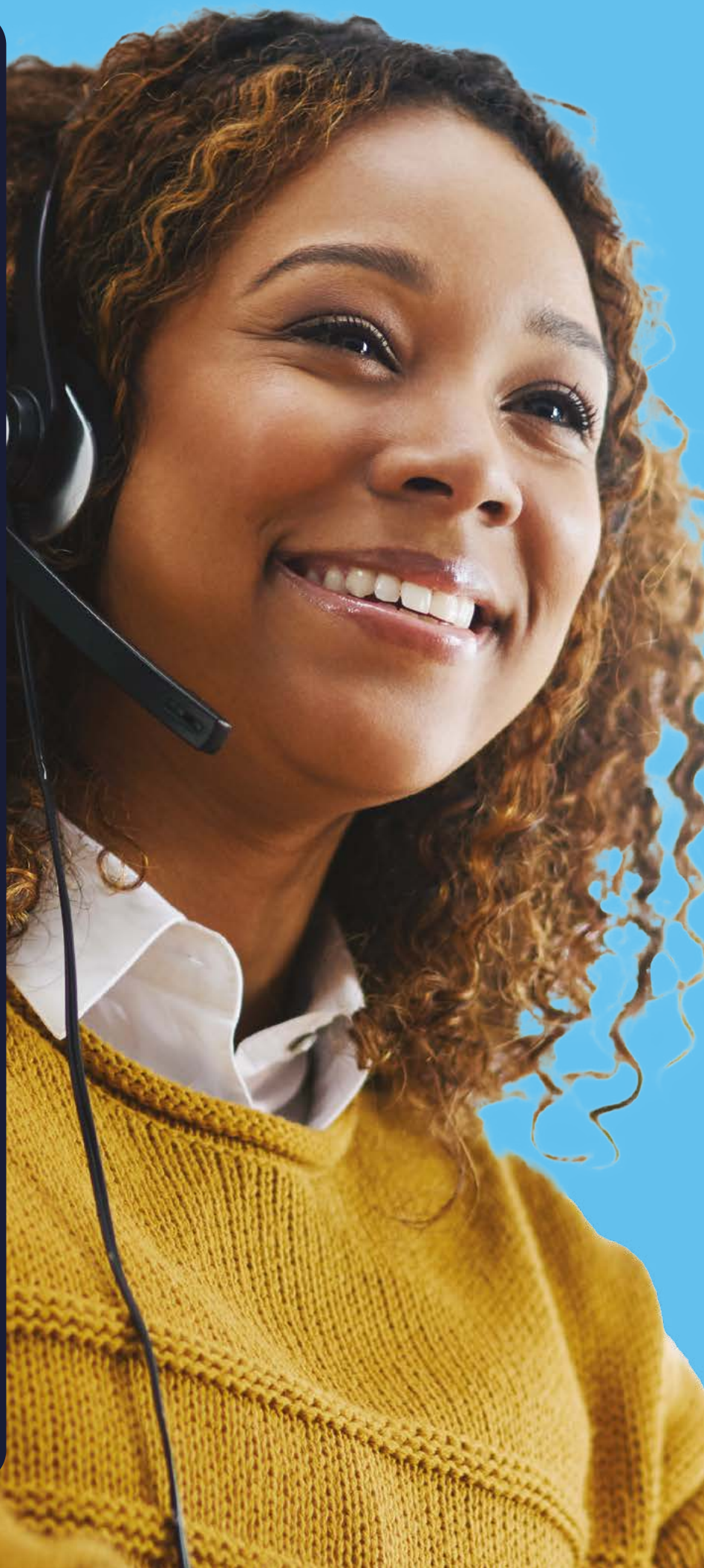
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Highlights

For the year ended 30 June 2025

PCI-PAL PLC (AIM: PCIP), the global provider of secure payment solutions for business communications, is pleased to announce full year results for the year ended 30 June 2025 (the "Period").

Financial Highlights:

Revenue +25%

FY25	£22.48m
FY24	£17.96m

CARR³ +16%

FY25	£22.20m
FY24	£19.21m

Gross Margin %

FY25	90%
FY24	89%

ARR⁴ +25%

FY25	£19.26m
FY24	£15.45m

% of revenues from recurring contracts

FY25	91%
FY24	89%

NRR⁵

FY25	104%
FY24	102%

Adjusted EBITDA¹ +167%

FY25	£2.32m
FY24	£0.87m

GRR⁶

FY25	95%
FY24	97%

Adjusted Profit / (Loss) before Tax² +243%

FY25	£0.81m
FY24	(£0.57m)

Cash

FY25	£3.92m
FY24	£4.33m

Loss before Tax

FY25	(£0.17m)
FY24	(£1.71m)

- Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is the loss on operating activities before exceptional items, non-operating expenses, depreciation and amortisation and exchange movements charged to the profit and loss and expenses relating to share option charges see Chief Financial Officer's review page 13
- Adjusted profit / (loss) before tax is loss before tax before exceptional items, non-operating expenses and, exchange movements charged to the profit and loss and expenses relating to share option charges see Chief Financial Officer's review page 13
- CARR or Contracted Annual Recurring Revenue 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. CARR provides a direct line of sight to future ARR from the Group. The naming of this metric as CARR replaces the Group's historic use of TACV, which had the same definition
- ARR is Annual Recurring Revenue of all of the deployed contracts at the yearend expressed in GBP
- NRR is the Net Retention Rate of the contracts that are live on the AWS platform and is calculated using the opening total value of deployed contracts from twelve months ago less the ACV of lost deployed contracts in the last 12 months plus the ACV of upsold contracts signed in the last twelve months all divided by the opening total value of deployed contracts at the start of the 12-month period
- GRR is Gross Revenue Retention, also referred to as customer retention, is calculated using the formula: 100% minus (the ACV of lost deployed contracts on the AWS platform in the last 12 months divided by the opening total value of deployed contracts 12 months ago expressed as a percentage)

Highlights continued

Operating and Other Highlights:

- Strong performance across all financial and operational metrics – delivering results in line with expectations
- ARR increased 25% year-on-year to £19.3 million, a record uplift, reflecting the largest absolute increase in ARR (£3.8 million) delivered by the Group to date
- CARR grew by 16% to £22.2 million, enhancing revenue visibility for FY26 and beyond
- 100% of secure payments revenues generated from PCI Pal's multi-tenanted global cloud platform, now servicing over 700 customers across Europe, North America, and ANZ
- GRR remains exceptionally high at 95%, underpinned by near perfect platform reliability with uptime exceeding 99.999% and excellent customer satisfaction scores
- Delivered Adjusted Profit Before Tax of £0.8 million in line with market expectations
- Expanded the Group's market-leading partner eco-system, including the signing, onboarding, and first customer wins with RingCentral Inc, which is live across Europe and North America
- Successfully renewed one of the Group's largest contracts, a multi-year contract with the UK Government's Department for Work and Pensions (DWP)
- Increased geographic reach with first hires in mainland Europe, already contributing to new wins, including displacing a competitor at a top-50 global hotel chain
- Achieved a perfect NPS score of 100 in Q4 for customers going live on the platform; CSAT of 91% rated "excellent" by global SaaS benchmarks
- Appointment of new Chief Information Security Officer following the planned retirement of the Group's long-serving CISO and former Board member, Geoff Forsyth, who continues on a consultancy basis with the Group

Current Trading

Trading in the opening months of FY26 has been in line with management expectations.

New business highlights YTD include:

- The Group's largest deal to date in Canada, secured via a key partner, with a top 10 insurer; and
- Securing the Group's largest Conversational AI deal to date, sold through a strategic partner, enabling secure payments capability across both voice and chatbot integrations.

New product progress:

- Launched the first solution in the Group's fraud management suite, further strengthening PCI Pal's compliance and security value proposition.
- Availability of data analytics capability for existing reporting packages, providing customers with greater insight into usage and optimisation opportunities for their payments and customer interactions.

People:

- Recently appointed US-based Kathy Varney as Chief Marketing Officer to lead PCI Pal's enhanced marketing strategy and support ongoing ARR growth.

Outlook

The Group continues to experience robust demand for its secure payments platform, with sustained momentum across its flagship solutions - Key to Pay, Click to Pay, and Speak to Pay. PCI Pal is strategically positioned to capitalise on the growing adoption of Conversational AI solutions within contact centres including voice and chat bots, and the anticipated rise in interaction volumes that these innovations will drive.

With a strong market position and an expanding product portfolio, now including AI-powered enhancements such as Fraud Risk Scoring, PCI Pal is well placed to maintain strong organic growth. Supported by increased investment in marketing and a partner-focused sales model, the Group is poised not only to maintain its trajectory but to emerge as the clear leader across all facets of secure payment solutions.



James Barham | CEO

"We've made significant progress this year, delivering strong organic ARR growth, expanding our product capabilities, and deepening our presence with key partners. Our continued progress reflects the success we have achieved with our go to market strategy.

"I'm incredibly proud of the team and culture we've built at PCI Pal, and it's great to see recent key hires already having an impact. I'd like to thank our outgoing CISO, Geoff Forsyth, a founding member of the PCI Pal team who's had a hugely positive influence on the business. As he enters retirement, I'm pleased he'll continue supporting us in a consulting role, which has followed the successful transition to our new CISO, Royston Ballard.

"Looking ahead to FY26, the momentum in the business is hugely exciting. As a leader for cloud solutions in our space, with an extensive partner ecosystem of global communications companies, including a growing number of conversational AI providers, we are exceptionally well positioned to take PCI Pal to the next level. With our enhanced strategy now in place, we fully intend to invest and execute at pace to maximise the significant growth opportunity ahead."



Overview of PCI-PAL PLC

Our mission

is to safeguard reputation and trust by providing organisations globally with secure cloud payment and data protection solutions for any business communications environment including voice, chat, social, email, and contact centre.

Our Vision

is to be the preferred solution provider that organisations turn to globally for facilitating payments and security across customer engagement environments.

PCI Pal is a leading provider of SaaS solutions that empower companies to take payments securely, adhere to strict industry governance, and remove their business from the significant risks posed by non-compliance and data loss. We are integrated to, and resold by, some of the worlds' leading business communications vendors, as well as major payment service providers.

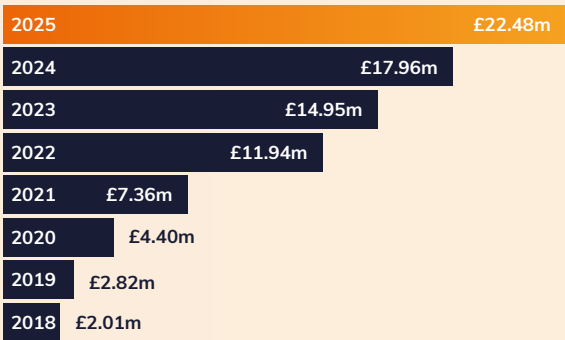
The entirety of the product-base is available from our global cloud platform hosted in Amazon Web Services ("AWS"), with regional instances across EMEA, North America, and ANZ. PCI Pal products can be used by any size organisation globally, and we are proud to work with some of the largest and most respected brands in the world.

- Contact centre solutions by contact centre people
- Globally accessible cloud
- Regionalise data in locations globally through a single service
- Integrated with all payment providers and is carrier, phone and CRM system agnostic
- Integrates with all payment providers
- Agile delivery by contact centre specialists

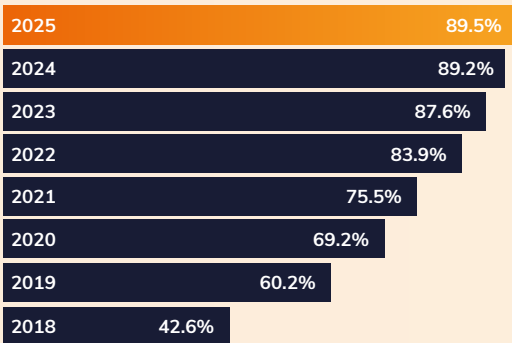
"At PCI Pal, we've built our business on making data security for payments simple. Today we are building from that base, driving new payment technology into the business communications space. It's a hugely exciting time for our business given the excellent platform we have to build on."

James Barham | CEO

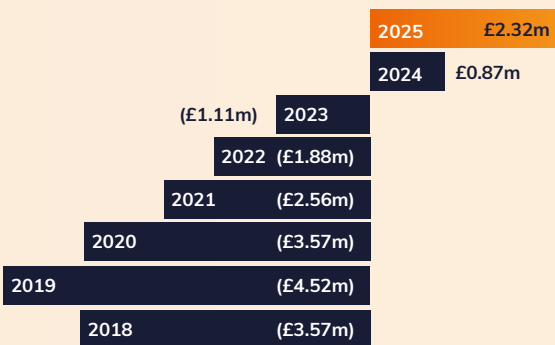
Revenue £m



Gross Margin %



Adjusted EBITDA Loss £m



* Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is the loss on operating activities before exceptional items, non-operating expenses, depreciation and amortisation and exchange movements charged to the profit and loss and expenses relating to share option charges. See page 13 Chief Financial Officer's Review

Overview of PCI-PAL PLC continued

PCI Pal Partner Eco-system

PCI Pal operates a partner-first sales model which means the majority of our customers use our services through resellers. With typically over 80% of new business volume being generated from our partner eco-system, the channel business is a key strategic focus for the business. And this focus has enabled us to have built up an enviable partner eco-system. Today we have over 50 partners actively contributing to our sales pipelines. PCI Pal partners are typically those in the business communications space (CCaaS – Contact Centre as a Service or UCaaS – Unified Communications as a Service), payment providers, and Business Process Outsourcers ("BPOs"). The majority of our leading partners are large global organisations, with many of them headquartered in the US with teams based across the globe.



Our Core Products Today



Click to pay

Click to pay allows agents to generate and send a digital link. By clicking on this link, the customer is stepped through an intuitive payment process with options to pay by card, by eWallet or by bank. The agent is able to track each step and guide the customer where necessary without visibility to the sensitive data.



Key to pay

With key to pay, the agent asks the customer to enter their payment details using their telephone keypad.

The agent neither sees nor hears any of the information but is shown progress of each step enabling them to guide the customer through each stage to completion.



Speak to pay

By utilising AI-powered natural language speech recognition, we are able to let your customer speak their payment details; these are captured and translated into data within our secure platform. The agent is able to track each step of the process but neither see nor hear any of the sensitive information.



Chair's Statement

For the year ended 30 June 2025



The Board is delighted with the progress made by the Group during 2025

Simon Wilson, Non-Executive Chair



The Board is delighted with the progress made by the Group during 2025, a year that has delivered a strong set of results in line with market expectations and seen the Group make positive strides in its operating model and strategic position. Our key metrics performed very well with ARR up 25%, GRR at 95% and NRR increased to 104%. Our competitive moat from our channel ecosystem relationships was further strengthened through the addition of a number of new resellers, including RingCentral as platform integrated selling partners. Following the year-end the Group launched a new AI-powered fraud risk scoring product, thereby growing the value of the Group's platform to its customers, and expanding its market opportunity.

Our management team and employees around the world have performed well, not just in terms of our results and progress, but as a cohesive, committed and happy team. This is evidenced by high performing scores in customer NPS¹, partner feedback, customer retention and low employee turnover rates. The Group's culture is clearly a strong one and a key part of the Group's success. I would personally like to thank each one of our team for their contributions towards meeting the Group's mission.

Strategic Direction

As announced in July 2025, with the successful completion of proceedings in the patent lawsuit that the Group had with a competitor, as announced in June 2024, and following the appointment of a new CFO in October 2024, the

Board undertook an extensive review of its rolling three-year strategic and operating plan. The objective of this review was to ensure that the Group can build on its now proven stronger market position and capitalise on the undoubted market opportunity before it.

The focus of our strategic plan looks to increase near term investment utilising the Group's available cash resources to continue to support long term organic growth rates of ARR in the region of 18-20% through FY27 and beyond.

The foundational component of this revised plan and commitment to growth is the Group's platform, which has proven to be highly resilient and scalable during FY25 with uptime exceeding 99.999% consistently. Launching new products and leveraging AI not only enhances the customer and partner value of the platform but also enables growth in the important SaaS metric of NRR. The PCI Pal platform has deep integrations across the majority of major CCaaS vendors globally and we intend to deepen our focus on this commanding market position through further investment in marketing support of these partners, as well as expanding direct marketing capabilities. No matter whether our customers' agents are human or a bot, we are well positioned to service them through our partners and our platform.

Corporate Governance

It is my responsibility to ensure that our organisational structure and corporate processes remain robust so we can continue to deliver for all stakeholders,

while not diminishing our entrepreneurial culture. This is particularly true now given our refreshed strategic plan to drive top line growth.

The Group is supported by an experienced Board of Directors, who in turn are supported by senior management and an underlying organisation that has proven it can deliver.

Following the completion of Jason Starr's ten-year tenure, Andy Lockwood joined the Board on July 1st 2025 and has replaced Jason Starr as Chair of the Remuneration Committee. Andy has over 30 years' experience of leading and growing technology, telecommunications and healthcare businesses. These roles have included leadership positions at BT, Capita plc, and Daisy Communications plc in the UK, as well as substantial exposure to international markets including extensive time spent working in the United States at Inktomi Corp¹, and Covad Communications. Andy's experience will be hugely valuable to the Board providing further guidance and support in the execution of the Group's refreshed 3-year strategic plan. Following the period of transition as Andy assumed his responsibilities on the Board, Jason is stepping down from the Board on 12 September 2025 and I would like to take this opportunity to thank Jason for his many contributions to PCI Pal and the role he has played in supporting the Group's successes, especially in the years following the strategic shift to focus the Group on the PCI Pal business.

1 NPS – net promoter scores

Chair's Statement continued

Our employee culture remains excellent, and our commitment to our partners and customers is supported by our market leading platform. I believe we have a balanced business that can continue to grow within acceptable levels of risk tolerance.

Stakeholder Communications

As a Board, we remain focused on clear and regular communications to all investors, both retail and institutional, and expanding disclosures of performance metrics in line with the growth in complexity of the business. We continue to utilise phone and video briefings as well as utilising the Investor Meet Company portal, to reach shareholders of all types.

As Chair, I am available as a direct line of communication to all shareholders in the event that other questions arise, as well as offering meetings with institutional shareholders around the time of the AGM.

Looking Forward

I continue to be both excited and encouraged by the progress that has been made by the Group in FY25, and the Board is confident in the outlook and prospects in FY26 and beyond. FY26 has started well and trading in line with the Board's expectations. Given the momentum in the business, I look forward to sharing further progress reports and news during the coming year, as we continue our strategic growth journey.

Simon Wilson | Non-Executive Chair
9 September 2025



Chief Executive's Statement

For the year ended 30 June 2025



FY25 marked another year of strong execution and momentum for PCI PAL

James Barham, Chief Executive Officer



Overview

Delivering Consistent Growth with Clear Strategic Focus

FY25 marked another year of strong execution and momentum for PCI Pal. We continue our focus to deliver high-quality and scalable growth through our multi-tenanted, multi-region, secure payments cloud platform.

During the year, we increased ARR organically by 25% to £19.3m (FY24: £15.5m). This was a record in real terms for the Group. Providing an outlook to future recurring revenues, the total value of all Contracted ARR increased 16% to £22.2m (FY24: £19.2m). The Loss before Tax for the Group reduced to £0.17m (FY24: LBT of £1.71m). Group revenue and adjusted PBT were in line with market expectations at £22.5m and £0.8m respectively.

Our continued progress is built on a foundation of high customer retention, with GRR of 95%, and NRR of 104%, which encouragingly increased from 102% in FY24. This is a positive position to build from given the Group's focus to drive more revenue growth in the future via existing customers.

The key strategic pillars underpinning the strength of our platform and our success over the last five years continue to provide the foundations for the successful execution of our go to market model. Those are:

Cloud

Today, PCI Pal is a leader in cloud solutions in its space. We have a highly reliable, multi-tenanted global platform providing services to the largest customer-base and most extensive

partner ecosystem in the market. PCI Pal's platform provides services across every single business communications channel available. This includes live voice, DTMF and speech IVR, web chat, social media, and conversational AI tools for both voice and chat bots.

During the year, we continued to achieve enviable uptime across our platform globally. We also expanded the product capability of the platform with the launch of several new payment features for our Key to Pay, Click to Pay, and Speak to Pay solutions. In parallel, we laid the foundations for a positive FY26, where we anticipate launching a number of adjacent products, the first of which, our AI-powered Fraud Risk Scoring solution, was launched in July 2025.

Global Reach

All products are served from PCI Pal's public cloud platform which we have leveraged to open up the full breadth of our addressable market opportunity. This covers business communications and contact centres, whether human or bot served, any size of customer, anywhere in the world. A key aim of the business is to grow its addressable market through cost-effective geographic expansion over-time, and our technology facilitates this. In the year, we successfully hired our first team members in mainland Europe to capitalise on our growing mainland Europe customer base, and to better engage with our partners' teams locally.

Partner Focused

PCI Pal accesses its market via a partner-focused sales model. With well-established integrations to the majority of the world's leading CCaaS platforms,

and an extensive integrated portfolio of payment providers which now exceeds 130, PCI Pal makes it easy for customers to access its solutions and in such a way that the services are seamlessly integrated to the customer's key communications or payment systems. Today PCI Pal's CCaaS partners include Genesys, Amazon, Zoom, Talkdesk, 8x8, NiCE and RingCentral (added in FY25).

With many of the Group's existing partners being large, multi-national organisations, we see substantial opportunity from building deeper and wider relationships with these companies. We also see further opportunity in signing strategically important new partnerships that, over time, will deliver incremental sales momentum for the business. The breadth of the opportunity across both existing and new partners is a key strategic focus for the business over the coming three years.

People

The year has seen another incredible effort from my team at PCI Pal. I am proud that we continue to achieve such high levels of employee retention, again exceeding 90% in the year, as it is our people and culture that ultimately drive the successful execution against our strategic ambitions. I take this opportunity to thank the whole team for their efforts and commitment as we now look to take PCI Pal into the next phase of our growth journey.

Outlook

The Group continues to experience robust demand for its secure payments platform, with sustained momentum across its flagship solutions - Key to Pay,

Chief Executive's Statement continued

Click to Pay, and Speak to Pay. PCI Pal is strategically positioned to capitalise on the growing adoption of Conversational AI solutions within contact centres including voice and chat bots, and the anticipated rise in interaction volumes that these innovations will drive.

With a strong market position and an expanding product portfolio – now including AI-powered enhancements such as Fraud Risk Scoring- PCI Pal is well placed to accelerate its organic growth. Supported by increased investment in marketing and a partner-focused sales model, the Group is poised not only to maintain its trajectory but to emerge as the clear leader across all facets of secure payment solutions.

Strategy Overview

PCI Pal's strategy is to build the global category-leading, cloud-native platform delivering secure payment and data protection solutions across business communications channels, particularly within contact centres environments, both human and bot. The Group's mission is to be the technology partner of choice for the world's leading CCaaS vendors.

With repeatable integrations to CCaaS vendors who between them make up over 75% of the CCaaS addressable market globally, PCI Pal is exceptionally well positioned to capitalise on the anticipated long-term growth of the contact centre solutions market. More than 80% of PCI Pal's sales volume is generated via its partner eco-system.

PCI Pal has a growing enterprise customer-base, and includes some of the largest contact centres in the UK and some of the best known brands in the US, with strong vertical coverage across retail, insurance, pharmaceuticals, and healthcare.

