*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.*

4 March 2025

**PCI-PAL PLC**

("PCI Pal" or “the Group” or “the Company”)

**Interim Results