To date, the majority of the Group's revenue has been driven by its core secure payment products: Key to Pay, Click to Pay, and Speak to Pay. Together, they enable organisations to take card

and digital payments, such as eWallets (Apple Pay and Google Pay), Buy Now Pay Later (Klarna and Affirm), and via Open Banking, securely and seamlessly within contact centre environments. These products are platform-agnostic, meaning they are available across any communications environment, desktop/CRM, or payment provider. This core value proposition is the same across both human and AI bot-led customer interactions.

The recent launch of the Group's new fraud management product suite is the first in a number of expected adjacent product launches anticipated across the next 18 months. Over time, these adjacent products will broaden PCI Pal's platform value proposition thereby creating more opportunities in its sales pipeline for net new business. This will also strengthen its capability to cross-sell to existing customers, either direct or via partners, driving increases in net revenue retention.

Following a strong FY25, the Group is increasing its investment in marketing, product marketing and product development to accelerate this expansionary pipeline opportunity. As part of this, the Group was pleased to appoint a US-based Chief Marketing Officer, Kathy Varney, shortly after the year end. Kathy brings over two decades of leadership in global marketing to PCI Pal, and has a strong recent track record of scaling B2B technology brands and drive both direct and partner-led growth. Kathy will lead the deployment of the Group's increased investment in marketing to better position PCI Pal to capitalise on the substantial market opportunity ahead.

With an enhanced growth strategy in place, we will work deeper and broader with our existing partners, while creating more opportunities to expand the Group's enterprise customer-base and drive additional run-rate SMB business. With high customer retention, market leading ARR growth, and an

exciting product roadmap, PCI Pal is well positioned to execute on its strategy and deliver long-term shareholder value.

FY25 Operations Review

New Business & Partner Eco-System

FY25 was another year of solid new business performance and continued expansion of our partner ecosystem. CARR increased 16% to £22.2m (FY24: £19.2m), a record annual increase, alongside strong revenue growth of 25% to £22.5m (FY24: £18.0m). Our sales performance reflects the strength of our channel model, our strong positioning across key vertical target markets, such as retail, insurance, and travel, and also the Group's geographic coverage which has expanded our reach most recently into mainland Europe.

As expected, resellers remain the dominant source of new business for PCI Pal, with 82% of contracts signed via partners, accounting for 68% by value (FY24: 80% and 70% respectively). This mix highlights the ongoing strength of our integrated partner strategy driving the majority of new contracts via the cost-effective channel route, while also demonstrating that direct opportunities tend to be larger in value which suits our greater enterprise focus for direct business.

Across FY25 the business achieved strong new business run rates of commercial to mid-market size opportunities. This was particularly true via channel partners, with larger opportunities today often requiring more direct touchpoints be they fulfilled direct or via the channel. With the planned increase in marketing investment in FY26, we anticipate creating incrementally more enterprise opportunities that will overlay the growing SMB run rate.

Chief Executive's Statement continued

We saw a number of notable contract wins during the year. These included:

- An enterprise-size expansion sale to an existing airline customer, one of the largest carriers in Europe, expanding our footprint to cover their travel agents business. Notably, the deployment is on a different CCaaS platform to the original implementation, reflecting the benefit of PCI Pal's broad compatibility across leading CCaaS environments.
- We also secured a contract with a large US-based HVAC¹ company with international operations and expansion potential.
- In the UK public sector, we were very pleased to secure the renewal of one of our largest customers, the Department for Work and Pensions (DWP), with a three-year contract with a total contract value of over £5.0 million, including an option to renew for a further three years. This underscores PCI Pal's ability to serve large-scale, complex contact centre environments. In parallel, our UK government footprint continues to expand. The Group contracts with more than 125 local authorities as well as a number of large central government departments alongside the DWP.
- We also progressed our international expansion. In Q4, we expanded our UK-based EMEA team with our first hire in mainland Europe. Today the EMEA team now has local language capabilities across our target mainland European markets and has already begun making an impact. Since year end, we successfully displaced a competitor at one of the largest hotel chains in Spain—demonstrating both partner alignment and the value of local presence.

In terms of the Group's partner ecosystem, a number of new partners were added, and these included RingCentral

who we announced in H1. Following on-boarding and enablement, the integrated product-set went live across RingCentral's business in Europe and North America at the back end of the financial year. I'm very pleased to report new customer momentum has been positive since that time, and we are excited by the future potential of this partner.

Platform & Product

Across the year the platform achieved 99.999% uptime globally which is evidence of both the maturity of the environment, but also the sophistication with which it is managed. Reliability is one of the cornerstones of PCI Pal's value proposition and contributes directly to the Group's high customer retention and customer satisfaction rates.

CSAT² score for the year was 91% (FY24: 90%) which is in the "excellent" category against global SaaS benchmarks. We highlight that in Q4 we received a perfect 100 NPS score in the period for customers going live across the platform. This upward trend highlights the quality of the business we are signing, our capability to deploy it, and our customers satisfaction with our products and services. This both drives their on-going contract renewals of our solutions and creates receptiveness to evaluating new product offerings.

Over the last 12 months we began to expand our value proposition beyond secure payments culminating in the launch of our first adjacent product: an AI-powered fraud risk scoring product designed to help businesses minimise fraud-risk from customers across any contact centre channel. This is the first of a pipeline of planned adjacent products that will broaden our addressable market and increase wallet share with existing customers.

We are now focused on building out our capabilities across fraud prevention, identity verification, and broader

customer experience tools. These are all areas where the combination of our platform, customer base, and partner model provide a compelling sales opportunity and competitive advantage around secure payments.

Well Positioned for Conversational AI & Agentic AI Adoption

As the adoption of conversational AI (voicebots and chatbots) gathers pace across the contact centre market, PCI Pal is exceptionally well positioned to benefit from this transformation. We have already established reseller partner agreements and built integrations to a number of the leading voice and chat bot vendors (including Cognigy and PolyAI), and have customers live across both voice and chat bot scenarios.

Conversational AI products typically access customer interactions through integrations with the major CCaaS platforms. Given PCI Pal's broad integrated coverage across these platforms, we are uniquely positioned to remain agnostic to the specific AI solution in use, while acting as the critical bridge between conversations, payments, and security.

For the conversational AI vendors, PCI Pal's value proposition is multi-faceted:

- PCI Pal creates incremental new revenue opportunities for conversational AI vendors as it does for all of its partners through the resale of PCI Pal's leading secure payments solutions;
- At the same time, the conversational AI vendor is able to remove sensitive payment data from their own platform by working with PCI Pal, reducing their own internal risk and compliance burden;
- Those vendors then benefit from PCI Pal being available within all leading CCaaS platforms, providing aggregation across payment type,

1 HVAC – Heating, Ventilation and Air Conditioning

2 CSAT – Customer satisfaction score

Chief Executive's Statement continued

payment providers, and integrations to CRM and desktop environments. This aggregation capability of the PCI Pal platform is especially useful within Agentic AI scenarios, where PCI Pal can reduce the number of steps required to automate a payment fulfilment process within a physical or virtual contract centre environment.

PCI Pal's positioning today reinforces our role as a core enabler within the evolving contact centre eco-system as AI begins to play an increasingly prominent role across customer experience. PCI Pal provides a critical bridge between compliance and security, payments and revenue generation, and seamless customer interactions across both traditional and AI-driven channels.

James Barham | Chief Executive Officer
9 September 2025



Chief Financial Officer's Review

For the year ended 30 June 2025

Overview

During the year, the Group delivered strong operational execution, achieving its core strategic objectives of sustained double-digit ARR and CARR growth, positive cash flow, and profitable expansion. Recurring revenues continued to form the foundation of performance, supported by consistently high customer retention and a growing opportunity for expansion within existing accounts. The benefits of scale, combined with a stable margin profile, underpinned a positive adjusted operating result. After excluding non-cash and non-trading items, all key profitability measures improved, reflecting the strength of the operating model and further reinforcing the Group's balance sheet to support future growth.

Key Performance Indicators

The Board monitor the Group's performance and strategic progress through a defined set of Key Performance Indicators ("KPIs"). For FY25, these covered both financial and operational metrics, with the principal financial measures used to assess performance including:

	FY25 £m / %	FY24 £m / %	Change % / pt
Revenue	£22.48m	£17.96m	25%
Gross Margin %	90%	89%	+0.3pt
Recurring Revenue ¹	£20.49m	£16.06m	27%
Recurring Revenue %	91%	89%	+2pts
ARR ²	£19.26m	£15.45m	25%
Adjusted EBITDA ³	£2.32m	£0.87m	167%
Adjusted Profit/(Loss) before Tax ⁴	£0.81m	(£0.57m)	243%
Statutory Loss before Tax	(£0.17m)	(£1.71m)	90%
Cash	£3.92m	£4.33m	-9%

1 Recurring Revenue is the revenue generated from the recurring elements of the contracts held by the Group and recognised in the Statement of Comprehensive Income in the Period

2 ARR is Annual Recurring Revenue of all of the deployed contracts at the yearend expressed in GBP

3 Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is the loss on operating activities before exceptional items, non-operating expenses, depreciation and amortisation, exchange movements charged to the profit and loss and expenses relating to share option charges

4 Adjusted Profit / (loss) before tax is loss before tax before exceptional items, non-operating expenses, exchange movements charged to the profit and loss and expenses relating to share option charges

In addition, other principal operational KPIs used by the Board to assess the Group's performance are as follows:

	FY25 £m / %	FY24 £m / %	Change % / pt
Contracted Annual Recurring Revenue (CARR) ¹	£22.20m	£19.21m	16%
Gross Revenue Retention (GRR) ²	95%	97%	-2pts
Net Revenue Retention (NRR) ³	104%	102%	+2.0pts

1 CARR 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

2 GRR is Gross Revenue Retention also referred to customer retention is calculated using the formula: 100% minus (the ACV of lost deployed contracts on the AWS platform in the last 12 months divided by the opening total value of deployed contracts 12 months ago expressed as a percentage)

3 NRR is the net retention rate of the contracts that are live on the AWS platform rate and is calculated using the opening total value of deployed contracts 12 months ago less the ACV of lost deployed contracts in the last 12 months plus the ACV of upsold contracts signed in the last 12 months all divided by the opening total value of deployed contracts at the start of the 12 month period

Chief Financial Officer's Review continued

Revenue and gross margin

The Group delivered another year of robust growth, with revenue up 25% to £22.5m (FY24: £18.0m, +20%). Annual Recurring Revenue (ARR) grew 25% to £19.3m, demonstrating the continued success of the partner-led strategy, while Contracted Annual Recurring Revenue (CARR) increased 16% to £22.2m.

Recurring revenue increased to 91% of total revenue at £20.5m (FY24: £16.1m, 89%), reflecting the strength of the Group's subscription-based SaaS model and exceptional customer retention with GRR at 95%. Licences typically run for an initial 12-month term with automatic renewal for subsequent years.

Non-recurring revenue is derived primarily from set-up, installation, and professional services fees charged at the inception of a contract. These fees are paid upfront by customers and initially recognised as deferred income on the balance sheet, before being released to revenue over the estimated contract term.

Regional revenue performance was universally strong, with North America delivering 27% growth to £8.0m, EMEA up 24% to £13.9m, and ANZ up 26% to £0.53m.

Gross margin remained strong at 89.5% (FY24: 89.2%), reflecting the high proportion of recurring licence fees and further reinforcing the scalability and resilience of the Group's business model.

Adjusted profitability

In addition to statutory results prepared under UK-adopted International Financial Reporting Standards ("IFRS") and IFRIC guidance, the Group monitors a set of Alternative Performance Measures (APMs) as key performance indicators. These include adjusted EBITDA, adjusted profit before tax, and adjusted cash flow. Consistent with prior years, the APMs exclude certain non-operational, exceptional, and non-cash items.

Principally, the non-operational items totalling £0.51m relate to software implementation expenditure (expensed in line with IFRIC guidance on cloud implementation costs) and costs associated with evaluating corporate opportunities. In the prior year, exceptional items related to the patent case.

The Board believe these measures provide a clearer view of underlying performance, improve comparability between periods, and give a more meaningful assessment of the Group's financial progress. No exceptional items were reported in the year.

A reconciliation of the underlying financial measures to statutory measures is shown below:

	FY25 (£m)	FY24 (£m)
Loss from operating activities	(0.21)	(1.66)
Share based payments	0.28	0.30
Exceptional items	–	0.79
Non-operational costs	0.51	–
Exchanges losses	0.18	0.05
Adjusted Operating Profit / (Loss)	0.77	(0.51)
Depreciation of equipment & fixtures	0.09	0.12
Amortisation of intangible assets	1.46	1.27
Adjusted EBITDA	2.32	0.87

Adjusted EBITDA rose to £2.32m (FY24: £0.87m), reflecting operating leverage from revenue growth and efficiency gains. Adjusted operating profit increased to £0.77m (FY24: adjusted operating loss £0.51m).

Underlying administration expenses (excluding exceptional items, non-operating costs, share based payments and exchange gains and losses) increased 17% to £19.3m, with personnel costs accounting for 77% of the total (FY24: 78%) as the Group invested to support growth. This also included platform operating costs, the majority of which relates to AWS cloud platform, were £1.05m (FY24: £1.09m). Other cost increases were driven primarily by higher insurance premiums. As a proportion of reported revenue, underlying administration expenses fell from 92% to 86%.

Chief Financial Officer's Review continued

	FY25 (£m)	FY24 (£m)
Loss before tax	(0.17)	(1.71)
Share based payments	0.28	0.30
Exceptional items	–	0.79
Non-operational costs	0.51	–
Exchanges losses	0.18	0.05
Adjusted Profit / (Loss) before tax	0.81	(0.57)

The performance across all measures underscores the scalability of the Group's model and the effectiveness of its continuing cost discipline.

Cash Flow and Liquidity

In FY25, PCI Pal generated cash from operations of £1.21m (FY24: £1.32m) reflecting disciplined working capital management.

Cash outflows used in investing activities was £1.71m (FY24: £2.00m), largely driven by £1.77m (FY24: £1.83m) of capitalised development expenditure on the AWS cloud platform and the ongoing development of new products.

Financing activities delivered a net inflow of £0.09m (FY24: £3.37m), primarily from £0.12m of share issue proceeds from employee share option exercises. In the prior year, financing inflows reflected a significantly oversubscribed £3.26m placing completed in March 2024.

After adjusting for the cash impact of non-operational expenses of £0.51m (FY24: £nil), exceptional items of £nil (FY24: £1.2m), and excluding net proceeds from the FY24 fundraise, the Group delivered an underlying cash inflow of £0.05m (FY24: £1.10m). In the prior year, the cash flow benefited from a R&D tax refund of £0.53m.

Cash at 30 June 2025 was £3.92m (FY24: £4.33m). In addition, the Group retains a £3 million multicurrency revolving credit facility with HSBC which is undrawn. The facility is subject to covenant compliance and matures on 31 July 2027. The Group remains debt-free excluding the 'right of use' liability which relates to an office lease.

Balance Sheet

The Group closed FY25 with total assets of £15.85m (FY24: £15.52m). Non-current assets increased to £5.92m (FY24: £5.73m), reflecting continued capitalisation of internal development expenditure of £1.77m (FY24: £1.83m) under IAS 38, offset by amortisation of £1.31m (FY24: £1.13m), and the recognition of an initial deferred tax asset of £0.23m. The deferred tax asset reflects the expectation that the UK companies within the Group will generate sufficient taxable profits over the foreseeable future to utilise carried forward tax losses. Other receivables due after more than one year, primarily deferred commission costs linked to new customer wins, decreased to £1.17m (FY24: £1.51m).

Current assets were £9.93m (FY24: £9.79m), with cash and cash equivalents of £3.92m (FY24: £4.33m). Trade receivables due within one year stood at £3.84m (FY24: £3.55m), reflecting that debtor collection rates remain a key focus. Deferred costs due within one year, mainly commission capitalised under IFRS 15, increased to £1.06m (FY24: £0.94m) and total deferred costs (current and non-current) reduced to £2.22m (FY24: £2.40m). Other prepayments of £0.98m were consistent with FY24.

Going Concern

The Board has carefully considered the Group's financial position, cash resources, and access to committed facilities to support its ongoing obligations and future investment plans. At 30 June 2025, the Group held £3.9m of cash and maintained an undrawn £3.0m revolving credit facility, providing flexibility and sufficient financial resources. Post year end, the facility was extended with HSBC by a further 12 months until 31 July 2027.

The Board recognises that continued investment in product development, marketing and international expansion to drive organic growth will require disciplined execution and has reviewed detailed forecasts and various scenarios to assess resilience under a range of outcomes. Based on this analysis, the Directors believe that the strength of the Group's recurring revenue base, high customer retention, and positive adjusted operating performance provide a solid foundation for sustainable progress.

Accordingly, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these Financial Statements.

Ryan Murray | Chief Financial Officer

9 September 2025

Principal Risks, Uncertainties and Risk Management

The Directors confirm that they have undertaken a robust assessment of the principal risks and uncertainties facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. The Board regularly reviews these risks and the Group's risk appetite, taking into account the Group's strategic objectives and operational plans.

The Board has identified the principal risks the Group faces and has assessed them against the following factors: the impact they would have on the business; the likelihood the risk would occur; the vulnerability of the Group to the risk; and how fast the identified risk could occur. Risks that present a potential material impact are identified and governed in accordance with our risk management policies. From the assessment, the principal risks facing the Group and considered by the Board are:

Information security and cyber risk

Assessment – Risk unchanged

Risk area and potential impact

A security breach, or the loss or failure, of Group systems and services would impact both the Group's operations and those of its customers. This could cause harm to the business, or its reputation resulting in financial loss, loss of customers or revenue.

Management of risks

The Group continually invests in information security under the leadership of the Group CISO.

The Group is compliant with the Payment Card Industry Data Security Standard ("PCI DSS") and is also ISO 27001:2022 compliant. These accreditations are two of the most thorough certification tests available and are independently assessed. The Group utilises the latest security products and is subject to and undertakes, required third-party assurance testing.

In FY25 the Group has achieved full Cyber Essentials Plus certification from IASME as a further example of our continuing commitment to maintaining the highest levels of security certification.

Infringement of IPR

Assessment – Risk unchanged

Risk area and potential impact

The infringement of a third parties intellectual property rights which is embedded in our core systems may be challenged resulting in potential damages, loss of customers or revenue.

Management of risks

The Group carefully designs its systems to not infringe third party owned software and intellectual property. Where necessary, the Group will enter into licence agreements with the owners of IP to allow use within our systems or defend itself against unjust claims.

The Group has its own patents protecting its novel cloud technology and will take all necessary steps to protect this valuable intellectual property.

Business interruption

Assessment – Risk unchanged

Risk area and potential impact

The loss, failure or other lack of availability of the Group systems would potentially impact the availability of services to partners and customers as well as its ability to operate internally.

Management of risks

The Group is ISO 23001: Business Continuity compliant and as such is subject to annual third-party rigorous assessment. Where possible core systems are hosted across multiple regions or locations. Robust management systems are in place to detect, minimise and restore systems in the event of an interruption.

Recruitment and retention

Assessment – Risk unchanged

Risk area and potential impact

The Group's continued success is substantially dependant on the recruitment and retention of skilled personnel, including technical, commercial, and leadership talent. Failure to do so could negatively impact delivery of strategic goals.

Management of risks

The employees of the Group are one of the key stakeholders of the business and, as such, the Directors give serious consideration to their needs, development and wellbeing. We look to attract the best through providing core values and objectives, building strong and committed teams. Our People department ensures that we have the appropriate policies in place to support and help, and management at all levels are actively and consistently engaged with their teams' development.

Principal Risks, Uncertainties and Risk Management continued

Market and product development**Assessment – Risk increasing****Risk area and potential impact**

Competitors may develop similar or more advanced solutions meaning the Group's technology may become obsolete or less relevant to our customers. In addition, the Group's future success depends upon its ability to develop new, and enhance existing, solutions on a timely and cost-effective basis that meet changing partner and customer requirements.

Management of risks

The Group is continually investing in its product and engineering function to ensure its product offering remains relevant to the market requirements. However, the Group needs to balance investment for growth with delivering profit for shareholders. The Group monitors the marketplace for competitor development closely, as well as utilising its relationships with partners to ensure its product roadmap stays in tune with customer needs. In addition, the Group has an established Advisory committee who can be called upon to provide further insight and expertise as required.

Damage to reputation**Assessment – Risk unchanged****Risk area and potential impact**

Reputational damage may arise from regulatory non-compliance, service outages, or poor customer experience. As the Group expands internationally, maintaining a strong reputation is critical to customer trust and future growth.

Management of risks

The Group takes great care and invests in advisory services from experts to assist in ensuring all their regulatory responsibilities are fulfilled. The Group's systems and solutions have been carefully designed to maximise reliability and so minimise potential damage due to outages. The Directors have established detailed rules and processes to ensure the employees are treated fairly and can escalate issues accordingly.

Economic and financial risk**Assessment – Risk increasing****Risk area and potential impact**

The Group's markets may be adversely affected by economic downturns, inflationary pressures, or geopolitical instability, potentially impacting customer budgets, contract renewals and liquidity.

Generation of new business sales**Assessment – Risk unchanged****Risk area and potential impact**

The Group needs to continue to sign new customers and attract new partners for it to hit its growth targets. Failure to attract this new business, or a slowdown in the growth of sales for economic or reputational reasons may mean the Group miss their revenue targets which could result in lower cash generation with the potential for increased liquidity risk.

Principal Risks, Uncertainties and Risk Management continued

Economic and financial risk**Assessment – Risk increasing****Management of risks**

The Group has a diversified portfolio of customers and partners spread across three continents who have acquired our leading innovative solution that helps solve their business need. The Group continues to enjoy low customer churn rates giving good visibility of the future recurring revenues that underpin the business.

The Group finished the year with a strong cash position, and has no debt drawn against its £3m revolving credit facility. The cash and debt facility should provide the Group with sufficient funding to weather any adverse economic or trading downturn.

Generation of new business sales**Assessment – Risk unchanged****Management of risks**

The Group has established a strong network of channel partners who contribute the majority of new contract signings. The Group is less reliant on signing new partners than in previous years as it drives to deliver more from its now larger base of existing relationships.

We have invested, and continue to invest, in highly experienced people to help build our geographic expansion, strengthen our product focus, and develop our customer success teams. This is aimed at allowing us to continue to build better relationships with our partners and customers and to maintain and evolve our product relevance.

The Group serves the breadth of the contact centre market, with a strong run rate of the majority small to mid-size end of the market signed on a quarter-to-quarter basis. We recognise that the largest enterprise deals can result in slower sales cycles, with the largest companies taking longer to make decisions and approve budgets. The Group mitigates for this by maintaining a strong sales pipeline, with regular pipeline and sales forecasts reporting. The Group also operates a 'deal take on' committee.

Regulation and industry standards**Assessment – Risk unchanged****Risk area and potential impact**

Failure to maintain the Group's compliance with the PCI DSS accreditation would impact the ability of the Group to operate. Potential additional laws around data security, taxation, pricing, law enforcement might also mean it could be uneconomic to continue to trade in existing regions

Management of risks

The Group maintains a proactive approach to regulatory compliance through the ongoing engagement of professional advisors and dedicated internal teams. Continuous assessment ensures that changes in legal, tax or industry frameworks are appropriately addressed to avoid business disruption.

Section 172(1) Statement – Board Engagement with our Stakeholders

Section 172 (1) of the Companies Act 2006 requires a Director of a Company to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, section 172(1) requires a Director to have regard, among other matters, to:

- the likely consequences of any decision in the long-term
- the interests of the Company’s employees
- the need to foster the Company’s business relationships with suppliers, customer and others
- the impact of the Company’s operations on the environments and in the local community
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172(1). The stakeholders we consider in this regard are the people who work for us, buy from us, supply to us, own us, regulate us, and live in the communities we serve and the world we all inhabit.

Interaction with the Board

The Board receives updates from the Executive Management on various metrics as well as feedback and survey results in relation to employees and customers. The Board also periodically receives updates from other members of the management team on issues concerning customers, the environment, communities, suppliers, employees, regulators, governments, and investors, which it considers in its decision-making process under section 172(1). In addition to this, the Board has open authority to understand the interests and views of the Group’s stakeholders by engaging with them directly as appropriate.

Our stakeholders

As our organisation grows and expands geographically, the Board has recognised that it is important to have professional and clear communication channels in place with our key stakeholders.

Shareholders	Employees
How we engage	How we engage
The Group has seen increasing investor interest in our business, and, in turn, these investors have supported the growth of the business. We have developed multiple communication channels with our investors through a variety of ways: • The Group hosts its Annual General Meeting in person, which is open to all current and potential investors • The CEO and CFO engage with investors either face-to-face or via virtual roadshow presentations at least twice a year • The CEO and CFO also record their virtual roadshow via the Investor Meet Company portal allowing all shareholders the opportunity to hear updates on the Group • The Chairman is available throughout the year to speak to investors and provides in-person meetings to larger shareholders around the time of the AGM • The Group has a dedicated investor website that gives access to all relevant company news and regulatory updates • The Board regularly receives updates on feedback from investors via the Executive management and the Group’s NOMAD.	The Group’s success is directly linked to the talent and skills of our employees. The CEO has the responsibility of ensuring we maintain a working environment that people want to join, and that we can therefore attract and retain the best employees. We are a small Group of companies but are growing fast in terms of scale and geographic footprint. Maintaining excellent communication with our employees is therefore vital to our development. Some examples are: • Annual kick-off events detailing the plans for the coming year and looking back at the previous 12 months • Regular department meetings and Quarterly Business Reviews • Internal blogging via our Employee Engagement Platform - The Hive • An “open door” policy for staff to ask questions to Senior Executives and managers The overall ambition is to create a collaborative and responsive organisation that allows our employees to feel engaged with the strategy of the Group and allow them to progress their own development and career.

Section 172(1) Statement – Board Engagement with our Stakeholders continued

Shareholders	Employees
Outcome of engagement	Outcome of engagement
Investors continue to demonstrate support for the Board initiatives, activities and plans and we have received overwhelmingly positive feedback on the performance and trajectory of the business.	The Group continues to attract and retain skilled and enthusiastic employees, allowing us to continue to develop our plans and strategy without interruption. Our employee churn rate remains very low.

Partners & Customers	Community & Environment
How we engage	How we engage
One of the three founding core pillars of PCI Pal is to be a partner focused organisation. Working with partners not only makes us better able to serve the broader technological needs of our customers, but also better able to scale and grow our business profitably. We state we are partner focused but that does not mean we do not deal directly with organisations that want to purchase our class leading solution directly from us. In FY24 a VP of Partners and Alliances was appointed to ensure we have a dedicated senior employee focused on managing and oversight of our channel business. Partners all have sales relationship managers on their account, they are supported by our customer success, service desk, marketing, and product teams. Direct customers benefit from the same level of care and support. We have developed detailed processes that take the partner and customer through the entire customer journey: from contracting through to deployment; support and management within our Customer Success function. Our Senior Leadership Team regularly meets with Senior Executives of our Partners to further build lasting relationships.	PCI Pal and our customers' employees are active members of their local communities, wherever they are based. We recognise that by delivering our solutions we serve our communities by providing valuable data security and reassurance to consumers, whilst also reducing fraud levels across payments. The efficient way we deliver our services over the Cloud reduces the environmental footprint. Since FY21 we have been measuring and reporting on activities that affect our environment, via the Environmental, Social and Governance report. Our goal is to reduce our environmental footprint wherever practical. The Group has formalised its Carbon reduction plan with a commitment to achieving net zero emissions by 2040. As an example of our commitment, we have maintained the ability of our employees to primarily work from home as it lowers our commuter travel impact, whilst boosting the wellbeing of our employees. Our Diversity and Inclusion strategy focuses on different topics each year, during FY25, our theme was "Hidden Disabilities", aiming to educate and fundraise around conditions that may not be immediately visible. This includes supporting a global cancer charity and the Sunflower Charity, which promotes the use of sunflower lanyards to discreetly signal when someone may need additional understanding or assistance in public spaces.
Outcome of engagement	Outcome of engagement
In FY25 82% (FY24: 80%) of all contracts and 68% (FY24: 70%) of all value were delivered via our Partner network. In total in FY25 we signed 174 (FY24: 157) new logo contracts either directly or via our partner network. In addition, relationships with customers and partners are monitored through both survey feedback as well as regular direct relationship contact. Our net promoter scores (NPS) for FY25 for our deployment services now stand at 68% (FY24: 73%). The Group CSAT score for our support operations now stands at 91% (FY24: 90%).	Our focus on the appropriate work/life balance for our employees has allowed many to spend time supporting their communities. In FY25 birthday leave was introduced, giving employees the opportunity to take time off on their birthday to celebrate with family and friends. This initiative reflects our commitment to employee wellbeing and work-life balance, recognising the value of personal time in fostering a positive and inclusive workplace culture. Positive feedback was provided by our people following the mental health focus in FY25 and this work will continue into FY26 to ensure our people and their family and friends are supported through challenges. Our environmental footprint remains small with energy use for travel per employee falling.

Section 172(1) Statement – Board Engagement with our Stakeholders continued**Reputation**

It is the Group's policy to manage and operate worldwide business activities in conformity with applicable laws and regulations as well as with the highest ethical standards. Both the Group's Board of Directors and Executive Management are committed to full compliance with applicable law and regulations in all jurisdictions in which we operate, and to maintain the Group's reputation for integrity and fairness in business dealings with third parties.

Further information on how the Board operates and discharges its duties can be found in the Corporate Governance report, the Environmental Social and Governance Report and the Statement of Corporate and Social Responsibilities above.

Key Board matters discussed in the financial year

During the year, the Board focused on several material matters in the context of its governance responsibilities. Following the successful conclusion of the patent proceedings and the appointment of a new CFO, the Board undertook a comprehensive review of the Group's three-year strategic and operating plan. This process involved detailed consideration of capital allocation priorities, balancing short-term investment requirements with the objective of delivering sustainable long-term organic growth.

In line with its succession planning responsibilities, the Board successfully completed the process to identify and appoint Andrew Lockwood as the successor to Jason Starr in the role of Non-Executive Director.

The Board also maintained oversight of external risk factors, including developments in the macroeconomic environment, to ensure that the Group remains resilient and appropriately positioned to adapt to changes in market conditions.

The Strategic Report for the Group was reviewed and approved by the Board of Directors on 9 September 2025.

Signed by Order of the Board

James Barham | Chief Executive Officer

Governance



In order to ensure the Board makes the appropriate decisions in the best interests of the Company and its stakeholders, it is essential that a good corporate governance structure is in place

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Board of Directors



Simon Wilson

Non-Executive Chair of the Board

Appointed to the Board on
1 November 2019

Working history

Simon's background includes thirty five years in international business to business software. He has been a resident of the United States for 30 years and is currently the Chairman of AIM-quoted technology company FADEL Partners Inc. and NED of Hazelcast. Past Executive positions include CEO, CFO and corporate development roles, as well as independent Board Directorships and advisory roles in a range of US and UK companies, including Surf Control plc, Endace plc, M86 Security and Uberflip.



James Barham

Chief Executive Officer

Appointed to the Board on
30 September 2016

Working history

Prior to taking on the role of CEO at PCI Pal, James was instrumental in establishing and leading the business' sales, marketing, and operations functions. In 2018 he and his family relocated to the US temporarily to set up the Group's North American operation. Later that year he became Group CEO. He leads the continued development of the Group following a career spent almost entirely in the technology space. James has a BSc (Honours) in Business Management & Communications.



Ryan Murray

Chief Financial Officer

Appointed to the Board on
14 October 2024

Working history

Ryan has over 20 years' finance experience in both public practice and industry, including in the technology sector. He has joined PCI Pal from AIM quoted FD Technologies plc where he has held a number of senior finance roles over the last 14 years. His was most recently Head of Corporate Finance at FD Technologies Plc, with previous roles including and CFO of KX (FD Technologies software division) and Group Financial Controller.

He is a qualified Chartered Accountant, having worked at EY in the audit and corporate tax departments.



Carolyn Rand

Independent Non-Executive Director

Appointed to the Board on
24 March 2022

Working history

Carolyn has over 30 years of experience across public and private enterprises. Her current responsibilities include Non-Executive Chair of AIM quoted Medical Diagnostic group, Cambridge Nutritional Sciences plc, and Governor and Finance Committee Member of the College of West Anglia. She is a Fellow of the Chartered Institute of Management Accountants. Previous positions include: CFO of Bango plc, CFO Zinwave, CEO of Isogenica; Non-Executive Director and Audit Committee Chair for AIM-quoted global technology business IQGeo plc.

Carolyn is the Chair of the Audit Committee and a member of the Remuneration Committee.



Jason Starr

Independent Non-Executive Director

Appointed to the Board on
1 January 2015

Resigned from the Board
on 12 September 2025.

Working history

Jason is Chief Executive Officer of Dillistone Group plc ("Dillistone"), the AIM quoted international supplier of software and services for the recruitment sector. Jason joined Dillistone in 1994 and was appointed Marketing Manager in 1996 before becoming Managing Director of Dillistone's UK business in 1998 and then CEO of Dillistone Group plc when it was admitted to trading on AIM in 2006. Jason has a BA (Honours) business studies degree from the London Guildhall University.

Jason was the Chair of the Remuneration Committee and a member of the Audit Committee.



Andrew Lockwood

Independent Non-Executive Director

Appointed to the Board on
1 July 2025

Working history

Andrew has over 30 years' experience of leading, growing and reshaping technology, telecommunications and healthcare businesses. These roles have included leadership positions at BT, Capita plc, and Daisy Communications plc in the UK, as well as substantial exposure to international markets including extensive time spent working in the United States at Inktomi Corp', and Covad Communications. Most recently Andrew held the role of CEO at KFM, a provider of technology enabled healthcare support services. He is currently a Non-Executive Director and Chair of the Remuneration Committee at Synectics plc, an AIM-listed provider of advanced security and surveillance software solutions.

Andrew is Chair of the Remuneration Committee and a member of the Audit Committee.

Corporate Governance

In order to ensure the Board makes the appropriate decisions in the best interests of the Company and its stakeholders, it is essential that a good corporate governance structure is in place

Governance Framework

The Board maintains oversight of all aspects of corporate governance through a well-established framework, which is continuously refined as the Group expands internationally and grows financially. In line with the updated guidance from the Quoted Companies Alliance (QCA), the Group has adopted the 2023 edition of the QCA Corporate Governance Code for the financial year ending 30 June 2025, following the 12-month transition period.

For FY25, the Board confirms full compliance with the revised 2023 QCA Code. The principles of the updated Code are embedded in our strategic development, risk management, Board operations, and stakeholder engagement. The table below outlines how each of the 10 QCA principles is addressed within this Annual Report:

		Annual Report section
Principle 1	Establish a strategy and business model which promote long-term value for shareholders.	Overview of PCI Pal & CEO review
Principle 2	Seek to understand and meet shareholder needs and expectations.	s172 report
Principle 3	Take into account wider stakeholder and social responsibilities and their implications for long-term success.	s172 report and ESG report
Principle 4	Embed effective risk management, considering both opportunities and threats, throughout the organisation.	Principal Risks report
Principle 5	Maintain the Board as a well-functioning, balanced team led by the Chair.	This report
Principle 6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	This report
Principle 7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	This report
Principle 8	Promote a corporate culture that is based on ethical values and behaviours.	This report
Principle 9	Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.	This report
Principle 10	Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	s172 report

The Board considers that it has complied with the provisions of the QCA Code, except for the following areas:

- Director Training:** The Group does not operate a formal training programme for Directors. Instead, Directors are expected to maintain their professional knowledge through memberships, briefings, webinars, and engagement with advisors and industry specialists.
- Nominations Committee:** Given the Group's current size and stage of development, a Nominations Committee has not been established. All Director appointments are considered by the full Board, led by the Chair.
- Combined Roles:** The Chief Financial Officer also serves as Company Secretary. While the updated QCA Code recommends separating these roles at the earliest appropriate time, the Board considers the current arrangement to be economically appropriate and intends to maintain it for the time being. The Board will continue to review the feasibility of separating these roles in future governance reviews.

Overview of the Board

The Board of PCI PAL plc currently comprises an independent Non-Executive Chair, the Chief Executive Officer and the Chief Financial Officer—who are employed full-time, and three independent Non-Executive Directors. One of the Non-Executive Directors will step down following the recent appointment of a new incumbent. The Board collectively holds responsibility for the long-term success and sustainability of the Group, with each member contributing a distinct set of skills and experience. Full biographies and competencies are detailed on the Board of Directors.

Corporate Governance continued

In line with the updated QCA Code, the Board has reviewed and confirmed the independence of its Non-Executive Directors. This includes a specific assessment of Simon Wilson's prior consulting relationship with the Group (2017–2019), during which he was granted 250,000 options. The Board's review deemed that the Director's historic engagement does not compromise his independence, and determined that the Director continues to demonstrate independence of character and judgement.

During the year Jason Starr, one of the Non-Executive Directors, continued to serve beyond the recommended tenure threshold of nine years. This extension was made to ensure continuity and stability during a period of strategic transition. The Board conducted a formal assessment of independence and concluded that the Director remained independent in character and judgement, notwithstanding the extended tenure which was based on his continued objectivity, lack of material business or personal relationships with the Group, and active challenge of Executive decisions. A new independent Non-Executive Director was appointed on 1 July 2025 to succeed the outgoing Director.

The Board is structured to ensure effective oversight, strategic input, and constructive challenge. The Non-Executive Directors bring diverse industry, geographic and public market experience, enabling them to constructively challenge the Executive Directors and represent broad stakeholder interests. All Non-Executive Directors have confirmed they have sufficient time and no conflicts of interest, in accordance with the QCA Code's strengthened expectations on Director availability and independence.

During the year, the Chief Financial Officer, William Good, retired on 15 July 2024, Angus Reger (the Group Financial Controller) was appointed interim Chief Financial Officer and Rawdon Vevers was appointed as Company Secretary. On 14th October 2024, as previously announced, Ryan Murray joined the Group as Chief Financial Officer and Company Secretary.

The Board is collectively responsible for the long-term success of the Group. The CEO is responsible for setting the strategic direction of the Group and these plans are periodically presented by the Executives to the Board. The Non-Executives have suitable industry and public markets experience to provide input, guidance and advice to the Board as well as constructively challenge the Executives. During the year the CFO, as the Company Secretary, provides guidance on the protocols, legal processes and matters reserved for the Board, taking legal advice where appropriate. The goal is to achieve a successful and sustainable business.

Division of roles and responsibilities

The Chair is responsible for the leadership of the Board and ensuring the effectiveness of all aspects of its role. There are at least four quarterly formal meetings that include a detailed agenda that allows each Executive Director to report to the Board on performance of the business including risk analysis and monitoring. In addition, intra-quarter meetings are called to discuss single points of matter and each with a shorter agenda. These more frequent and shorter meetings allow the Board to consider specific points in a timely manner without having to wait for the quarterly meetings. Due to the very dynamic and fast growing nature of the Group's business, there are typically a considerable number of these additional meetings.

The roles of Chair and CEO are distinct and separate, in accordance with best practice, to avoid any concentration of power and to support balanced governance. The Chair sets the agenda for each meeting and ensures compliance with Board procedures setting the highest standards of integrity, probity, and corporate governance throughout the Group. The Chief Executive is responsible for the day-to-day management of the Group, including the development and execution of strategy and commercial objectives. The CEO ensures that the Chair and Board are kept informed of material developments and emerging risks in a timely manner, enabling proactive oversight and decision-making.

Independent Non-Executive Directors

The Board currently includes four Non-Executive Directors (NEDs), including the Chair, all of whom are considered independent under the QCA Code. Their independence has been assessed with reference to tenure, prior relationships, and external commitments. The NEDs bring a diverse range of experience across technology, public markets, and international operations, enabling them to provide robust challenge and strategic insight.

In July 2025, Andrew Lockwood was appointed as a Non-Executive Director and Chair of the Remuneration Committee, succeeding Jason Starr who will retire 12 September 2025 after ten years of service. Andrew brings over 30 years of leadership experience across technology, telecommunications, and healthcare sectors, including senior roles at BT, Capita plc, Daisy Communications, and international exposure through Inktomi Corp and Covad Communications. His appointment strengthens the Board's commercial and strategic capabilities as the Group enters its next phase of growth.

All Non-Executive Directors are expected to commit sufficient time to fulfil their responsibilities, attend scheduled and ad hoc meetings, and engage with management and stakeholders. Each NED has confirmed they have no conflicts of interest and adequate availability to meet the demands of the role.

Corporate Governance continued

Board meetings

All Board meetings held during FY25, including authorised sub-committee meetings for specific delegated matters as well as Audit and Remuneration Committee meetings, are separately identified below including attendance information:

Directors' meeting attendance 2024/25

	Board Scheduled	Board Sub Committee	Audit Scheduled	Rem Com Scheduled
Executive Directors				
James Barham	10/10	2**	1*	2*
Ryan Murray	10/10	2**	1*	–
Non-Executive Directors				
Simon Wilson	10/10	–	–	–
Jason Starr	10/10	–	3/3	4/4
Carolyn Rand	10/10	–	3/3	2/4

* = attended by invitation of the Chair of the Committee

** = during the year James Barham and Ryan Murray held short notice Board meetings as an authorised committee of the Board, typically formally dealing with the exercise or granting of share options once sanctioned by the full Board.

The Board of PCI Pal plc continues to adopt a hybrid approach to its meetings, allowing Directors to attend either in person or remotely via video or conference call, depending on availability and location. This flexible format supports the Group's dynamic and international operations while ensuring that governance standards are upheld.

In line with the updated QCA Code's emphasis on effective engagement and decision-making, the Board aims for consistency in meeting format wherever possible. Directors are encouraged to attend in the same manner—either all in person or all via video conferencing—to promote optimal interaction, discussion, and collective decision-making.

The hybrid model has proven effective in maintaining high levels of participation and responsiveness, and is expected to continue going forward. The Board remains committed to ensuring that all meetings—regardless of format—are conducted with the same rigour, structure, and transparency.

Committees

The Board has established two committees to assist in its considerations and to make recommendations to the Board. These committees are the Audit Committee and the Remuneration Committee, the terms of reference for each are published in full on the Group website under the Corporate Governance section. A detailed report of their work can be found in the relevant reviews below.

Articles of Association

Under the Company's Articles of Association, the Board has the authority to approve any actual or potential conflicts of interest declared by individual Directors. In accordance with best practice, such approvals may be subject to conditions, and Directors are generally excluded from discussions and voting on matters where a conflict exists or may arise. This process ensures transparency and protects the integrity of Board decision-making.

All Directors are subject to election by shareholders at the first Annual General Meeting following their appointment, and to re-election at regular intervals. This review had previously been undertaken every three years however during the year the Board reviewed its re-election policy and have decided to move to annual re-election of all Directors to enhance accountability and shareholder engagement.

The Group maintains appropriate Directors' and Officers' liability insurance to provide cover in respect of legal action taken against Directors in the course of their duties. This insurance is reviewed annually to ensure it remains adequate and fit for purpose.

Corporate Governance continued

Experience, Skills and Capabilities

The Directors of PCI Pal plc bring a broad and complimentary range of experience, skills, and perspectives to the Board, as detailed in the Board of Directors section. This diversity enables the Board to effectively assess and monitor the full spectrum of strategic, operational, financial, and compliance risks facing the Group.

Each Director has full authority to seek independent professional advice—whether legal, financial, industry-specific, or functional—whenever they consider it necessary to fulfil their individual responsibilities. This ensures that the Board remains well-informed and capable of making sound decisions in a fast-evolving business environment.

To further strengthen strategic oversight and market insight, the Board has authorised the formation of an advisory committee (the “PAC”). The PAC provides additional depth in market, industry, and functional expertise, supporting both the CEO and the Board in navigating the Group’s global growth opportunities. The Board believes that ongoing engagement with PAC members enhances its ability to fulfil its responsibilities in areas such as strategy development, risk management, and stakeholder alignment.

This structure reflects the QCA Code’s emphasis on maintaining a Board with the necessary up-to-date experience, skills, and capabilities, and on supplementing Board knowledge through external expertise where appropriate.

Evaluation of Board Performance

Board appointments are made with full consideration of the skills, experience, and strategic alignment each Director brings to the Group, both for current needs and anticipated future challenges. The Chair leads an annual review of Board composition and effectiveness, in consultation with fellow Directors, to ensure the Board remains fit for purpose and aligned with the Group’s evolving strategy.

The Chair routinely reviews the performance of the Board Committees, addressing any concerns directly with the respective Committee Chairs or members. This ensures that each Committee continues to operate effectively and in accordance with its remit.

The Board is satisfied that it maintains an appropriate balance of independence, industry knowledge, and governance expertise to discharge its duties effectively. However, it remains committed to ongoing review and refreshment of its composition in line with the QCA Code’s guidance.

While the Group does not operate a formal training programme for Directors, each Director is expected to maintain their professional knowledge through:

- Memberships of relevant professional bodies,
- Regular briefings and webinars from legal, financial, and industry experts,
- Engagements with external advisors and specialists.

A structured onboarding process is in place for new Board members which includes Group strategy, operation and governance along with one to one session with other Board Members, external advisors and key management.

Additionally, the Board receives regular presentations from senior management and external experts on operational and strategic topics relevant to the Group’s business. These sessions are designed to deepen understanding and support informed decision-making.

The Board recognises the importance of periodic refreshment and has adopted a policy whereby Non-Executive Directors normally retire after serving a nine-year term. In line with this policy, succession planning for Jason Starr began in FY24, culminating in the recruitment of Andrew Lockwood during FY25.

Promotion of corporate culture

At PCI Pal plc, corporate culture is central to how we operate and grow. Our guiding principles—“Security is Job Zero” and “Team First”—reflect our commitment to integrity, collaboration, and accountability across all levels of the organisation.

We maintain a formal Corporate and Social Responsibility (CSR) Policy, detailed in the CSR report, which outlines our approach to ethical conduct, community engagement, and sustainability.

All new employees participate in a structured induction programme that includes:

- A comprehensive briefing on the Group and its values,
- An overview of departmental functions,
- Introduction to key personnel,
- Clear guidance on the moral, ethical, and behavioural standards expected of all staff.

Corporate Governance continued

We actively support continuous learning and development, offering training opportunities at the Group's expense to align individual growth with long-term business success.

Employee performance is monitored monthly, and we conduct annual Personal Development Reviews (PDRs) to align career goals, performance expectations, and development needs. These reviews foster open dialogue between employees and managers and support a culture of continuous improvement.

Our "no fault" policy encourages transparency and learning from mistakes. Employees are empowered to report errors without fear of blame, enabling the business to identify root causes and implement system or process changes to prevent recurrence.

We promote internal mobility by advertising most new roles internally and prioritising the development and promotion of existing employees before seeking external candidates. This approach supports retention and recognises the value of internal talent.

To support our remote-first working policy, we invest in collaborative technologies that enable seamless communication, performance monitoring, and engagement across teams.

Managers are equipped to lead effectively in both virtual and hybrid environments.

In response to the Group's continued expansion, the CEO has established a Senior Leadership Team to drive strategic delivery, supported by a Management Team that fosters cross-departmental communication and operational alignment.

This culture of openness, development, and ethical behaviour is actively monitored and reinforced through leadership practices, employee feedback, and governance oversight, in line with the QCA Code's emphasis on embedding and assessing corporate culture.

Maintain Governance Structures

The Board of PCI Pal plc maintains a governance structure that supports effective oversight, strategic alignment, and timely decision-making. This structure is regularly reviewed to ensure it remains fit for purpose as the Group evolves.

Directors receive a monthly management reporting pack focused on financial and operational performance, including metrics against budget and key performance indicators. These reports are discussed with the Executive Directors to ensure clarity and accountability.

In addition to monthly reporting, the Board receives quarterly Board reports prepared by management. These reports provide deeper insight into Financial Statements, strategic initiatives, and operational developments that are timely and material to the business.

To further enhance understanding and oversight, the Board also receives periodic deep-dive presentations from members of the Senior Leadership Team and Management Team. These sessions provide detailed views into specific areas of the business, enabling Directors to engage meaningfully with operational leaders and assess strategic execution.

Together, these reporting mechanisms, the evolving organisational structure, and the cadence of formal and ad hoc Board meetings enable the Directors to fulfil their duties of stewardship, in line with the QCA Code's emphasis on maintaining governance structures that support good decision-making and long-term value creation.

Simon Wilson
Non-Executive Chair
9 September 2025

Environmental Social and Governance Report (“ESG”)

For the year ended 30 June 2025

The Directors recognise the significant impact a company can have on its environment, its social responsibilities, and the importance of maintaining high standards of corporate governance for all stakeholders. While the Group remains a relatively small technology business, its rapid growth and expanding international footprint mean that its ESG profile is evolving. The Board is committed to proactively managing this transformation and embedding ESG considerations into strategic planning.

Understanding and measuring ESG performance is a long-term endeavour. In FY21, the Board initiated a foundational ESG assessment to identify meaningful and measurable data points and set core targets. These metrics enable ongoing monitoring and provide stakeholders with a transparent view of progress.

The Group have not provided disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as it currently falls outside the scope of mandatory requirements due to having less than 500 employees. The Board will continue to evaluate the relevance of these disclosures in light of our business and stakeholders expectations.

Environment Impact

As a SaaS-based organisation delivering services via the Cloud and remote professional support, the Group inherently operates with a lower environmental footprint than many traditional businesses. Nonetheless, the Group maintains office space, undertakes business travel, and relies on public cloud data centres—all of which require active monitoring to ensure environmental impact remains within acceptable limits while supporting sustainable growth.

The Group’s “remote-first” policy has significantly reduced commuting and office space needs. However, the Board acknowledges the value of in-person collaboration and facilitates regular face-to-face meetings. Public transport is encouraged where feasible, though regional limitations are recognised. The Group operates a small HQ in Ipswich and utilises several short-term shared office spaces globally.

As customer numbers grow, so will the use of cloud infrastructure. The Group does not sell hardware or offer on-premises software, positioning it ahead of competitors still reliant on legacy delivery models.

As part of the Group’s commitment to achieving Net Zero emissions, the Directors believe that the following data points are a suitable way of measuring the Group’s impact on the environment reflecting the progress made during FY25. Some targets have been refined to reflect the growing size of the business:

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
1 Percentage of staff who regularly work more than half their time from home in the year	100%	100%	100%	More than 75%	The higher the number of employees who work from home, the lower the environmental impact of commuter miles. It is noted that a number of employees choose to work some days in an office location and the rest from their home. The Group has a flexible approach to work locations. All staff continue to work primarily from home.
2 Average commuting miles (return journey) per annum made to place of work per employee (net of any miles driven in an EV)	520 miles per annum	608 miles per annum	811 miles per annum	Less than 2,000 miles per annum	Where employees are required to work from an office, we can reduce the distance they travel by hiring locally when suitable talent, skills and experience can be found.
3 Average car business miles claimed in the year and paid for by the Group (net of any miles claimed that were driven in an EV)	307 miles per employee	338 miles per employee	418 miles per employee	Less than 500 miles per employee	This measures the miles driven by staff in undertaking their work on behalf of the Group – for examples journeys to meetings with customers and staff. This measure can be reduced by encouraging the use of public transportation for business meetings.

Environmental, Social and Governance Report ("ESG") continued

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
4 Percentage of employees driving fully electric vehicles for business purposes	9%	7%	7%	More than 5% of staff	The Group has successfully implemented a green company car scheme in the UK where most staff are employed, encouraging staff to lease fully electric cars as part of a salary sacrifice scheme. By helping to increase the number of electric vehicles used by our staff, the Group can reduce its carbon footprint in this area. Unfortunately, these schemes are not available outside of the U.K. To date the scheme¹ has saved an estimated 70.97 tonnes (FY24: 52.36 tonnes) of CO₂ or as much as 35,485 (FY24: 26,181) trees can absorb.
5 Business air journey miles claimed in the year as expenses per employee	7,096 miles per employee	3,469 miles per employee	3,383 miles per employee	Less than 3,600 miles per employee	The increase in miles per employee reflects a strategic decision to prioritise in-person engagement during a period of Executive transition and onboarding. The appointment of new senior leaders necessitated a series of face-to-face meetings across key locations to ensure alignment on strategic priorities, cultural integration, and stakeholder engagement. While this rise in travel supports long-term organisational effectiveness, PCI PAL remains committed to reducing its carbon footprint. To address this, the Group is committed to strengthening travel planning protocols and exploring virtual alternatives where feasible. We will continue to monitor travel patterns and implement measures to reduce discretionary travel, aligning with our broader ESG goals and carbon reduction commitments.
6 Percentage of AWS platform data centre energy sourced from green initiatives	100%	100%	90%	100% by 2025	AWS our cloud platform provider has sourced all its energy requirements from fully renewable sources five years ahead of its original target
7 Average square foot of office space per employee	34.4 sq ft per employee	36.0 sq ft per employee	39.4 sq ft per employee	Less than 100 sq ft per employee	With the "remote-first" policy the Group has small permanent office location in Ipswich, Suffolk plus small area shared office services elsewhere across the geographies in which we operate. It is expected that this metric will increase in FY26 as we look to increase face-to-face interaction during the next growth phase of the Group. The Group will continue to measure its footprint per employee to ensure efficiency of space utilisation.
8 Value of capital expenditure on new computer hardware in year per employee	£397 per employee	£410 per employee	£518 per employee	Less than £750 per employee	Electrical waste has a high environmental impact in manufacturing, operation, and disposal. The Group wishes to minimise the level of expenditure it spends on hardware per employee or in its IT infrastructures.

¹ Source: Octopus Energy

Social Impact

At PCI Pal, we are committed to conducting our business in a way that positively influences our customers, partners, employees, and the communities in which we operate. Our Corporate Social Responsibility (CSR) Policy is designed to complement our mission, vision, and values, with a focus on people, purpose, and progress.

Mission, Vision and Values

Our mission is to safeguard reputations and trust by delivering secure cloud-based payment and data protection solutions across all business communication channels—voice, chat, social, email, and contact centre.

Environmental, Social and Governance Report ("ESG") continued

At PCI Pal, our vision is to be the preferred solution provider that technology vendors globally turn to for achieving PCI compliance across all business communications channels.

By dedicating ourselves to the focused pursuit of easy to integrate and simple to deploy technology, we will provide the most compelling value proposition for our partners to solve their customers' challenges in achieving compliance and safeguarding reputations.

It is our people beyond the technology, who underpin our business and support our partners.

Our Values:

- 00. Security is job zero
- 01. Be the difference
- 02. Champion the mission
- 03. Team first
- 04. Enjoy the journey

Employee Engagement, Retention and Development

Beyond our technology, our people are at the heart of what we do, and PCI Pal aims to provide a first-class working environment where our employees can succeed in both their time with PCI Pal, and in their longer-term career aspirations.

We believe that the wellbeing of our people is critical to our social responsibilities as well as the Group's success. As such, we maintain several wellbeing initiatives to support staff, including a Wellbeing Portal, a cloud-based HR system with a "kudos" feature enabling employees to encourage and give praise to one another, and a "reward gateway" offering staff discounts and rewards. Additionally, we regularly conduct annual employee surveys and ad hoc pulse checks to gather feedback and improve our workplace culture.

The diversity of our workforce reflects both the technology ecosystem within which we work, as well as the communities within which our offices and people are located. We maintain a diverse workforce and are committed to maintaining an environment within which our employees act with integrity towards one another, our customers and our partners.

Employee turnover remains low by industry standards. We conduct exit interviews to understand reasons for departure and continuously improve our practices. Notably, several former employees have chosen to return to PCI Pal, underscoring the strength of our culture.

Community Engagement

PCI Pal recognises the importance of the communities where we operate, aiming to positively contribute towards them by establishing growing and profitable companies that need to hire staff whilst being sensitive to the communities' needs and promoting ethical and socially responsibility.

From an environmental perspective, we strive to minimise our impact on the natural environment, utilising practises to improve energy efficiency, reduce waste and conserve materials, including document storage systems in the Cloud and use of an e-sign tool.

It is the Directors' responsibility to ensure the Group cares for its employees and stakeholders as well as contributes to the economic well-being of the countries or regions in which they are based by not only paying taxes, but also by hiring new people.

The Directors believe the following datapoints are an appropriate way to measure its social performance:

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
1 Net new hires in period	17	5	11	Net positive annually	Employment and profitable companies underpin all economies and so employment is seen as one of the core targets
2 Percentage of employees at start of year still employed at end of the year (excluding planned leavers)	94%	93%	96%	More than 90%	High staff retention is a sign of an engaged and motivated team, supported by a positive corporate culture.

Environmental, Social and Governance Report ("ESG") continued

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
3 Percentage of female staff employed at the end of the year	25%	26%	27%	No target set	The Directors wish to encourage an increased cultural and gender balanced workplace. While the Group has always been a committed equal opportunities employer it recognises the importance of increasing the representation of women in all levels and roles in the organisation. No targets have been set at this time as management continue to assess the time needed to see the impact of steps taken. Our progression is also dependent upon the candidate pool in each region where the Group operates.
4 Percentage of female staff in senior management team at the end of the year	44%	44%	44%	No target set	
5 Percentage of females in advisory committee at the end of the year	100%	67%	67%	No target set	
6 Percentage of females on the Board at the end of the year	20%	20%	20%	No target set	

Governance

Strong corporate governance is fundamental to the effective operation of any business. A detailed overview of the Group's governance practices is provided separately by the Chair of the Board.

The following metrics are designed to enhance transparency and demonstrate the Group's commitment to responsible leadership, ethical conduct, and long-term value creation.

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
1 Does the Group follow a recognised corporate governance code	Yes	Yes	Yes	Yes	The Board has to follow the QCA guidelines on corporate governance and has chosen the QCA code. The Board reports as required by the listing rules.
2 Chair of the Board and CEO roles split	Yes	Yes	Yes	Yes	The clear segregation of responsibilities provides a check-balance to stop one Director dominating procedures at meetings.
3 Percentage of independent Non-Executive Directors on Board at the end of the year	60%	60%	60%	50%+	Having a majority proportion of independent Non-Executive Directors not only brings different views to the Board but allows the Non-Executive Directors to challenge the Executive team according and has the power to act accordingly. The Chair is an independent Non-Executive with a casting vote if needed.
4 Longest serving Non-Executive Director	10 years	9 years	8 years	Not more than 9 years	It is important to rotate new Non-Executive Directors onto the Board to maintain fresh focus on the running of the business and to facilitate the introduction of increased levels of diverse viewpoints. A Lockwood has been appointed the successor to J Starr.
5 Number of advisory committee members	3	3	3	3 or more	Advisory committee members provide independent expertise and knowledge on areas that can help the CEO and Board make better decisions on the running of the Group.
6 Presentations made to shareholders and potential shareholders	43	55	33	More than 20	It is important to have an open correspondence with not only the largest shareholders and potential shareholders in the business but also allowing the smaller shareholders of the Group to listen and hear the Executive Directors present, and to also allow a forum for questions to be asked.

Environmental, Social and Governance Report ("ESG") continued

Datapoint	FY25	FY24	FY23	Target	Reason/Comment
7 Presentations made to all shareholders/ and potential shareholders through a recognised online portal	2	2	2	2 or more	The Group uses the Investor Meet Company portal to invite shareholders to listen to key presentations such as the interim and year end results. These presentations are recorded and are available to download giving smaller shareholders the opportunity to hear what is being presented to the larger institutions
8 Analysts/journalists following and writing on the Group and providing detailed commentary on expectations	8	17	13	2 or more	Analyst and journalists set expectations of performance for the Group which allow shareholders to judge whether the Group is performing as expected.

The Group publishes a significant amount of other information on its website www.pcipal.com via its investor portal pages, which will allow the reader to understand in greater detail: the products and services of the Group, its range of stakeholders including examples, and how the Group has performed.

Simon Wilson | Non-Executive Chair

9 September 2025

Audit Committee Report

For the year ended 30 June 2025

Dear Shareholder,

On behalf of the Audit Committee, I am pleased to present our report for the year ended 30 June 2025. This report describes the composition of the Audit Committee (the 'Committee') along with the work undertaken and the significant issues it considered in 2025.

Composition

The Audit Committee consists of the Chair and an independent Non-Executive Director. The Committee is expected to meet formally three times a year, and has done so during the period under review.

The Committee's primary responsibility is to ensure the integrity of the Financial Statements, including both the Annual Report and interim results. Meetings are scheduled to enable the Committee to review the external auditors' proposed approach to the annual audit, as well as to discuss audit findings and Financial Statements prior to their approval and release. When appropriate, individuals who are not members of the Committee—such as the Chairman, Chief Financial Officer, and members of the finance team—are invited to attend.

A summary of Committee composition and formal attendance is as follows:

Carolyn Rand (Chair) 3/3 (FY24 3/3); Jason Starr 3/3 (FY24: 3/3)

Terms of Reference

The main duties of the Committee are set out in its terms of reference, which can be found at <https://ir.pcipal.com/docs/librariesprovider64/archives/governance/audit-committee-terms-of-reference.pdf> and the Audit Committee considers them still to be appropriate.

Principal items of Business

The main business activities addressed this year included:

- Collaborating with Executive Directors to update accounting policies;
- Overseeing ongoing implementation of the new Finance system;
- Approving BDO LLP auditors' fees and terms of appointment;
- Authorising the annual audit plan;
- Reviewing internal control documents, updated for Group growth;
- Assessing risk identification and mitigation processes in line with "Principal Risk, Uncertainties and Risk Mitigation;"
- Examining financial matters, including annual and half-year results and related statements.

Activities of the committee during the year

The Committee has met with both the auditor and management during the year. They reviewed and discussed reports provided by the external auditor on the audit of the annual results for FY25, which highlighted observations from the work they undertook. The key issues discussed with the external auditors related to:

- Existence of any fraud matters;
- Testing undertaken to confirm no undue management control overrides had occurred;
- The judgements and estimates used in the revenue recognition accounting policies and the testing undertaken, including those of the transactional minutes generated by the Group;
- The calculation and identification of the development capitalisation intangible asset and the estimated amortisation rates;
- The going concern assumptions and calculations; and
- The treatment of share options and the estimates used in calculating the option charges.

Audit Committee Report continued

The Committee assessed the independence of the auditors, including their involvement in non-audit services and tax, and confirmed that the auditor did not provide any non-audit services or tax compliance work to the Group. The tax compliance services for the Group has been contracted with different professional services groups. An analysis of the audit and non-audit services is disclosed in Note 5 to the Financial Statements.

The Audit Committee was satisfied that safeguards were adequately observed to ensure the auditor's independence.

The Committee has satisfied itself that key areas discussed have been addressed appropriately within the Annual Report. The Committee therefore provided advice to the Board that the 2025 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, providing Shareholders with the necessary information to assess the Group's position, performance, business model and strategy.

Internal Audit

The Committee and Board considers that it is appropriate for its size that PCI Pal does not currently have an internal audit function. The Committee will continue to monitor this situation and may add such a function in due course as the Group continues to grow.

Carolyn Rand | Chair, Audit Committee

9 September 2025



Remuneration Committee Report

For the year ended 30 June 2025

This report sets out the remuneration policy and details of the remuneration received by the Directors of PCI-PAL PLC for the financial year ended 30 June 2025.

Annual Statement from the Remuneration Committee Chair

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for FY25. The Committee remains committed to maintaining a transparent approach to remuneration that supports the Group's long-term strategy, incentivises growth, and aligns Executive pay with shareholder interests.

As this will be my final report as Chair of the Remuneration Committee, I would like to take this opportunity to thank my fellow Committee, Board members and stakeholders for their support. I am pleased to confirm that Andrew Lockwood will succeed me as Chair following my departure. Andrew brings valuable experience and insight, and I am confident the Committee will be in capable hands going forward.

During the year, the Committee oversaw several important developments:

- William Good retired as Chief Financial Officer in July 2024. His successor, Ryan Murray, joined the Board as CFO in October 2024.
- In November 2023, the Quoted Company Alliance (QCA) released an updated corporate governance framework. The Committee's Terms of Reference were reviewed accordingly, with revisions effective from 1 July 2024. These new terms are available to view on the Group's website: <https://ir.pcipal.com/docs/librariesprovider64/archives/governance/remuneration-committee-terms-of-reference.pdf>
- As a rapidly growing business, we aim to align with best practices observed in organisations of our size and larger. Consequently, we have introduced policies on malus and clawback, which have been incorporated into bonus schemes starting from FY25 onwards.
- This year marks the first time the Directors' Remuneration Report will be subject to an advisory shareholder vote at the 2025 AGM.
- As noted above, on 1st July 2025, Andrew Lockwood joined the Board and took the role of Chair of the Committee. Following a handover period, former Chair Jason Starr steps down from the committee and the Board effective 12th September 2025.
- Looking ahead to FY26, the Committee has implemented pay increases that are broadly in line with inflation, reflecting market conditions and the importance of maintaining competitive remuneration levels across the Executive team. A new set of targets has been created reflecting the new strategy of the business.

The Committee looks forward to engaging with shareholders on these matters and welcomes the increased transparency and accountability that these steps represent.

Remuneration Policy

Our remuneration policy remains consistent with prior years and is designed to:

- Attract and retain high-calibre individuals with the necessary skills and experience.
- Reward performance that supports the delivery of the Group's strategic objectives.
- Align Executive interests with those of shareholders through equity-based incentives.

The key elements of the remuneration structure are:

Element	Purpose	Performance Link
Base Salary	Reflects responsibilities and experience	Reviewed annually
Annual Bonus	Rewards achievement of annual performance targets	Yes
LTIP	Long-term alignment with shareholders	Yes
Pension & Benefits	Market-aligned benefits and pension contributions	No

Remuneration Committee Report continued

Annual Bonus Outcomes

Bonuses were determined based on performance against pre-agreed KPIs, which included a range of financial and strategic milestones. While there is a deliberate alignment between targets, individual Executives are set different KPIs and weightings based on their specific role and responsibilities.

We are pleased to report that a number of stretch targets related to profitability, cash, NRR, EBIT performance and a number of operational performance objectives were met during the year. The Committee has awarded the CEO a bonus of £274,698 and the CFO a bonus of £70,831.

Bonuses and one-off awards can be paid as cash, company shares or a combination of the two, also to be decided annually by the Remuneration Committee. In both FY25 and FY24 the bonuses were paid in cash.

Directors' remuneration

The Directors' received the following remuneration during the year:

FY25	Salary or Fees £	Bonus £	One-off award £	Benefits £	Total £	Pension £	Total £
J Barham	281,116	274,698	–	2,845	558,659	28,350	587,009
T W Good (resigned 15 July 2024) ¹	8,551	–	–	–	8,551	–	8,551
R Murray (appointed 14 October 2024)	135,096	70,831	–	–	205,927	13,510	219,437
Executive Directors	424,763	345,529	–	2,845	773,137	41,860	814,997
S B Wilson (Non-Executive Chair) ^{3,4}	75,500	–	–	16,578	92,078	–	92,078
J S Starr (Non-Executive) ⁴	50,000	–	–	–	50,000	1,090	51,090
C Rand (Non-Executive) ⁴	55,000	–	–	–	55,000	1,202	56,202
Non-Executive Directors	180,500	–	–	16,578	197,078	2,292	199,370
Total	605,263	345,529	–	19,423	970,215	44,152	1,014,367

FY24	Salary or Fees £	Bonus £	One-off award ⁵ (FY23) £	Benefits £	Total £	Pension £	Total £
J Barham	270,616	103,990	50,000	2,105	426,711	29,488	456,199
T W Good (resigned 15 July 2024) ^{1,2}	342,426	–	25,000	–	367,426	–	367,426
Executive Directors	613,042	103,990	75,000	2,105	794,137	29,488	823,625
S B Wilson (Non-Executive Chair) ^{3,4}	75,629	–	–	17,107	92,736	–	92,736
J S Starr (Non-Executive) ⁴	48,750	–	–	–	48,750	928	49,678
C Rand (Non-Executive) ⁴	48,750	–	–	–	48,750	928	49,678
Non-Executive Directors	173,129	–	–	17,107	190,236	1,856	192,092
Total	786,171	103,990	75,000	19,212	984,373	31,344	1,015,717

1 For both FY24 and FY25 T W Good is entitled to a pension payment equivalent to 10% of base salary pa. He has elected to have this amount paid as additional salary.

2 Includes a termination payment of £140,301

3 S B Wilson is a resident of the United States of America. His remuneration is split between his duties as the Chair of the Board, and chairing the Advisory Committee and providing mentoring and North America market advice to the Executive Directors.

4 Additional fees were awarded to Non-Executive Directors in respect of significant additional time spent in relation to the patent case as follows: SB Wilson £13,000, J S Starr £10,000, and C Rand £10,000.

5 As noted in the FY23 Remuneration Report, an additional payment was made in FY24 in relation to the work in achieving a successful outcome to the patent case

Remuneration Committee Report continued

Long Term Incentive Plan (LTIP)

The Group runs a share option scheme designed to motivate and reward the Executive leadership team, senior management and all key members of staff.

The LTIP is structured to align the interests of management with the long-term interests of stakeholders. The following process is undertaken:

- The Group reviews its medium and long-term strategy on an ongoing basis.
- When appropriate, the Committee may grant share options to participants which will vest during/over a minimum three-year period, depending on whether the options have met any performance criteria set. The vesting period and performance criteria reflect the generally accepted employment practices for each region in which the participant is employed, which today is primarily the UK and the US.
- The performance criteria set will be specifically designed to align shareholder and Executive's interests.

Note 20 of these accounts details the number of share options that have been issued by the Group.

The Directors' interests in share options to subscribe for ordinary shares in the Company are as follows:

	Date of Grant	At 1 July 2024 (number)	Granted in year (number)	Forfeit in year (number)	Exercised in year (number)	At 30 June 2025 (number)	Exercise Price (pence)	Earliest exercise date	Last exercise date
James Barham	13 th June 2019	525,000	–	–	–	525,000	28.5	26 th May 2020	24 th May 2027
James Barham	8 th July 2020	250,000	–	–	–	250,000	40.0	8 th July 2023	8 th July 2030
James Barham	2 nd March 2022	200,000	–	–	–	200,000	57.5	2 nd March 2025	2 nd March 2032
James Barham	4 th April 2024	400,000	–	–	–	400,000	56.0	4 th April 2025	4 th April 2034
Ryan Murray	6 th March 2025	–	350,000	–	–	350,000	57.0	6 th March 2028	6 th March 2035
Simon Wilson	12 th July 2018	150,000	–	–	–	150,000	28.5	12 th July 2019	11 th July 2028
Simon Wilson	12 th Nov 2018	100,000	–	–	–	100,000	26.5	12 th Nov 2019	11 th Nov 2028
Total		1,625,000	350,000	–	–	1,975,000			

Pensions

The Executive Directors receive personal health insurance and a contribution to their pension scheme of 10% of their basic salary paid annually in advance. The value of these may optionally be taken as salary.

Non-Executive Director pay

The Non-Executive Directors have entered into letters of appointment with the Company. The appointments are terminable on three months' notice by either party. The Remuneration Committee is not involved in determining remuneration for its members. Fees and other payment arrangements for Non-Executive Directors are considered by a sub-committee of the Board, consisting of the Chair of the Board, the CEO and the CFO. Remuneration for the Chair of the Board is considered by a sub-committee consisting of the Chair of the Remuneration Committee, the CEO and least one other NED.

Shareholder Voting

This year marks the first time the Directors' Remuneration Report will be submitted to shareholders for an advisory vote at the AGM. While the vote is non-binding, the Board considers it an important accountability mechanism and welcomes shareholder feedback. The Committee will take the outcome of the vote into account in shaping future policy and decisions.

Approved by the Board of Directors and signed on its behalf by:

Jason Starr
Chair of the Remuneration Committee
 9 September 2025

Directors and Advisors

Company registration number:	03869545
Registered office:	7 Gamma Terrace Ransomes Europark Ipswich Suffolk IP3 9FF
Telephone:	+44 (0)330 131 0330
Directors:	Simon Wilson – Chair of the Board (Non-Executive) James Barham – CEO Ryan Murray – CFO (appointed 14 October 2024) Jason Starr (Non-Executive) Carolyn Rand (Non-Executive) Andrew Lockwood (Non-Executive, appointed 1 July 2025)
Secretary:	Ryan Murray (appointed 14 October 2024)
Bankers:	HSBC Bank Silicon Valley Bank a division of First Citizens Bank National Westminster Bank
Auditors:	BDO LLP
Nominated Advisor and Broker:	Cavendish Capital Markets Limited
Registrars:	Link Asset Services
Telephone:	(UK): 0871 664 0300 (Overseas): +44 371 664 0300
Lawyers:	Shepherd and Wedderburn LLP Womble Bond Dickinson
Financial Statements are available at:	https://ir.pcipal.com/financials/annual-interim-reports

Directors' Report

The Directors present their Annual Report and the audited Financial Statements of the Group and the Company for the year ended 30 June 2025. The following matters are reported by the Directors in accordance with the Companies Act 2006 requirements in force at the date of this report.

1. Incorporation and principal activities

PCI-PAL PLC (the 'Company') is domiciled in England and registered in England and Wales under Company number 03869545. The Company operates principally as a holding company. During the year, the main subsidiaries were engaged in the provision of PCI compliant solutions.

2. Results, dividends, future prospects

The trading results of the Group are set out in the annexed accounts and are summarised as follows:

	2025 £000s	2024 £000s
Revenue	22,477	17,960
Statutory profit / (loss) after taxation	41	(1,179)

A detailed review of the Group's business, its results and future prospects are set in the Strategic Report on pages 3 to 21 and the Financial Statements on pages 46 to 78. The Chair's Statement, the Corporate Governance report, the Remuneration Committee Report and the Audit Committee Report are incorporated into this report by reference and should be read as part of this report.

The Directors are not recommending a payment of a final dividend (2024: nil pence per share).

3. Directors

The membership of the Board during the year is set out in the Directors and Advisors section. T W Good resigned from the Board on 15 July 2024 and J S Starr will resign on 12 September 2025. R C Murray was appointed to the Board on 14 October 2024 and A S Lockwood was appointed to the Board on 1 July 2025.

The interest and beneficial interests of the Directors in the shares of the Company at 30 June 2025 and 1 July 2024 were as follows:

	30 June 2025 Ordinary shares of 1p each	1 July 2024 Ordinary shares of 1p each
J Barham	371,093	226,301
R C Murray	–	–
S B Wilson (Non-Executive Chair)	225,000	190,000
J S Starr (Non-Executive)	–	–
C Rand (Non-Executive)	7,522	–
A Lockwood (Non-Executive)	–	–

In addition, S Wilson, J Barham and R Murray have an interest in share options for ordinary shares in the Company, details of which are set out in the Remuneration Committee Report on page 37.

4. Share capital and substantial shareholdings

The Company has one class of shares, Ordinary Shares of 1p each, which are quoted on the London Stock Exchange's AIM market. The rights attaching to the Company's Ordinary Shares, including each share carrying the right to one vote at the general meetings of the Company, are set in the Company's Articles of Association, copies of which can be obtained from the Company Secretary and are available on the Group's website.

During the year, the share price fluctuated between 43.5 pence and 72.0 pence and closed at 52.0 pence on 30 June 2025.

The beneficial and other interests of other substantial shareholders holding more than 3% in the shares of the Company at 30 June 2025 and 1 July 2024 were as follows:

Ordinary Shares of 1 pence each	30 June 2025	1 July 2024
Canaccord Genuity Group	9,177,542	11,292,271
Gresham House Asset Management	7,928,755	7,928,755
Octopus Investments Nominees	6,499,696	5,649,696
Herald Investment Management	4,443,255	3,853,255
Hargreaves Landsdown	2,254,118	–
8 KPG Limited	2,267,625	–
Mr Peter Wildey	2,225,000	2,650,000
Unicorn AIM VCT PLC	2,219,757	2,219,757

Directors' Report continued

There has been no change as at the date of this report to the beneficial and other interests of other substantial shareholders holding 3% or more of the issued share capital of the Company.

Ordinary Shares of 1 pence each	9 September 2025
Canaccord Genuity Group	9,177,542
Gresham House Asset Management	7,928,755
Octopus Investments Nominees	6,499,696
Herald Investment Management	4,443,255
Hargreaves Landsdown	2,254,118
8 KPG Limited	2,267,625
Mr Peter Wildey	2,225,000
Unicorn AIM VCT PLC	2,219,757

5. Directors' responsibilities for the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with UK-adopted international accounting standards (UK-IFRS).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company at the balance sheet date and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication: The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

6. Qualifying third party indemnity provision

During the financial year, a qualifying third-party indemnity provision for the benefit of the Directors was in force.

Directors' Report continued**7. Research and development**

The Group is continuing to invest in its fully-cloud based, PCI DSS level 1 compliant secure platform hosted on the AWS cloud infrastructure for its services. The platform is operational but further functionality and product offerings are planned to be added over the coming years. The expenditure meets the guidelines outlined by IAS 38 and the Directors have therefore capitalised the direct expenditure incurred in the development.

8. Employee policy

The Group operates a policy of non-discrimination in respect of ethnicity, sexual orientation, gender, religion and disability and encourages the personal and professional development of all persons working within the Group by giving full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

9. Corporate governance

The Group's policy on Corporate Governance is detailed in this report and accounts.

10. Financial Risk Management Objectives

The principal financial and non-financial risks arising within the Group are detailed in the Principal Risk, Uncertainties and Risk Mitigation report.

11. Treasury shares

The Group holds a total of 167,229 ordinary shares as treasury shares acquired for a consideration of £39,636.25. These shares are included within Share Capital.

12. Related party disclosure (AIM Rule 19)

There is no information to be disclosed by the Group in respect of related party transactions, except for share options and long-term incentive schemes awarded to Executive Directors (see Remuneration Committee report).

13. Going concern

As explained in more detail in the report of the Chief Financial Officer, the Board has carefully considered the Group's financial position, cash resources, and access to committed facilities to support its ongoing obligations and future investment plans. At 30 June 2025, the Group held £3.9m of cash and maintained an undrawn £3.0m revolving credit facility, providing flexibility and sufficient financial resources. Post year end, the facility was extended with HSBC by a further 12 months until 31 July 2027.

The Board recognises that continued investment in product development, marketing and international expansion to drive organic growth will require disciplined execution and has reviewed detailed forecasts and various scenarios to assess resilience under a range of outcomes. Based on this analysis, the Directors believe that the strength of the Group's recurring revenue base, high customer retention, and positive adjusted operating performance provide a solid foundation for sustainable progress.

Accordingly, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these Financial Statements.

14. Auditors

BDO LLP has expressed willingness to continue in office. In accordance with S489 (4) of the Companies Act 2006, a resolution to reappoint BDO LLP as auditors will be proposed at the Annual General Meeting.

7 Gamma Terrace
Ransomes Europark
Ipswich, Suffolk
IP3 9FF

BY ORDER OF THE BOARD

Ryan Murray
Company Secretary
9 September 2025

Financial Statements

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Independent Auditor's Report to the Members of PCI-PAL PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards ('UK-IFRS')
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards ('UK-IFRS') and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PCI-Pal Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK-IFRS and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- An assessment of management's ability to forecast and challenged key assumptions made in the preparation of the forecasts. This included comparing previous budgets to actual results and comparing forecasted costs and revenue to historic performance and growth rates for reasonableness.
- We scrutinised sensitivity analysis and reverse stress testing prepared by the Directors in relation to the Group's cash flow forecasts with reference to the financing facilities available and the respective covenant requirements for these facilities for the going concern period (30 September 2026, which is at least 12 months from date of approval of the financial statements). The reasonableness of such scenarios modelled was consistent with our knowledge and experience of the entity.
- A check of the arithmetical accuracy and integrity of the forecasts used in the going concern assessment.
- An assessment of the completeness and accuracy of disclosures relating to going concern compared to our understanding of the business and the forecasted position prepared by management.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of PCI-PAL PLC continued

Overview

Key audit matters	2025		2024
	KAM 1	Revenue recognition	Revenue recognition
	KAM 2	Intangible assets	Intangible assets
Materiality	£393,000 (2024: £314,000) based on 1.75% (2024: 1.75%) of revenue.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group is comprised of five legal entities, which operate in different geographical jurisdictions and are subject to local legal and regulatory requirements. There is commonality between the components in regards to the nature of trade, controls and IT applications. Group management and ultimately the Board monitor the performance of the business on a geographical basis.

Based on our scoping assessment, we identified five components which are considered unique based on their specific characteristics including geographical location and applicable law and regulatory requirements. These factors led us to consider them as separate components for the purpose of the Group audit. The components identified for the purpose of the Group audit are detailed in the table below.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures.
- Procedures on one or more classes of transactions, account balances or disclosures.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	PCI-Pal Plc	PCI-Pal Plc	Full scope audit to the lower of component and statutory materiality.
2	PCI-Pal UK	PCI-Pal (U.K.) Ltd	Key trading entity – full scope audit to the lower of component and statutory materiality.
3	PCI-Pal US	PCI Pal (US) Inc	Key trading entity – full scope to component materiality.
4	PCI-Pal AUS	PCI Pal (AUS) Pty Ltd	Audit of specific account balances for group purpose to component materiality.
5	PCI-Pal CAN	PCI Pal (Canada) Inc	Audit of specific account balances for group purpose to component materiality.

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit with the exception of the audit of taxation in the United States of America, which was performed by another BDO network firm, operating in accordance with instructions issued by the Group engagement team.

Disaggregation

The financial information relating to Group risks of material misstatement in respect of revenue, cost of sales and payroll is highly disaggregated across group. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of group balances.

Independent auditor's report to the members of PCI-PAL PLC continued

Locations

PCI-Pal Plc's operations are primarily focused in the United Kingdom. The Group's management, finance and IT teams are centralised in the United Kingdom. We visited the components that are located in the United Kingdom. The risk assessment performed over the components in Canada, Australia and the United States of America have been performed remotely by the Group Engagement Team.

Changes from the prior year

Following the implementation of ISA (UK) 600 (Revised), which outlines the audit of group financial statements, the Group audit approach was updated accordingly. This included revisiting the identification of components within the Group, where relevant, as described in the table above.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition The Group's revenue recognition policy can be found in Note 4(d) to the consolidated financial statements and segmental information disclosure is included within Note 10.	Our work included: Revenue recognition of one-off set up fees and license fees: For revenue recognised over-time we have performed the following procedures over risk one: - Agreed a sample of sales to underlying contract terms and evidence of either 'Go-live' or the customer taking over the solution to confirm the existence of revenue recognised in the year and deferred in to future periods. - Challenge was made of management over the recorded recognition date in line with the accounting policy and compliance with IFRS 15. In respect of risk two: - Challenged management's assumptions used in their assessment of average contract length, including obtaining management's sensitivity analysis. We also reviewed the application of this policy against the requirements of IFRS 15. Revenue for monthly usage fees In respect of risk three: - For 83% of point in time revenue, we recalculated revenue on a proof in total basis. The data used in the calculation was assessed for completeness and accuracy and inputs verified to supporting documentation. - For the residual balance of point in time revenue, for a sample of items we recalculated revenue tracing transactions back to supporting documentation and multiplying by the rates as per the underlying contract. - For completeness purposes, a sample of transactions were selected from the third party supplier reports and traced back to the system to ensure these had been appropriately billed in line with the terms of the arrangement with the customer. Key observations: Based on the procedures performed we consider that revenue has been recognised appropriately.

Independent auditor's report to the members of PCI-PAL PLC continued

Key audit matter	How the scope of our audit addressed the key audit matter
Intangible assets – capitalised development costs The Group's accounting policy can be found in Note 4(f) to the consolidated financial statements and related disclosures are in Note 13.	The Group holds a significant balance of capitalised development costs, as the Group has continued to heavily invest in the development of its AWS Platform. There is a risk over whether costs have been correctly capitalised in accordance with International Accounting Standard 38 intangible assets ("IAS 38") and there is a risk that the useful economic life of internally generated intangibles is inappropriate. We considered this to be a key audit matter due to the significant value of expenditure and judgement involved as noted above. Our work included: • We held discussions with the Group's management and technology teams to understand the Group's processes, procedures and projects in relation to the development costs. • We assessed the Group's policy and processes on capitalising intangible assets in relation to development costs against the criteria set out in IAS 38 and the appropriateness (existence) of what has been accounted as an asset; • We checked the accuracy of the payroll data, on a sample basis, included in the calculations for capitalised costs to supporting documentation including employment contracts. • We assessed management's judgement in relation to the useful economic life of the capitalised development costs by challenging assumptions used which included comparing to the useful life used for similar platforms by competitors in the industry and reviewing for any impairment indicators. • We tested a sample of payroll costs capitalised in the year to agree the existence and accuracy of the amounts included and assessed whether these met the criteria of a capitalised development cost under International Accounting Standard 38 intangible assets. • We challenged the proportion of payroll costs capitalised and corroborated management's explanations to supporting evidence. • We checked the mathematical accuracy of the amounts charged for amortisation and the application of the policy by performing a recalculation based on the useful economic life of capitalised development costs. Key observations We found management's assessment of the amount of development costs to be capitalised and the amortisation policies to be appropriate and in line with the requirements of accounting standards and IAS 38.

Independent auditor's report to the members of PCI-PAL PLC continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025	2024	2025	2024
Materiality	£393,000	£314,000	£195,000	£219,000
Basis for determining materiality	1.75% of revenue	1.75% of revenue	1.25% of total assets	1.25% of total assets
Rationale for the benchmark applied	Revenue is the Group's main KPI, and therefore we consider this financial measure to be the most relevant to the users of the financial statements in assessing the performance of the Group.	Revenue is the Group's main KPI, and therefore we consider this financial measure to be the most relevant to the users of the financial statements in assessing the performance of the Group.	The parent company is a non-trading holding company and the most significant balance in its financial statements is total assets.	The parent company is a non-trading holding company and the most significant balance in its financial statements is total assets.
Performance materiality	£236,000	£188,000	£127,000	£131,000
Basis for determining performance materiality	We consider 60% of materiality to be appropriate in order to reflect that there are a number of balances subject to estimation or judgement which are not able to be determined with precision.	We consider 60% of materiality to be appropriate in order to reflect that there are a number of balances subject to estimation or judgement which are not able to be determined with precision.	We consider 65% of materiality to be appropriate. While there are a small number of balances that are subject to judgement within the parent company, there are substantially less areas subject to estimation and uncertainty than the wider group.	We consider 60% of materiality to be appropriate in order to reflect that there are a number of balances subject to estimation or judgement which are not able to be determined with precision.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 40% and 60% of Group performance materiality (2024: 37% and 67% of Group materiality) dependent on a number of factors including consideration of the control environment, history of misstatements, disaggregation across components, size of the components, any significant changes affecting the component since the prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £94,000 to £141,000 (2024: component materiality ranged from £108,000 to £219,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £19,600 (2024: £15,700). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report to the members of PCI-PAL PLC continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or - the Parent Company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of Directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of PCI-PAL PLC continued

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

- We gained an understanding of the legal and regulatory framework applicable to the Group and the components within the Group and the industry in which they operate, through discussions with management, the Audit Committee and our knowledge of the industry; and
- We obtained an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK adopted International Accounting Standards, Companies Act 2006, UK and US Patent Laws, AIM Listing rules, local tax and employment legislation for trading components.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Enquired as to whether there was any correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Reperformance and review of completeness of tax calculations in respect of corporation tax, employment tax and sales tax in both the United Kingdom and United States of America;
- Review of financial statements disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Assessing the susceptibility of the Group's financial statements to material misstatement as an engagement team, including how fraud might occur throughout the group including the parent company and components, by considering industry, legal and external factors relevant to the Group;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud in relation to the Group to be judgements included within the useful life of the internally generated intangible assets, for over time revenue recognition, the point at which revenue recognition commences, the revenue recognition period, management override and revenue recognition around the year end.

Independent auditor's report to the members of PCI-PAL PLC continued

Our procedures in respect of the above included:

- With regards to fraud risk in management override of controls, our procedures included targeted journal testing based on a specific risk criteria, with a focus on unusual transactions based on our knowledge of the business and agreeing these to supporting documentation, as well as testing a random sample of journals to verify they were appropriate business transactions, which incorporated unpredictability into our testing approach;
- With regards to the fraud risk in relation to the commencement of revenue recognition and cut off, (see KAM on revenue recognition above), we agreed a sample of sales to underlying contract terms and evidence of go live or the customer taking over the solution to check the accuracy of the timing and amount of revenue recognised including appropriateness of the period the revenue was recognised in.
- Assessing significant estimates made by management for bias including the average revenue contract life and recognition period (see KAM on revenue recognition) and the useful life of internally generated intangible assets (see KAM on intangible assets above). Please refer to the relevant key audit matters sections of our audit report for more detail.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tracey Keeble (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Ipswich, UK
9 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	Note	2025 £000s	2024 £000s
Revenue	10	22,477	17,960
Cost of sales		(2,371)	(1,939)
Gross profit		20,106	16,021
Administrative expenses		(20,313)	(17,683)
Loss from operating activities	5	(207)	(1,662)
Finance income	7	107	32
Finance expenditure	8	(72)	(84)
Loss before taxation		(172)	(1,714)
Taxation credit	12	213	535
Profit / (loss) for the year		41	(1,179)
Other comprehensive income: Items that will be reclassified subsequently to profit or loss			
Foreign exchange translation differences		360	20
Total other comprehensive income		360	20
Total comprehensive income / (expense) attributable to equity holders for the period		401	(1,159)
Basic earnings / (loss) per share	11	0.06 p	(1.74) p
Diluted earnings / (loss) per share	11	0.05 p	(1.74) p

The accompanying accounting policies and notes form an integral part of these Financial Statements.

REGISTERED NUMBER: 03869545

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 £000s	2024 £000s
ASSETS			
Non-current assets			
Intangible assets	13	4,405	4,097
Plant and equipment	14	121	118
Trade and other receivables	15	1,170	1,513
Deferred tax asset	18	225	–
Non-current assets		5,921	5,728
Current assets			
Trade and other receivables	15	6,003	5,456
Cash and cash equivalents		3,923	4,332
Current assets		9,926	9,788
Total assets		15,847	15,516
LIABILITIES			
Current liabilities			
Trade and other payables	16	(15,681)	(15,687)
Current liabilities		(15,681)	(15,687)
Non-current liabilities			
Other payables	17	(1,334)	(1,799)
Non-current liabilities		(1,334)	(1,799)
Total liabilities		(17,015)	(17,486)
Net liabilities		(1,168)	(1,970)
EQUITY			
Share capital	20	726	723
Share premium		17,740	17,624
Other reserves		1,505	1,223
Currency reserves		86	(274)
Profit and loss account		(21,225)	(21,266)
Total deficit		(1,168)	(1,970)

The Board of Directors approved and authorised the issue of the Financial Statements on 9 September 2025.

Ryan Murray
Director

The accompanying accounting policies and notes form an integral part of these Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital £000s	Share premium £000s	Other reserves £000s	Profit and loss account £000s	Currency Reserves £000s	Total Equity/ (deficit) £000s
Balance as at 1 July 2023	656	14,281	922	(20,087)	(294)	(4,522)
Share option charge (Note 20)	–	–	301	–	–	301
New shares issued net of costs	67	3,343	–	–	–	3,410
Transactions with owners	67	3,343	301	–	–	3,711
Foreign exchange translation differences	–	–	–	–	20	20
Loss for the year	–	–	–	(1,179)	–	(1,179)
Total comprehensive profit / (loss)	–	–	–	(1,179)	20	(1,159)
Balance at 30 June 2024	723	17,624	1,223	(21,266)	(274)	(1,970)
Share option charge (Note 20)	–	–	282	–	–	282
New shares issued net of costs	3	116	–	–	–	119
Transactions with owners	3	116	282	–	–	401
Foreign exchange translation differences	–	–	–	–	360	360
Profit for the year	–	–	–	41	–	41
Total comprehensive profit	–	–	–	41	360	401
Balance at 30 June 2025	726	17,740	1,505	(21,225)	86	(1,168)

The accompanying accounting policies and notes form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	2025 £000s	2024 £000s
Cash flows from operating activities		
Profit / (loss) after taxation	41	(1,179)
Adjustments for:		
Depreciation of equipment and fixtures	91	116
Amortisation of intangible assets	1,460	1,266
Interest income	(107)	(32)
Interest expense	53	58
Foreign currency difference	(46)	20
Income taxes	(213)	(535)
Share based payments	282	301
Decrease / (increase) in trade and other receivables	91	(27)
(Decrease) / increase in trade and other payables	(439)	1,329
Cash generated from operating activities	1,213	1,317
Income taxes (paid) / received	(4)	535
Interest paid	(53)	(58)
Net cash generated by operating activities	1,156	1,794
Cash flows from investing activities		
Purchase of equipment and fixtures	(50)	(49)
Purchase of intangible assets	–	(155)
Development expenditure capitalised	(1,768)	(1,825)
Interest received	107	32
Net cash used in investing activities	(1,711)	(1,997)
Cash flows from financing activities		
Issue of shares	119	3,410
Drawdown on loan facility	–	1,000
Repayment of loan facility	–	(1,000)
Principal element of lease payments	(30)	(44)
Net cash generated by financing activities	89	3,366
Net (decrease) / increase in cash	(466)	3,163
Cash and cash equivalents at beginning of year	4,332	1,169
Foreign currency difference	57	–
Net (decrease) / increase in cash	(466)	3,163
Cash and cash equivalents at end of year	3,923	4,332

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. Authorisation of financial statements

The Group's consolidated Financial Statements (the "Financial Statements") of PCI-PAL PLC (the "Company") and its subsidiaries (together the "Group") for the year ended 30 June 2025 were authorised for issue by the Board of Directors on 9 September 2025.

2. Nature of operations and general information

PCI-PAL PLC is the Group's ultimate parent company. It is a public limited company incorporated and domiciled in the United Kingdom. PCI-PAL PLC's shares are quoted and publicly traded on the AIM division of the London Stock Exchange. The address of PCI-PAL PLC's registered office is also its principal place of business.

The parent company operates principally as a holding company. The main subsidiaries provide organisations globally with secure cloud payment and data protection solutions for any business communication environment.

3. Statement of compliance with IFRS

The material accounting policies adopted by the Group are set out in Note 4. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these Financial Statements.

The Group has adopted all of the new or amended accounting standards and interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period. No accounting standards which became mandatorily effective for the current reporting period have had any material effect on the Financial Statements of the Group.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

There are no IFRS interpretations that are not yet effective that would be expected to have a material impact on the Group.

Standards and interpretations in issue but not yet effective

At the date of authorisation of these Financial Statements, there are a number of other amendments and clarifications to IFRS effective in future years, which are not expected to significantly impact the Group's consolidated results or financial position.

4. Material accounting policy information

a) Basis of preparation

The Financial Statements have been prepared on a going concern basis in accordance with the accounting policies set out below, and under the historical cost convention. These are in conformity with the UK adopted international accounting standards "IFRS's" and the requirements of the Companies Act 2006.

The Financial Statements are presented in pounds sterling (£) rounded to the nearest £1,000, which is also the functional currency of the parent company.

b) Basis of consolidation

The Group Financial Statements consolidate those of the Company and its subsidiary undertakings (Note 19) drawn up to 30 June 2025. A subsidiary is a company controlled directly by the Group and all of the subsidiaries are 100% owned by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Unrealised gains on transactions within the Group are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the Financial Statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group has utilised the exemption (within IFRS 1) not to apply IFRS to pre-transition business combinations. All other subsidiaries are accounted for using the acquisition method.

c) Going concern

The Group's activities and an outline of the developments taking place in relation to its products, services and markets are considered in the Chief Executive's statement. The principal risks and uncertainties and mitigations are included in the Strategic Report.

Note 21 to the consolidated Financial Statements sets out the Group's financial risks and the management of capital risks.

The Financial Statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons:

The Board has carefully considered the Group's (and the parent company's) financial position, cash resources, and access to committed facilities to support its ongoing obligations and future investment plans. At 30 June 2025, the Group held £3.9m of cash and maintained an undrawn £3.0m revolving credit facility, which is in place until the 31 July 2027, providing flexibility and sufficient financial resources. The Board recognises that continued investment in product development and international expansion will require disciplined execution and has reviewed detailed forecasts and various scenarios to assess resilience under a range of outcomes. Based on this analysis, the Directors believe that the strength of the Group's recurring revenue base, high customer retention, and positive adjusted operating performance provide a solid foundation for sustainable progress. Accordingly, the Board has a reasonable expectation that the Group (and the parent company) has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these Financial Statements.

The Board continues to monitor the Group's trading performance carefully against its original plans, global economic pressures, such as inflation, global events and other factors affecting our core markets and products. In all circumstances the Board is satisfied mitigations can be taken to react to

Notes to the Consolidated Financial Statements continued

unforeseen adverse trends and circumstances to ensure the continues trading of the Group.

During the year the Group continued to win new contracts, recording new ACV sales of £4.0m, as well as substantial growth in its transactional revenues. Customer retention remains high.

The Group's SaaS-based business model involves a high level of annual recurring revenue and operational leverage, which provides the Directors with a high degree of visibility of future revenues and cashflows.

An operating budget and cashflow was prepared, along with an extended forecast to 30 September 2026, following detailed face-to-face meetings with all managers with a focus on building on the existing strong performance and on the product plans and roadmap.

The Board considered the prepared budgets in June and the controls in place that are designed to allow the Group to control its overhead expenditure while still maintaining its momentum and delivering market forecasts. Particular attention was paid to the potential sensitivity impacts that any adverse movement in exchange rate movements, timing of new sales and customer deployments might have on the Group's net cash position and the level of headroom achieved. The reverse stress test extended the sensitivities to their limits, creating a cumulative impact that ultimately breached covenants. The Board considers this scenario highly unlikely. As with all sensitivities, the Board has identified mitigating actions that would be implemented before any such impacts materialise. The sensitivity scenarios around the budget models indicate that the Group would continue to have sufficient resources to meet its expansion plans in FY26.

The Board also considered actions that could be taken to help mitigate the actual results if the assumptions made in the original forecast proved to be overly optimistic. At all points the Directors were satisfied in the robustness of the Group's financial position from the presented plans which, they believe, take a balanced view of the future, together with the contingencies that can be taken if the budget assumptions prove to be materially inaccurate. The Board is therefore satisfied in the Group's ability to meet its liabilities as they fall due.

The Directors therefore have a reasonable expectation that the Group and the parent company has adequate resources to continue in operational existence for the foreseeable future (and in any event for at least 12 months from the date of approval of these financial statements). For these reasons, the Directors continue to adopt the going concern basis in preparing the accounts, and so, the financial statements do not include the adjustments that would be required if the Group and parent Company were unable to continue operate as a going concern.

d) Revenue

Revenue represents the fair value of the sale of goods and services and after eliminating sales within the Group and excluding value added tax or overseas sales taxes. The following summarises the method of recognising revenue for the solutions and products delivered by the Group.

The Group sells long-term secure payment and data protection contracts that charge annual licence or monthly usage fees. The payment profile for such contracts also typically includes payment for one-off set up, professional services and installation fees made at the point of signature of the contract.

These one-off services are deemed to be an integral part of the wider contract rather than a separate performance obligation.

(i) Revenue recognition of licence and usage fees

Revenue relating to the monthly element of the licence fee or the monthly usage fees generated in the period will be recognised monthly when performance obligations have been met, generally from the earlier of the point the contract goes live or when the customer takes over the solution. Revenue from telephony services is recognised as revenue at a point-in-time as the services are consumed by the customer.

(ii) Revenue recognition of the one-off set up fees

Revenue for the one-off set up, professional services and installation fees is deferred and recognised evenly over the estimated term of the contract, having accounted for the auto-renewal of our contracts. The estimated term of a contract is deemed to be four years, and will start being recognised as revenue starting in the month following when the contract either goes live or when the customer takes over the solution. The Board has determined that the four year period is appropriate as a typical contract normally has a minimum term of between 12 months and 36 months, but due to the automatic renewal clause it is estimated to have a four year life which is supported by historical evidence of renewal rates and periods.

There are two exceptions to the four year life estimation:

- If the contract does not have an automatic renewal clause then the deferral will be over the minimum term of that contract; and
- If the minimum term of the contract is greater than four years, that minimum term period will be used as the estimated length of the contract.

e) Deferred Costs

Costs relating to commission costs earned by employees for winning the contract will be capitalised as 'direct costs to obtain a contract' at the date the commissions payments become due and will be released to administrative expenses in monthly increments over the estimated economic length of the contract, as defined in Note 4d above, starting the month following the date the cost is capitalised.

f) Intangible assets

Research and development

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the Group intends to complete the intangible asset
- the Group is able to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

Notes to the Consolidated Financial Statements continued

- the expenditure attributable to the intangible asset during the development can be measured reliably

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include, for example, development engineer's salary and on-costs, such as pension payments, employer's national insurance & bonuses, incurred on software development.

The cost of internally generated software developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired software. Where the internally generated asset relates to on-going development of the platform, the costs are capitalised and start to be amortised in the month following. Where the costs relate to a longer term project the costs will be capitalised and held as an intangible asset until the project is launched. At that point the asset will start to be amortised starting the month following the completion of the project. Until completion of the development project, the assets are subject to impairment testing only.

Amortisation commences upon completion of the asset and is shown within administrative expenses in the statement of comprehensive income. Amortisation is calculated to write down the cost less estimated residual value of all intangible assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

- Capitalised Development 20%

Costs relating to any remediation and testing thereof are expensed.

The Directors have reviewed the development costs relating to the AWS platform and are satisfied that the costs identified meet the tests identified by IAS 38 detailed above. Specifically, the initial platform was launched in October 2017 and has been successfully sold in Europe, North America and Australia, with further sales expected, as detailed in the Chief Executives' statement.

The Directors expect that the AWS platform will continue to be developed, as more functionality is added, and as a result it is expecting to continue to capitalise the development costs (which are primarily labour costs) into the future. Costs that have been fully amortised over their useful economic lives will be disposed of 12 months from that date, unless there is specific evidence that the asset is still available for use.

Other intangible assets

The cost of licences, Group website and computer software acquired are stated at cost, net of amortisation and any provision for impairment.

- Licences 20%
- Website and Computer Software 33%

g) Building, plant and equipment

Buildings, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

Disposal of assets

The gain or loss arising on disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all equipment assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

- Fixtures and fittings 20%
- Right to use asset Length of contract
- Computer equipment 33%

Material residual value estimates are updated as required, but at least annually.

h) Leases

From 1 July 2019, each lease is recognised as a right-of-use asset with a corresponding liability at the date at which the lease asset is available for use by the Group. Interest expense is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs and restoration costs.

Where leases include an element of variable lease payment or the option to extend the lease at the end of the initial term, each lease is reviewed, and a decision is made on the likely term of the lease.

Payments associated with short-term leases under 12 months and leases of low value assets (less than £5,000) are recognised on a straight-line basis as an expense in the consolidated income statement.

i) Impairment testing of other intangible assets, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell, and value in use based on an internal discounted cash flow evaluation. Any impairment loss is charged pro rata against the assets in the cash-generating unit. All assets are subsequently

Notes to the Consolidated Financial Statements continued

reassessed for indications that an impairment loss previously recognised no longer exists.

j) Equity-based and share-based payment transactions

The Company's share option schemes allow employees to acquire shares in PCI-PAL PLC to be settled in equity. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity in the Company accounts. The fair value is measured at grant date and spread over the period during which the employees will be entitled to the options. The fair value of the options granted is measured using either the Black-Scholes option valuation model or the Monte Carlo option pricing model, whichever is appropriate for the type of options issued. The valuations consider the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

On the date of the statement of financial position, the parent company revises its estimate of the number of equity instruments that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment is made to equity over the remaining vesting period. The fair value of the awards and ultimate expense are not adjusted on a change in market vesting conditions during the vesting period.

The value of share-based payment is taken directly to reserves and the charge for the period is recorded in the income statement. The company's scheme, which awards shares in the parent entity, includes recipients who are employees in all subsidiaries. In the consolidated Financial Statements, the transaction is treated as an equity-settled share-based payment, as PCI-PAL PLC has received services in consideration for equity instruments. An expense is recognised in the Group income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity.

In the parent company's and subsidiaries' Financial Statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting year, with a credit recognised in equity on the subsidiary's accounts. This credit is treated as a capital contribution. In the parent company's Financial Statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in its subsidiaries reflecting a capital contribution from the parent company.

k) Taxation

Current tax is the tax payable based on the loss for the year, accounted for at the rates substantively enacted at 30 June 2025.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well

as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, accounted for at the rates substantively enacted at 30 June 2025, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year end.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited to other comprehensive income or directly to equity in which case the related tax charge is also charged or credited directly to other comprehensive income or equity.

Companies within the Group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R & D tax credits). The Group accounts for such allowances as tax credits which means they are recognised when it is probable that the benefit will flow to the Group and that the benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts are due in respect of them and not settled by the balance sheet date, reduce current tax payable.

l) Dividends

Dividend distributions payable to equity shareholders are included in "other short term financial liabilities" when the dividends are approved in general meeting prior to the year end. Interim dividends are recognised when paid.

m) Financial assets and liabilities

The Group classifies its financial assets under the definitions provided in International Financial Reporting Standard 9 (IFRS 9), depending on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition. Management considers that the Group's financial assets fall under the amortised cost category. These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. The Group's financial assets held at amortised cost arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. As such they comprise trade receivables, other receivables and cash and cash equivalents. Financial assets do not comprise prepayments.

The Group's financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. The exception are trade and receivables balances, which are recorded at their transaction price as they do not contain a significant financing component. The Group's financial assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables, being loss allowances for 'expected credit losses' (ECLs) per IFRS 9, are measured on a lifetime basis using the simplified approach set

Notes to the Consolidated Financial Statements continued

out in that financial reporting standard. The Group's method in measuring ECLs reflects:

- unbiased and probability-weighted amounts, determined using a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group has applied the practical expedient in IFRS 9 of using a provision matrix to calculate ECLs. This requires the use of historical credit loss experience, as revealed for groupings of similar trade receivable assets, to estimate the relevant ECLs.

As such, the Group has employed the following process in calculating ECLs:

- Default definition – amounts not collected are defined in accordance with the credit risk management of the Group and include qualitative factors, broadly encompassing scenarios where the customer is either unable or unwilling to pay;
- Customer contract position, whether the underlying contract has been deployed live or not;
- Collection profiles and loss rates – the collection time periods (e.g. within 30 days, 30 – 60 days, etc.) for sales made in the preceding 12-month period are gathered, amounts not collected assessed and loss rates based on ageing inferred;
- Historical periods – historic losses are reviewed over a 3-year time horizon;
- Forward-looking assessment – the Group considers relevant future economic factors affecting each group of trade receivables, giving an expected probability of default for the portfolio.

The resultant expected loss rates are applied to the ageing profile of grouped trade receivables at the balance sheet date to give the lifetime ECLs for each. This produces the loss allowances to be booked as an impairment adjustment to the carrying value of trade receivables.

Trade receivables are reported net of the resultant loss allowances. The loss is recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9.

The Group classifies its financial liabilities under the definitions provided in IFRS 9. All financial liabilities are recorded initially at fair value plus or minus directly attributable transaction costs. Except where noted, such liabilities are then measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include trade payables, bank loans and accruals. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument. Financial liabilities do not comprise deferred income.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits.

o) Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares. The shares have attached to them voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.
- "Share premium" represents the difference between the nominal and issued share price after accounting for the costs of issuing the shares
- "Other reserves" represents the cumulative charge for the Company's share option scheme
- "Profit and loss account" represent retained cumulative profits or losses generated by the Group
- "Currency reserves" represents exchange differences arising from the translation of assets and liabilities of foreign operations

p) Contribution to defined contribution pension schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period and are recognised in the Statement of Comprehensive Income.

q) Foreign currencies

Transactions in foreign currencies are translated into a Company's functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the year end.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at the exchange rate applicable at the date of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income. Exchange differences arising in respect of the retranslation of the opening net investment in overseas subsidiaries are accumulated in the currency reserve.

r) Exceptional items

The Group has elected to classify certain items as exceptional and present them separately on the face of the Statement of Comprehensive Income to aid the understanding of users of the Financial Statements. Exceptional items are classified as those which are separately identified by virtue of their size, nature or expected frequency, to allow a better understanding of the underlying performance in the year.

Notes to the Consolidated Financial Statements continued

s) Critical accounting estimates and assumptions

In the application of the Group's accounting policies the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other commercial and market factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and at least annually. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key areas are summarised below:

Amortisation of capitalised development expenditure

Amortisation rates are based on estimates of the useful economic lives and residual values of the assets involved. The assessment of these useful economic lives is made by projecting the economic life cycle of the asset which is subject to alteration as a result of product development and innovation. Amortisation rates are changed where economic lives are re-assessed and technically obsolete items written off where necessary.

The remaining net book value of the capitalised development is shown in Note 13.

Contract revenue and direct costs

A key estimate is the term length over which deferred contract revenue and costs are recognised.

Having reviewed the terms and conditions of the Group's contracts it has estimated that:

- for contracts with defined termination dates, revenue will be recognised over the period to the termination date.
- for rolling contracts with automatic renewal clauses, revenue will be recognised over 4 years, representing the Directors' current best estimate of a minimum contract term.

The Board has estimated that the four-year period is appropriate as a typical contract normally has a minimum term of between 12 months and 36 months, but due to the automatic renewal clause it is estimated to have a 48-month life as these contracts will normally roll for a certain period.

- If the minimum term of the contract is greater than four years, the minimum term period will be used as the estimated length of the contract.

Commission costs directly linked to individual contracts will be assessed and will also be deferred over 48 months.

- Alternative accounting estimates that could have been applied – this could be the contractual period without taking into account the automatic renewal clause
- Effect of that alternative accounting estimate – increase in the revenue figure reported by an immaterial amount and an equal decrease in deferred income.
- Second alternative accounting estimates that could have been applied – this could be a longer period other than the four years, with reference to low churn rates.
- Effect of that alternative accounting estimate – decrease in the revenue figure reported by an immaterial amount and an equal increase in deferred income.

Deferred tax

The calculation of the deferred tax asset involved the estimation of future taxable profits. In the year, the Directors assessed the carrying value of the deferred tax asset and decided to partially recognise an asset. The deferred tax asset reflects the expectation that the UK companies within the Group will generate sufficient taxable profits over the foreseeable future to utilise carried forward tax losses.

- Alternative accounting estimate that could have been applied – full recognition of the asset.
- Effect of that alternative accounting estimate – recognition of an additional deferred tax asset of £5,911,000 and corresponding change in the tax charge reported.

Share based payments

The fair value of share-based payments is calculated using the methods detailed in Note 20 and using certain assumptions. The key assumptions around volatility, expected life and the risk free rate of return are based on historic volatility over previous periods, the management's judgement of the average expected period to exercise, and the yield on the UK 5-year gilt at the date of issuance.

- Alternative accounting estimate that could have been applied – change the expected time to maturity of the option.
- Effect of that alternative accounting judgement – the change would result in a lower or higher option valuation, changing the charge made in the Statement of Comprehensive Income and an equal change to the share option reserve held in the Statement of Financial Position.

t) Critical accounting judgements

In the process of applying the Group's accounting policies, the Directors make various judgements that can significantly affect the amounts recognised in the Financial Statements. The critical judgements are considered to be the following:

Capitalised development expenditure

The Group exercises judgement concerning the future in assessing the carrying amounts of capitalised development costs. To substantiate the carrying amount the Directors have applied the criteria of IAS 38 and considered the future economic benefit likely as a result of the investment.

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. Judgement factors include: the current sales of the AWS platform; future demand; type of additional features being added; and the resource necessary to finalise the development roadmap over the next few years. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

Contract revenue and direct costs

The Group has adopted IFRS 15. A key related judgement is whether the contract and direct costs has to be deferred and held in the Statement of Financial Position and recognised over the estimated economic period of the contract or alternatively released straight to the Statement of Comprehensive Income over the estimated term of the contract.

Notes to the Consolidated Financial Statements continued

Valuation of separately identifiable intangible assets

Intangible assets are separately identified where they are capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged. Each separately identified intangible asset is amortised over a defined period. The Directors use certain judgements and assumptions to ascertain the period of amortisation to be used for the intangible asset.

5. Loss from operating activities

The loss on ordinary activities is stated after:

	2025 £000s	2024 £000s
Disclosure of the audit and non-audit fees		
Fees payable to the Group's auditors for the current year: The audit of Company's accounts	68	57
The audit of the Company's subsidiaries pursuant to legislation	115	80
Additional fees payable to the Group's auditors for the prior year: The audit of Company's accounts	21	11
The audit of the Company's subsidiaries pursuant to legislation	66	32
There were no fees payable to the Group's auditors for other services in either the current or prior year.		
Depreciation and amortisation – charged in administrative expenses		
Right of use assets, equipment and fixtures	91	116
Intangible assets (Note 13)	1,460	1,266
	1,551	1,382
Rents payable on flexible office space	122	118
Share based payments charge	282	301
Foreign exchange loss in period	184	53
Non-operational costs	514	–

6. Exceptional items

The exceptional items referred to in the income statement can be categorised as follows:

	2025 £000s	2024 £000s
Cost award received in respect of patent case	–	1,067
Exceptional income	–	1,067
Direct costs in respect of patent case	–	1,564
Direct costs in respect of internal re-organisation	–	297
Exceptional expenses	–	1,861

Exceptional items in the prior year relate to the following:

- Costs awarded by the High Court of England and Wales received in relation to the successful outcome of the unfounded patent claim in the UK.
- Non-recurring legal fees and other direct costs in respect of defending the unfounded patent claim against the Group.
- One-off internal restructuring costs, which includes redundancy and termination payments, associated social security costs and legal fees. Included in the above, is an amount of £169,000 which was accrued at the balance sheet date and paid following the year end.

Exceptional items are presented separately in the Statement of Comprehensive Income to aid the understanding of users of the Financial Statements.

Alternative accounting that could have been applied would be to treat the costs as non-exceptional and not present them separately on the face of the Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements continued

7. Finance income

	2025 £000s	2024 £000s
Bank interest receivable	107	32
	107	32

8. Finance expenditure

	2025 £000s	2024 £000s
Interest on bank borrowings	53	58
Other bank charges	19	26
	72	84

9. Directors and employees

Staff costs of the Group, including the Directors who are considered to be part of the key management personnel, paid during the year were as follows.

	2025 £000s	2024 £000s
Wages and salaries	11,958	10,950
Social security costs	1,241	1,045
Other pension costs	220	196
	13,419	12,191

Included in the above figures is £1,248,000 (2024: £1,257,000) of sales commissions paid in the year, recognised as an asset under IFRS 15 and deferred and released over the estimated life of the related contract. Similarly, the release of sales commissions under IFRS 15 of £1,218,000 (2024: £971,000) has been excluded from the above disclosure.

Average number of employees during the year:

	2025 Heads	2024 Heads
Sales and marketing	32	33
Engineering and professional services	75	71
Administration and management	19	17
	126	121

Remuneration in respect of Directors was as follows:

	2025 £000s	2024 £000s
Emoluments	625	665
Bonus	346	179
Termination payment	–	140
Pension contributions to money purchase pension schemes	44	32
Employer's national insurance and US federal taxes	133	123
	1,148	1,139

During the year, 3 (2024: 3) Directors participated in money purchase pension schemes.

Notes to the Consolidated Financial Statements continued

The Board consider the Board of Directors to be the key management for the Group. The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2025 £000s	2024 £000s
Emoluments	284	273
Bonus	275	154
Pension contributions to money purchase pension schemes	28	29
	587	456

A detailed breakdown of the Directors' Emoluments, in line with the AIM rules, appears in the Remuneration Committee Report.

10. Segmental information

PCI-PAL PLC operates one business segment: the service of providing data secure payment card authorisations for call centre operations and this is delivered on a regional basis. The Group manages its operations by reference to geographic regions, which are reported on below. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Revenue		Non-current assets	
	2025 £000s	2024 £000s	2025 £000s	2024 £000s
EMEA	13,940	11,257	5,918	5,723
North America	8,011	6,286	1	2
ANZ	526	417	2	3
Total	22,477	17,960	5,921	5,728

Revenue can be split by location of customers as follows:

Customer location	2025 £000s	2024 £000s
United Kingdom	13,921	11,063
United States of America	7,480	5,841
Canada	480	417
Rest of Europe	38	180
Asia Pacific	558	459
Total	22,477	17,960

100% (2024: 100%) of all non-current assets are located in the United Kingdom and the largest customer accounted for 17% (2024: 14%) of the revenue of the Group.

11. Earnings / (Loss) per share

The calculation of the profit / (loss) per share is based on the loss after taxation divided by the weighted average number of ordinary shares in issue during the relevant period as adjusted for treasury shares. Details of potential share options are disclosed in Note 20.

	12 months ended 30 June 2025	12 months ended 30 June 2024
Profit / (loss) after taxation added to reserves	£41,000	(£1,179,000)
Basic weighted average number of ordinary shares in issue during the period	72,433,006	67,645,922
Diluted weighted average number of ordinary shares in issue during the period	81,128,423	76,418,839
Basic profit / (loss) per share	0.06p	(1.74)p
Diluted profit / (loss) per share	0.05p	(1.74)p

Notes to the Consolidated Financial Statements continued

12. Taxation

	2025 £000s	2024 £000s
Analysis of charge in the year		
Current tax:		
In respect of the year:		
Corporation tax based on the results for the year	–	–
R & D Tax credit received	–	536
Foreign corporate taxes paid	(12)	(1)
Total tax (charge) / credit	(12)	535
Deferred tax:		
Origination and reversal of timing differences	225	–
Total deferred tax charged	–	–
Tax on loss on ordinary activities credited	213	535

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year was higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%).

	2025 £000s	2024 £000s
Loss on ordinary activities before tax	(172)	(1,714)
Tax on loss on ordinary activities at standard UK rate of taxation of 25% (2024: 25%)	(43)	(428)
Effects of:		
Overseas tax rates	24	64
Expenses not deductible for tax purposes	74	69
R & D tax credit received	–	(536)
Fixed asset differences	1	–
Other permanent differences	(29)	(17)
Minimum US state taxes paid in year	12	1
Origination and reversal of timing differences on unrecognised deferred tax losses	(27)	376
Recognition of previously unrecognised deferred tax asset	(225)	–
Effect of different tax rates applied in overseas jurisdictions	–	(64)
Total tax credit for the year	(213)	(535)

The value of unrecognised tax losses carried forward is £22.6m for the Group (2024: £24.6m).

Approximately 4% of the Group's carried forward tax losses (2024: 4%) relate to its US subsidiary and originate from pre-2018 periods. These losses are set to expire in 2038 if not offset by future taxable profits. The remaining tax losses across the Group are available indefinitely, subject to the rules of the respective tax jurisdictions in which the Group operates. These rules determine the extent to which taxable profits can be offset in any given year.

The R&D tax credit received in the year ended 20 June 2024 is in relation to financial years 2021 and 2022.

Notes to the Consolidated Financial Statements continued

13. Intangible assets

2025	Licences £000s	Capitalised Development £000s	Website and Computer Software £000s	Total £000s
Cost:				
At 1 July 2024	677	6,813	234	7,724
Additions	–	1,768	–	1,768
Disposals	(83)	(563)	–	(646)
At 30 June 2025	594	8,018	234	8,846
Amortisation (included within administrative expenses):				
At 1 July 2024	360	3,137	130	3,627
Charge for the year	107	1,309	44	1,460
Disposals	(83)	(563)	–	(646)
At 30 June 2025	384	3,883	174	4,441
Net book amount at 30 June 2025	210	4,135	60	4,405

2024	Licences £000s	Capitalised Development £000s	Website and Computer Software £000s	Total £000s
Cost:				
At 1 July 2023	427	5,939	226	6,592
Additions	250	1,825	72	2,147
Disposals	–	(951)	(64)	(1,015)
At 30 June 2024	677	6,813	234	7,724
Amortisation (included within administrative expenses):				
At 1 July 2023	283	2,962	131	3,376
Charge for the year	77	1,126	63	1,266
Disposals	–	(951)	(64)	(1,015)
At 30 June 2024	360	3,137	130	3,627
Net book amount at 30 June 2024	317	3,676	104	4,097

Notes to the Consolidated Financial Statements continued

14. Plant and equipment

2025	Right of use Asset £000s	Fixtures and Fittings £000s	Computer Equipment £000s	Total £000s
Cost:				
At 1 July 2024	128	12	254	394
Additions	–	–	50	50
Remeasurements	44	–	–	44
At 30 June 2025	172	12	304	488
Depreciation (included within administrative expenses):				
At 1 July 2024	107	5	164	276
Charge for the year	29	2	60	91
At 30 June 2025	136	7	224	367
Net book amount at 30 June 2025	36	5	80	121

2024	Right of use Asset £000s	Fixtures and Fittings £000s	Computer Equipment £000s	Total £000s
Cost:				
At 1 July 2023	128	27	240	395
Additions	–	–	49	49
Disposals	–	(15)	(35)	(50)
At 30 June 2024	128	12	254	394
Depreciation (included within administrative expenses):				
At 1 July 2023	64	18	128	210
Charge for the year	43	2	71	116
Disposals	–	(15)	(35)	(50)
At 30 June 2024	107	5	164	276
Net book amount at 30 June 2024	21	7	90	118

In FY25 a remeasurement of lease liabilities resulted in a corresponding adjustments to the carrying amount of Right of use Assets.

15. Trade and other receivables

	2025 £000s	2024 £000s
Due within one year		
Trade receivables	3,840	3,551
Accrued income	120	27
Deferred costs	1,059	938
Other prepayments	984	940
Trade and other receivables due within one year	6,003	5,456
	2025 £000s	2024 £000s
Due after more than one year		
Deferred costs	1,165	1,466
Other prepayments	5	47
Trade and other receivables due after one year	1,170	1,513

Notes to the Consolidated Financial Statements continued

The fair value of all amounts are considered to be approximately equal to their carrying value. The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables balance.

Trade receivables are reviewed at inception under an expected credit loss model, and then subsequently at each period end for further indicators of impairment, and a provision has been recorded as follows:

	2025 £000s	2024 £000s
Opening provision at 1 July	–	–
Credited to income	–	–
Closing provision at 30 June	–	–

There are no impaired trade receivables at the reporting dates. In addition, there are non-impaired trade receivables that are past due at the reporting date:

	2025 £000s	2024 £000s
0-1 month past due	513	436
1-2 months days past due	159	36
Over 2 months past due	125	106
	797	578

The carrying value of trade receivables is considered a reasonable approximation of fair value. All of the receivables have been reviewed for indicators of impairment. The movement in the expected credit losses (ECLs) provision is shown above. Trade receivables are recorded and measured in accordance with Note 4 above. The Group applies the IFRS 9 simplified approach to measuring ECLs using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end, the future economic conditions of the country relating to the overdue debtor and the contract position of each overdue debtor.

16. Current liabilities

	2025 £000s	2024 £000s
Trade payables	1,351	738
Social security and other taxes	705	563
Deferred Income	12,168	12,620
Right of use lease liability	14	23
Accruals and other creditors	1,443	1,743
Total current liabilities due within one year	15,681	15,687

17. Non-current liabilities

	2025 £000s	2024 £000s
Deferred Income	1,311	1,716
Right of use lease liability	23	–
Accruals and other creditors	–	83
Total non-current liabilities due after one year	1,334	1,799

The deferred income figures in Notes 16 and 17 above include amounts relating to contracts where the annual licence fee has been invoiced multi years in advance, and deferred set up and professional services fees that have not reached a stage where the revenue is being recognised and so is treated as all due in less than one year for reporting purposes.

Notes to the Consolidated Financial Statements continued

18. Deferred taxation

	2025 £000s	2024 £000s
Credited to income statement as at 30 June 2025	225	–
Unprovided deferred tax assets		
Non-current assets	(85)	(245)
Other short term timing differences	422	371
Equity-settled share options	201	380
Trading losses	5,373	5,847
	5,911	6,353

The unprovided deferred tax assets are calculated at an average rate for each country as follows:

UK	25.0%	(2024: 25.0%)
USA	24.0%	(2024: 24.0%)
Australia	25.0%	(2024: 25.0%)
Canada	26.5%	(2024: 26.5%)

A deferred tax asset has been recognised of £225,000 (2024: £nil) as there is evidence of future taxable profits against which the asset will be available for offset.

19. Group undertakings

At 30 June 2025, the Group included the following subsidiary undertakings, which are included in the consolidated accounts:

Name	Country of Incorporation	Class of share capital held	Proportion held	Nature of business
PCI-Pal (U.K.) Limited ¹	England	Ordinary	100%	Payment Card Industry software services provider
IP3 Telecom Limited ¹	England	Ordinary	100%	Dormant
The Number Experts Limited ¹	England	Ordinary	100%	Dormant
PCI Pal (US) Inc ²	United States of America	Ordinary	100%	Payment Card Industry software services provider
PCI Pal (AUS) Pty Ltd ³	Australia	Ordinary	100%	Payment Card Industry software
PCI Pal (Canada) Inc ⁴	Canada	Ordinary	100%	Payment Card Industry software

¹ Registered at 7 Gamma Terrace, Ransomes Europark, Ipswich, Suffolk IP3 9FF

² Registered at 2215B Renaissance Drive, Las Vegas, Nevada USA 89119

³ Registered at 62 Burwood Road, Burwood, NSW 2134 Australia

⁴ Registered at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada M5L 1A9

Notes to the Consolidated Financial Statements continued

20. Share capital

Group	2025 Number	2025 £000s	2024 Number	2024 £000s
Authorised:				
Ordinary shares of 1 pence each	100,000,000	1,000	100,000,000	1,000
Allotted called up and fully paid:				
Ordinary shares of 1 pence each	72,619,818	726	72,259,818	723

On 05 July 2024, the Company issued 25,000 ordinary shares of 1 pence in settlement of an exercise of options at 28.5 pence per share.

On 08 July 2024, the Company issued 300,000 ordinary shares of 1 pence in settlement of an exercise of options at 33 pence per share.

On 15 December 2024, the Company issued 25,000 ordinary shares of 1 pence in settlement of an exercise of options at 44 pence per share.

On 25 June 2025, the Company issued 10,000 ordinary shares of 1 pence in settlement of an exercise of options at 28.5 pence per share.

The Group owns 167,229 (2024: 167,229) shares and these are held as Treasury Shares.

During the year, the share price fluctuated between 42.25 pence and 73.4 pence and closed at 52.0 pence on 30 June 2025.

Share Option schemes

The Company operates an Employee Share Option Scheme. The share options granted under the scheme are subject to performance criteria and generally have a life of 10 years. The grant price is normally taken with reference to the closing quotation price as derived from the Daily Official List of the London Stock Exchange, however, the Remuneration Committee will adjust the grant price if it deems there are extraordinary circumstances to justify doing so.

The performance criteria are set by the remuneration committee. The grants are individually assessed with regard to the location of the employee and generally have one of the following performance criteria:

1: 50% of the options will vest if the share price of the Company as measured on the London Stock Exchange trades above the share price at the date of grant, for a continuous 30 day period; 25% of the options will vest if the share price of the Company trade 50% above the share price of the Company at the date of Grant for a continuous 30 day period; and the remaining 25% will vest if the share price of the Company trades 100% above the share price of the Company at the date of Grant for a continuous 30 day period. The options cannot be exercised for a three year period from the date of Grant, or;

2: The number of options granted will vest equally over a four year period in monthly tranches with the earliest exercise date being 12 months from the data of issue of the option, and are accounted using the graded vesting model

All options will lapse after a maximum ten-year period if they have not been exercised.

Notes to the Consolidated Financial Statements continued

The following options grants have been made and are valued using the Monte Carlo Pricing model with the following assumptions:

Date of Grant	Exercise Price	Price at date of grant	Estimated time to Maturity	Expected Dividend yield	Volatility	Risk Free Rate	No Steps used in calculation	No of simulations used in calculation	Fair value of Option	Weighted average life in years	# option shares issued at grant	# option shares forfeited	# option shares exercised	# option shares outstanding at 30 June 2025	# option shares exercisable as at 30 June 2025	Charge for year	Total cumulative charge as at 30 June 2025
25-May-17	33.0 pence	33.0 pence	5 years	0.00%	20.00%	0.57%	10	10000	14.11 pence	Fully vested	3,065,000	1,080,000	660,000	1,325,000	1,325,000	£0	£280,044
10-May-19	22.0 pence	22.0 pence	5 years	0.00%	20.00%	0.87%	10	10000	14.23 pence	Fully vested	145,000	25,000	40,000	80,000	80,000	£0	£17,076
13-Jun-19	28.5 pence	28.5 pence	5 years	0.00%	20.00%	0.62%	10	10000	14.30 pence	Fully vested	525,000	0	0	525,000	525,000	£0	£75,075
08-Jul-19	28.5 pence	28.5 pence	5 years	0.00%	69.00%	0.59%	10	10000	15.42 pence	Fully vested	215,000	25,000	45,000	145,000	145,000	£92	£29,301
08-Jul-19	26.5 pence	26.5 pence	5 years	0.00%	69.00%	0.59%	10	10000	13.15 pence	Fully vested	115,000	0	75,000	40,000	40,000	£20	£15,125
08-Jul-19	19.0 pence	19.0 pence	5 years	0.00%	69.00%	0.59%	10	10000	11.29 pence	Fully vested	20,000	0	0	20,000	20,000	£9	£2,259
08-Jul-19	23.0 pence	23.0 pence	5 years	0.00%	69.00%	0.59%	10	10000	13.38 pence	Fully vested	105,000	0	10,000	95,000	95,000	£49	£14,053
08-Jul-20	40.0 pence	40.0 pence	5 years	0.00%	45.89%	-0.04%	225	10000	15.63 pence	0.02 years	815,000	0	210,000	605,000	605,000	£18,923	£126,971
01-Dec-20	44.0 pence	44.0 pence	5 years	0.00%	45.60%	0.04%	225	10000	17.24 pence	0.42 years	140,000	80,000	0	60,000	60,000	£2,069	£9,468
28-Jan-21	60.0 pence	60.0 pence	5 years	0.00%	45.88%	-0.03%	250	10000	24.91 pence	0.58 years	65,000	30,000	0	35,000	35,000	£1,745	£7,705
23-Mar-21	65.0 pence	108.5 pence	5 years	0.00%	45.88%	0.37%	250	10000	61.63 pence	0.73 years	315,000	10,000	0	305,000	305,000	£37,616	£160,562
23-Mar-21	65.0 pence	108.5 pence	5 years	0.00%	45.88%	0.37%	250	10000	61.63 pence	0.73 years	25,000	0	0	25,000	25,000	£3,083	£13,161
12-Apr-21	113.5 pence	113.5 pence	5 years	0.00%	45.88%	0.37%	250	10000	42.40 pence	0.78 years	220,000	0	0	220,000	0	£18,667	£78,655
12-Apr-21	113.5 pence	113.5 pence	5 years	0.00%	45.88%	0.37%	250	10000	42.40 pence	0.78 years	30,000	0	0	30,000	0	£2,545	£10,726
29-Jun-21	93.0 pence	93.0 pence	5 years	0.00%	45.99%	0.35%	250	10000	37.06 pence	1.00 years	25,000	0	0	25,000	0	£1,854	£7,417
15-Nov-21	68.5 pence	68.5 pence	5 years	0.00%	42.98%	0.71%	250	10000	25.82 pence	1.38 years	560,000	10,000	0	550,000	275,000	£28,344	£102,863
15-Nov-21	68.5 pence	68.5 pence	5 years	0.00%	42.98%	0.71%	250	10000	25.82 pence	1.38 years	65,000	0	0	65,000	32,500	£3,350	£12,156
02-Mar-22	57.5 pence	57.5 pence	5 years	0.00%	44.89%	1.07%	250	10000	23.50 pence	1.67 years	568,477	123,477	0	445,000	222,500	£7,348	£69,609
02-Mar-22	57.5 pence	57.5 pence	5 years	0.00%	44.89%	1.07%	250	10000	23.50 pence	1.67 years	276,523	26,523	0	250,000	125,000	£8,820	£39,106
02-Mar-22	57.5 pence	57.5 pence	5 years	0.00%	44.89%	1.07%	250	10000	23.50 pence	1.67 years	205,000	55,000	0	150,000	75,000	£1,011	£23,464
25-May-22	61.0 pence	61.0 pence	5 years	0.00%	43.23%	1.56%	250	10000	24.37 pence	1.90 years	30,000	0	0	30,000	15,000	£1,459	£4,530
06-Oct-22	54.5 pence	54.5 pence	5 years	0.00%	49.24%	4.36%	250	10000	24.95 pence	2.27 years	430,000	10,000	0	420,000	0	£20,910	£57,274
14-Dec-22	53.0 pence	53.0 pence	5 years	0.00%	23.45%	3.28%	250	10000	14.68 pence	2.45 years	55,000	0	0	55,000	0	£1,611	£4,107
06-Feb-23	54.0 pence	54.0 pence	5 years	0.00%	29.55%	3.12%	250	10000	18.03 pence	2.60 years	195,000	10,000	0	185,000	0	£7,019	£16,854
30-Jun-23	53.5 pence	53.5 pence	5 years	0.00%	38.50%	4.67%	250	10000	22.56 pence	3.00 years	10,000	0	0	10,000	0	£450	£903
22-Nov-23	43.0 pence	43.0 pence	5 years	0.00%	68.19%	4.05%	250	10000	23.46 pence	3.39 years	80,000	40,000	0	40,000	0	£1,878	£3,015
25-Mar-24	56.0 pence	56.0 pence	5 years	0.00%	49.50%	3.88%	250	10000	27.53 pence	3.73 years	200,000	0	0	200,000	50,000	£11,017	£13,945
04-Apr-24	56.0 pence	56.0 pence	5 years	0.00%	49.41%	3.89%	250	10000	26.33 pence	3.76 years	400,000	0	0	400,000	100,000	£21,073	£26,096
03-Jul-24	64.5 pence	64.5 pence	5 years	0.00%	47.23%	4.04%	250	10000	30.10 pence	4.01 years	65,000	0	0	65,000	0	£3,883	£3,883
06-Mar-25	57.0 pence	57.0 pence	5 years	0.00%	38.68%	4.27%	250	10000	22.97 pence	4.68 years	350,000	0	0	350,000	0	£5,113	£5,113
01-Apr-25	47.5 pence	47.5 pence	5 years	0.00%	37.45%	4.27%	250	10000	18.74 pence	4.75 years	35,000	0	0	35,000	0	£324	£324
											9,350,000	1,525,000	1,040,000	6,785,000	4,155,000	210,282	1,230,840

The fair value of these options has been calculated on an issue by issue basis and £210,281 (2024: £240,690) has been charged to the statement of comprehensive income for this financial year.

Notes to the Consolidated Financial Statements continued

The following options have been valued using a Black Scholes Pricing model with the following assumptions:

Date of Grant	Exercise Price	Price at date of grant	Estimated time to Maturity	Expected Dividend yield	Risk Free Rate	Volatility	Fair value of Option	Weighted average life in years	# option shares issued at grant	# option shares forfeited	# option shares exercised	# option shares outstanding at 30 June 2025	# option shares exercisable as at 30 June 2025	Total charge for year	Total cumulative charge as at 30 June 2025
28-Jun-17	41.5 pence	41.5 pence	5 years	0.00%	0.57%	20.00%	7.8 pence	Fully vested	150,000	0	0	150,000	150,000	£0	£11,756
04-Oct-17	44.5 pence	44.5 pence	5 years	0.00%	0.57%	20.00%	8.4 pence	Fully vested	150,000	22,500	127,500	0	0	£0	£10,715
12-Jul-18	28.5 pence	28.5 pence	5 years	0.00%	1.00%	20.00%	5.6 pence	Fully vested	415,000	25,000	0	390,000	390,000	£0	£22,006
12-Jul-18	28.5 pence	28.5 pence	5 years	0.00%	1.00%	20.00%	5.6 pence	Fully vested	641,667	550,000	0	91,667	91,667	£0	£5,172
12-Nov-18	26.5 pence	26.5 pence	5 years	0.00%	1.03%	20.00%	5.0 pence	Fully vested	150,000	0	0	150,000	150,000	£0	£7,430
12-Nov-18	26.0 pence	26.0 pence	5 years	0.00%	1.03%	20.00%	5.2 pence	Fully vested	60,000	0	0	60,000	60,000	£0	£3,100
07-Jan-19	18.4 pence	18.4 pence	5 years	0.00%	0.89%	20.00%	3.6 pence	Fully vested	15,000	0	0	15,000	15,000	£0	£540
27-Feb-19	23.0 pence	23.0 pence	5 years	0.00%	0.96%	20.00%	4.5 pence	Fully vested	100,000	0	0	100,000	100,000	£0	£4,536
08-Jul-20	40.0 pence	40.0 pence	4 years	0.00%	-0.04%	59.00%	17.8 pence	Fully vested	80,000	20,000	0	60,000	60,000	£51	£10,666
01-Dec-20	44.0 pence	44.0 pence	4 years	0.00%	0.04%	64.00%	21.0 pence	Fully vested	85,000	20,000	25,000	40,000	40,000	£1,434	£13,678
23-Mar-21	108.5 pence	108.5 pence	4 years	0.00%	0.37%	52.00%	43.6 pence	Fully vested	35,000	0	0	35,000	35,000	£2,769	£15,244
15-Nov-21	68.5 pence	68.5 pence	4 years	0.00%	0.71%	43.00%	23.4 pence	0.37 years	190,000	0	0	190,000	172,425	£11,112	£40,357
02-Mar-22	57.5 pence	57.5 pence	4 years	0.00%	1.07%	44.89%	20.7 pence	0.67 years	480,000	100,000	0	380,000	316,350	£19,654	£65,602
25-May-22	61.0 pence	61.0 pence	4 years	0.00%	1.56%	43.20%	21.7 pence	0.90 years	105,000	50,000	0	55,000	42,625	£5,680	£17,649
22-Nov-23	43.0 pence	43.0 pence	4 years	0.00%	4.05%	68.19%	12.1 pence	2.39 years	185,000	0	0	185,000	74,463	£11,802	£21,875
25-Mar-24	56.0 pence	56.0 pence	4 years	0.00%	3.88%	49.50%	11.8 pence	2.73 years	200,000	0	0	200,000	63,500	£15,535	£20,302
11-Mar-25	53.5 pence	53.5 pence	4 years	0.00%	4.25%	37.37%	8.9 pence	3.05 years	50,000	0	0	50,000	-	£3,205	£3,205
									3,091,667	787,500	152,500	2,151,667	1,761,030	71,242	273,833

The fair value of these options has been calculated on an issue by issue basis and £71,242 (2024: £60,359) has been charged to the statement of comprehensive income for this financial year.

Notes to the Consolidated Financial Statements continued

The analysis of the Company's option activity for the financial year is as follows:

	2025		2024	
	Weighted Average exercise Price £	Number of Options	Weighted Average exercise price £	Number of Options
Options outstanding at start of year	0.480	9,061,667	0.469	8,581,667
Options granted during the year	0.570	500,000	0.528	1,065,000
Options exercised during the year	0.480	(360,000)	0.372	(390,000)
Options forfeited during the year	0.337	(265,000)	0.479	(195,000)
Options outstanding at end of year	0.487	8,936,667	0.480	9,061,667
Options exercisable at the end of year		5,916,030		5,062,517

21. Financial risk management and financial instruments

The Group uses various financial instruments including cash, trade receivables, trade payables, other payables, loans and leasing that arise directly from its operations. The main purpose of these financial instruments is to maintain adequate finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in detail below. The Directors do not consider price risk to be a significant risk. The Directors review and agree policies for managing each of these risks, as summarised below, and these remain unchanged from previous years.

Capital Management

The capital structure of the Group consists of debt, cash, loans and equity. The Group's objective when managing capital is to maintain the cash position to protect the future on-going profitable growth which will reflect in shareholder value.

At 30 June 2025, the Group had a closing cash balance of £3,923,000 (2024: £4,332,000) and borrowings of £nil (2024: £nil) excluding right of use liabilities.

The Group has a multi-currency revolving loan facility, secured on the assets of the Group by fixed and floating debentures with appropriate cross guarantees, with HSBC Innovation Bank with a maximum facility of £3m. The available facility level is calculated on a quarterly basis.

On 5th September 2025, the Group extended the facility term for an additional 12 months to 31 July 2027.

Financial risk management and objectives

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors achieve this by regularly preparing and reviewing forecasts based on the trends shown in the monthly management accounts.

Interest rate risk

The Group has arranged a bank loan with HSBC, as detailed above. As at 30 June 2025 the loan was undrawn. Interest is calculated at current rates between and 9.0% and 10.0%, depending on the currency drawn and is paid monthly.

Given the reduction in interest rates over the last 12 months, there is a decreased interest rate risk and the current cash flow forecast does not rely on debt borrowing in the next financial year. For this reason, the Group does not consider the interest rate risk to be material and so has not entered into any hedging arrangements.

Credit risk

The Group's principal financial assets are cash and trade receivables, with the principal credit risk arising from trade receivables. In order to manage credit risks the Group conducts third party credit reviews on new clients and takes deposits or advanced payments where this is deemed necessary.

Concentration of credit risk with respect to trade receivables are limited due to the wide nature of the Group's customer base: The largest customer accounted for 17% (2024: 14%) of revenues in the financial year, but this is expected to drop in the next financial year as we add more and more customers. Historically, bad debts within the Group are minimal due to the importance of our service to the customer as well as the level of payments in advance we receive. This situation is not expected to change in the future.

Notes to the Consolidated Financial Statements continued

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group's policy through the period has been to ensure continuity of funding by equity backed up by access to a maximum £3.0 m multi-currency revolving loan facility, as detailed above.

The table below summarises the maturity profile of the Group's financial liabilities at the year-end based on contractual undiscounted payments, specifically noting that the lease liability total is determined as the undiscounted lease payments including interest payable.

At 30 June 2025:

Group	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade payables and other creditors	–	1,668	–	–	–	1,668
Lease liability	–	3	11	23	–	37
	–	1,671	11	23	–	1,705

At 30 June 2024:

Group	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade payables and other creditors	–	1,301	–	–	–	1,301
Lease liability	–	12	11	–	–	23
	–	1,313	11	–	–	1,324

Foreign currencies and foreign currency risk

During the year, the Group received revenue in GBP, USD, CAD, EURO and AUD, whilst the majority of its cost base is in GBP and USD. These currency receipts tend to be used first to cover costs in the same currency before conversion to other relevant currencies, and so currency risk impacting cash balances is deemed to be appropriately managed.

Intercompany loans from PCI-PAL PLC to fund the US operations is denominated in the US entity in USD and so is translated to GBP each period end, potentially resulting in significant debits or credits to the Company's profit and loss but with no cash or other impact on the Group as the loan is eliminated on consolidation. Management notes that such foreign exchange movements are non-cash items. No forward foreign exchange contracts were entered into during the period (2024: nil).

As at the 30 June 2025 the Group held the following foreign currency cash balances:

US Dollar	\$2,162,994	Sterling equivalent: £1,576,140	(2024: £1,425,015)
Canadian Dollar	\$91,700	Sterling equivalent: £48,831	(2024: £71,414)
Australian Dollar	\$14,155	Sterling equivalent: £6,734	(2024: £14,349)
Euro	€147,754	Sterling equivalent: £126,253	(2024: £4,370)
Total		Sterling equivalent: £1,757,958	(2024: £1,515,148)

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction and monetary assets and liabilities in foreign currencies are translated at the rates ruling at the year end.

At present foreign exchange translation is low and therefore hedging and risk management is not deemed necessary as the Group trades and spends in the various currencies.

The Group's principal exposure to exchange rate fluctuations arise on the translation of overseas net assets, profits and losses into Sterling, for presentational purposes. The exchange rate fluctuations are reported by taking the differences that arise on the retranslation of the net overseas investments to the currency reserve.

Notes to the Consolidated Financial Statements continued

Foreign currency risk on cash balances is monitored through regular forecasting and the Group tries to maintain a minimum level of currency in the accounts so as to meet the short term working capital requirements.

No sensitivity analysis is provided in respect of foreign currency risks as the risk is considered to be moderate, although management will keep the need for sensitivity analysis under regular review going forward.

22. Capital Commitments

The Group has no capital commitments at 30 June 2025 or 30 June 2024.

23. Contingent Assets

The Group has no contingent assets at 30 June 2025 or 30 June 2024.

24. Contingent Liabilities

In October 2019 the Group entered into a £2.75 m loan facility with Shawbrook Bank. As part of the loan agreement Shawbrook Bank will be entitled to receive a cash based payment calculated on the value generated, over a 10 year period up to October 2029, on the equivalent of £206,250 of phantom shares (being 7.5% of the facility) if there is a takeover of the Group or a debt refinancing of the Shawbrook debt.

The exit fee is a cash payment of a sum equal to P, where:

$$P = (A \times B) - C$$

and where:

A = the Phantom Shares Number – the Phantom Shares Value divided by the fair market value of one ordinary share, calculated using the average of the closing share price in the previous five days immediately prior to the date of the facility letter;

B = the fair market value of one ordinary share at the time of the exit fee event; and

C = the Phantom Shares Value, which is £206,250.

An Exit Fee Event is where there is:

- (a) a sale or other disposition of all or substantially all of the assets in the Company in whatever form (whether in a single transaction or multiple related transactions); or
- (b) an acquisition of shares in the Company by a person (and any persons acting in concert with that person) that results in that person (together with any such persons acting in concert) acquiring a controlling interest in the Company; or
- (c) a reorganisation, consolidation or merger of the Company (whether in a single transaction or multiple related transactions) where shareholders before the transaction(s) directly or indirectly beneficially own issued voting securities of the surviving entity after the transaction(s) together carrying the right to cast 50% or less of the votes capable of being cast at general meetings of the surviving entity; or
- (d) a distribution or other transfer of assets to the shareholders of the Company in connection with the liquidation of the Company; or

The debt facility was repaid from cashflow in June 2021 and so no exit fee was triggered. However, there still remains a contingent liability if the Company is taken over.

25. Transactions With Directors

Apart from the Directors' standard remuneration there were no other transactions with Directors in the year to 30 June 2025 or 30 June 2024.

26. Dividends

The Directors are not proposing a dividend for the financial year (2024: nil pence per share).

Notes to the Consolidated Financial Statements continued

27. Subsequent Events

An extension to the Revolving Credit facility with HSBC, up to 31 July 2027, was signed on 5th September 2025.

28. Alternative Performance Measures

The Group reports certain alternative performance measures ('APMs') that are not required under IFRS. The Group believes that these APMs, when viewed in conjunction with its IFRS financial information, provide valuable and more meaningful information regarding the underlying financial and operating performance of the Group to its stakeholders.

Registered Number: 03869545

Company Statement of Financial Position

As at 30 June 2025

	Note	2025 £000s	2024 £000s
ASSETS			
Non-current assets			
Investments	5	1,251	993
Trade and other receivables	6	9,776	41
Non-current assets		11,027	1,034
Current assets			
Trade and other receivables	6	3,780	14,442
Cash and cash equivalents		1,290	2,051
Current assets		5,070	16,493
Total assets		16,097	17,527
LIABILITIES			
Current liabilities			
Trade and other payables	7	(464)	(558)
Current liabilities		(464)	(558)
Total liabilities		(464)	(558)
Net assets		15,633	16,969
EQUITY			
Capital and reserves			
Called up share capital	9	726	723
Share premium account		17,740	17,624
Other reserves		1,505	1,223
Profit and loss account		(4,338)	(2,601)
Shareholders' funds		15,633	16,969

The loss for the Company for the year was £1,737,000 (2024: £1,171,000)

The Financial Statements were approved by the Directors and were authorised for issue on 9 September 2025.

R Murray
Director

Company Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital £000s	Share premium £000s	Other reserve £000s	Profit and loss account £000s	Total equity £000s
Balance at 30 June 2023	656	14,281	922	(1,430)	14,429
Share option charge	–	–	301	–	301
New shares issued net of costs	67	3,343	–	–	3,410
Transactions with owners	67	3,343	301	–	3,711
Loss for the year	–	–	–	(1,171)	(1,171)
Total comprehensive loss	–	–	–	(1,171)	(1,171)
Balance at 30 June 2024	723	17,624	1,223	(2,601)	16,969
Share option charge	–	–	282	–	282
New shares issued net of costs	3	116	–	–	119
Transactions with owners	3	116	282	–	401
Loss for the year	–	–	–	(1,737)	(1,737)
Total comprehensive loss	–	–	–	(1,737)	(1,737)
Balance at 30 June 2025	726	17,740	1,505	(4,338)	15,633

The accompanying accounting policies and notes form an integral part of these Financial Statements.

Company Statement of Cash Flows

For the year ended 30 June 2025

	2025 £000s	2024 £000s
Cash flows from operating activities		
Loss after taxation	(1,737)	(1,171)
Adjustments for:		
Interest income	(64)	(19)
Share based payments	23	56
Decrease in debtors and other receivables	83	272
Decrease in creditors and other payables	(94)	(526)
Net cash used in operating activities	(1,789)	(1,388)
Cash flows from investing activities		
Interest received	64	19
Repayment of loan by Group Undertakings	845	–
Net cash generated from investing activities	909	19
Cash flows from financing activities		
Issue of shares – net of cost of issue	119	3,410
Drawdown on loan facility	–	1,000
Repayment of loan facility	–	(1,000)
Net cash generated from financing activities	119	3,410
Net (decrease) / increase in cash	(761)	2,041
Cash and cash equivalents at beginning of year	2,051	10
Net (decrease) / increase in cash	(761)	2,041
Cash and cash equivalents at end of year	1,290	2,051

Notes to the Company Financial Statements

For the year ended 30 June 2025

1. Accounting policies

Basis of preparation

The Financial Statements of the Company have been prepared on a going concern basis in accordance with the accounting policies set out below, and under the historical cost convention. These are in conformity with the UK adopted international accounting standards (UK-IFRS) and the requirements of the Companies Act 2006.

As disclosed in the Group's Directors Report above, the Directors have continued to adopt the going concern basis in preparing the Company's Financial Statements.

The Financial Statements are presented in pounds sterling (£) rounded to the nearest £1,000, which is also the functional currency of the Company.

Statement of compliance with IFRS

The material accounting policies adopted by the Company are set out below.

Standards and interpretations in issue but not yet effective

At the date of authorisation of these Financial Statements, there are a number of other amendments and clarifications to IFRS effective in future years, which are not expected to significantly impact the Group's consolidated results or financial position.

Taxation

Current tax is the tax payable based on the loss for the year, accounted for at the rates substantively enacted at 30 June 2025.

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred by the year end. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the year end.

Investments

Shares in subsidiary undertakings are included at original cost less any amounts written off for permanent diminution in value.

Financial assets and liabilities

The Company classifies its financial assets under the definitions provided in International Financial Reporting Standard 9 (IFRS 9), depending on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition. Management considers that the Company's financial assets fall under the amortised cost category. These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date, which are classified as non-current assets. The Company's financial assets held at amortised cost arise principally through the provision of intercompany loans, but also incorporate other types of contractual monetary asset. As such they comprise amounts owed by group undertakings, other receivables and cash and cash equivalents. Financial assets do not comprise prepayments.

The Company's financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. The Company's financial assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for receivables, being loss allowances for 'expected credit losses' (ECLs) per IFRS 9, are measured on a lifetime basis using the simplified approach set out in that financial reporting standard. The Company's method in measuring ECLs reflects:

- unbiased and probability-weighted amounts, determined using a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company classifies its financial liabilities under the definitions provided in IFRS 9. All financial liabilities are recorded initially at fair value plus or minus directly attributable transaction costs. Except where noted, such liabilities are then measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include trade payables, intercompany payables and accruals. All financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provision of the instrument. Financial liabilities do not comprise deferred income.

Unless otherwise indicated, the carrying values of the Company's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

The Board assesses whether intercompany balances should be reclassified as net investments under IAS21 on an annual basis. This assessment involves reviewing the expectation was that the balances would be repaid over time, supported by forecasted cash generation and profitability. The Board would then conclude whether the criteria under IAS 21 have been met and would then reclassify the intercompany as a net investment. The criteria for classification as a net investment in a foreign investment under IAS 21 which is supported by the following:

- The balance represents a long-term funding arrangement with no expectation of repayment in the foreseeable future.
- It supports the strategic operations.
- It is denominated in GBP and translated to another currency, making it subject to foreign exchange revaluation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits.

Going Concern

Please refer Group Note 4c.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares. The shares have attached to them voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Notes to the Company Financial Statements continued

- "Share premium" represents the difference between the nominal and issued share price
- "Other reserves" represents the cumulative charge for the Company's share option scheme
- "Profit and loss account" represent cumulative retained profits of the Company

Equity-based and share-based payment transactions

The Company's share option schemes allow employees to acquire shares in PCI-PAL PLC to be settled in equity. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity in the Company accounts. The fair value is measured at grant date and spread over the period during which the employees will be entitled to the options. The fair value of the options granted is measured using either the Black-Scholes option valuation model or the Monte Carlo option pricing model, whichever is appropriate for the type of options issued. The valuations consider the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

On the date of the statement of financial position, the Company revises its estimate of the number of equity instruments that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment is made to equity over the remaining vesting period. The fair value of the awards and ultimate expense are not adjusted on a change in market vesting conditions during the vesting period.

The value of share-based payment is taken directly to reserves and the charge for the period is recorded in the income statement. The Company's scheme, which awards shares in the Company, includes recipients who are employees in all subsidiaries. In the consolidated Financial Statements, the transaction is treated as an equity-settled share-based payment, as the PCI-PAL has received services in consideration for equity instruments. An expense is recognised in the Group income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity.

In the Company's and subsidiaries' Financial Statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting year, with a credit recognised in equity on the subsidiary's accounts. This credit is treated as a capital contribution. In the Company's Financial Statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the Company recognising an increase in the investment in its subsidiaries reflecting a capital contribution from the Company.

Contribution to defined contribution pension schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the year end.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise.

Critical accounting estimates

In the application of the Group's accounting policies the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other commercial and market factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and at least annually. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key areas are summarised below:

Impairment of receivables due from subsidiaries

The Company has intercompany receivables of £13.42m (2024: £14.27m). The management have reviewed these intercompany loans and have concluded that, given the strong growth and future prospects of the relevant subsidiaries, there is no impairment required.

- Alternative accounting estimate that could have been applied – impair the intercompany receivable
- Effect of that alternative accounting estimate – at Company level reduction of intercompany asset and corresponding charge to the Statement of comprehensive income.

Critical accounting judgements

From FY25 onwards there was a reclassification of intercompany balance as a net investment under IAS21. The Board based the decision on a reassessment of the nature and strategic intent of the funding arrangement conducted during FY25. Prior to FY25, the intercompany balance included a mix of operational and investment-related transactions and no designation as a net investment had been made. In FY25 the Directors concluded that the balance represents a long term funding arrangement with no expectation of settlement in the foreseeable future, thereby meeting the criteria for net investment classification under IAS 21. As IAS 21 does not mandate retrospective application for such reclassifications, the Group has elected to apply the treatment from FY25 onwards.

2. Loss for the financial year

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own the statement of comprehensive income in these Financial Statements. The loss for the Company for the year was £1,737,000 (2024: £1,171,000).

3. Personnel remuneration

During the period the Company had three employees James Barham, William Good (resigned on 15 July 2024) and Ryan Murray (appointed on 14 October 2024) and also pays the service fees of three Non-Executive Directors. Their salaries and benefits are disclosed in the Directors' Report in the Group accounts above.

Notes to the Company Financial Statements continued

4. Interest income

The Company received interest from bank deposits of £64,000 (2024: £19,000).

The Company does not charge interest on its intercompany balances.

5. Fixed asset investments

	Subsidiary undertakings £000s	Total £000s
Cost at 1 July 2023	748	748
Additions	245	245
Cost at 30 June 2024	993	993
Additions	258	258
Cost at 30 June 2025	1,251	1,251

The additions to the cost of investment in subsidiary undertakings relates to the capital contribution by the Parent company in respect of the share based payment expense of the employees of subsidiary companies.

Details of the investment in which the parent company holds 20% or more of the nominal value of any class of share capital are as follows:

Name	Country of Incorporation	Class of share capital held	Proportion held	Nature of business
PCI-Pal (U.K.) Limited ¹	England	Ordinary	100%	Payment Card Industry software services provider
IP3 Telecom Limited ¹	England	Ordinary	100%	Dormant
The Number Experts Limited ¹	England	Ordinary	100%	Dormant
PCI Pal (US) Inc ²	United States of America	Ordinary	100%	Payment Card Industry software services provider
PCI Pal (AUS) Pty Ltd ³	Australia	Ordinary	100%	Payment Card Industry software services provider
PCI Pal (Canada) Inc ⁴	Canada	Ordinary	100%	Payment Card Industry software services provider

¹ Registered at 7 Gamma Terrace, Ransomes Europark, Ipswich, Suffolk IP3 9FF

² Registered at 2215B Renaissance Drive, Las Vegas, Nevada USA 89119

³ Registered at 62 Burwood Road, Burwood, NSW 2134 Australia

⁴ Registered at 199 Bay Street, Suite 4000, Toronto, Ontario, Canada M5L 1A9

6. Trade and other receivables

	2025 £000s	2024 £000s
Amounts due within one year:		
Amounts owed by group undertakings	3,649	14,269
VAT recoverable	28	–
Prepayments	99	167
Accrued income	4	6
Trade and other receivables due within one year	3,780	14,442

Amounts owed by Group undertakings within one year are repayable on demand and there is no interest charged.

	2025 £000s	2024 £000s
Amounts due after more than one year:		
Amounts owed by group undertakings	9,775	–
Prepayments	1	41
Trade and other receivables due in more than one year	9,776	41

Notes to the Company Financial Statements continued

During the year, £9,775,000 of amounts owed by Group undertakings were reclassified as a net investment. Amounts owed by Group undertakings after more than one year are repayable on demand and there is no interest charged. However, settlement of amounts owed by Group undertakings of more than one year is neither planned nor likely to occur within the next twelve months.

The Company has obtained confirmation of the recoverability of receivables due from Group undertakings. In the event that any counterparties are unable to settle their obligations when due, the Company does not expect to seek repayment of such amounts within the next twelve months.

7. Current liabilities

	2025 £000s	2024 £000s
Trade creditors	98	68
Accruals	366	490
Total current liabilities due within one year	464	558

8. Deferred taxation

	2025 £000s	2024 £000s
Balance at 30 June	–	–
Unprovided deferred tax assets		
Equity-settled share options	38	92
Trading losses	2,693	2,242
	2,731	2,334

The unprovided deferred tax assets are calculated at an average rate of 25% (2024: 25%).

The deferred tax asset is not recognised as there is insufficient evidence of future taxable profits against which the asset will be available for offset.

9. Share capital

Company	2025 Number	2025 £000s	2024 Number	2024 £000s
Authorised:				
Ordinary shares of 1 pence each	100,000,000	1,000	100,000,000	1,000
Allotted called up and fully paid:				
Ordinary shares of 1 pence each	72,619,818	726	72,259,818	723

The Company owns 167,229 (2024: 167,229) shares and these are held as Treasury Shares.

On 05 July 2024, the Company issued 25,000 ordinary shares of 1 pence in settlement of an exercise of options at 28.5 pence per share.

On 08 July 2024, the Company issued 300,000 ordinary shares of 1 pence in settlement of an exercise of options at 33 pence per share.

On 15 December 2024, the Company issued 25,000 ordinary shares of 1 pence in settlement of an exercise of options at 44 pence per share.

On 25 June 2025, the Company issued 10,000 ordinary shares of 1 pence in settlement of an exercise of options at 28.5 pence per share.

10. Dividends

The Directors have proposed no final dividend of in respect of the year ended 30 June 2025 (2024: nil pence per share).

Notes to the Company Financial Statements continued

11. Financial assets and liabilities

The Company uses various financial instruments including cash, trade payables, other payables, that arise directly from its operations. The main purpose of these financial instruments is to maintain adequate finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in detail below. The Directors do not consider price risk to be a significant risk. The Directors review and agree policies for managing each of these risks, as summarised below, and these remain unchanged from previous years.

Capital Management

The capital structure of the Company consists of cash and equity. The Company's objective when managing capital is to maintain the cash position to protect the future on-going profitable growth which will reflect in shareholder value.

At 30 June 2025, the Company had a closing cash balance of £1,290, 000 (2024: £2,051,000).

The Company, along with its subsidiaries, have a multi-currency revolving loan facility, secured on the assets of the Group by fixed and floating debentures with appropriate cross guarantees, with HSBC Innovation Bank with a maximum facility of £3m. The available facility level is calculated on a quarterly basis.

On 5th September 2025, the Group extended the facility term for an additional 12 months to 31 July 2027.

Financial risk management and objectives

The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors achieve this by regularly preparing and reviewing forecasts based on the trends shown in the monthly management accounts.

Credit risk

The Company's principal financial assets are cash and intercompany receivables.

The main credit risk arises from the intercompany receivables. The Directors monitor the trading of its subsidiaries closely to ensure they are performing in line with expectations.

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy through the period has been to ensure continuity of funding by equity backed up by access to a maximum £3.0m multi-currency revolving loan facility, as detailed above.

The table below summarises the maturity profile of the Company's financial liabilities at the year-end based on contractual undiscounted payments.

At 30 June 2025:

Company	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade payables and other creditors	–	98	–	–	–	98
	–	98	–	–	–	98

At 30 June 2024:

Company	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade payables and other creditors	–	68	–	–	–	68
	–	68	–	–	–	68

Foreign currencies and foreign currency risk

The Company does not hold foreign currency. Any amounts received by it from its subsidiaries are usually paid over in GBP. If funds are received in currency they are immediately converted to GBP at the prevailing bank currency conversion rate. Intercompany loans from PCI-PAL PLC to fund its subsidiaries are denominated in GBP, and so the Company does not face any foreign currency translation risk on these loans.

As a result no sensitivity analysis is required in respect of foreign currency risks, although management will keep the need for sensitivity analysis under regular review going forward.

Notes to the Company Financial Statements continued

12. Contingent liabilities

In October 2019 the Company entered into a £2.75 m loan facility with Shawbrook Bank. As part of the loan agreement Shawbrook Bank will be entitled to receive a cash based payment calculated on the value generated, over a 10 year period up to October 2029, on the equivalent of £206,250 of phantom shares (being 7.5% of the facility) if there is a takeover of the Group or a debt refinancing of the Shawbrook debt.

The exit fee is a cash payment of a sum equal to P, where:

$$P = (A \times B) - C$$

and where:

A = the Phantom Shares Number – the Phantom Shares Value divided by the fair market value of one ordinary share, calculated using the average of the closing share price in the previous five days immediately prior to the date of the facility letter;

B = the fair market value of one ordinary share at the time of the exit fee event; and

C = the Phantom Shares Value, which is £206,250.

An Exit Fee Event is where there is:

- (a) a sale or other disposition of all or substantially all of the assets in the Company in whatever form (whether in a single transaction or multiple related transactions); or
- (b) an acquisition of shares in the Company by a person (and any persons acting in concert with that person) that results in that person (together with any such persons acting in concert) acquiring a controlling interest in the Company; or
- (c) a reorganisation, consolidation or merger of the Company (whether in a single transaction or multiple related transactions) where shareholders before the transaction(s) directly or indirectly beneficially own issued voting securities of the surviving entity after the transaction(s) together carrying the right to cast 50% or less of the votes capable of being cast at general meetings of the surviving entity; or
- (d) a distribution or other transfer of assets to the shareholders of the Company in connection with the liquidation of the Company; or

The debt facility was repaid from cashflow in June 2021 and so no exit fee was triggered. However, there still remains a contingent liability if the Company is taken over.

13. Subsequent events

An extension to the Revolving Credit facility with HSBC, up to 31 July 2027, was signed on 5th September 2025.

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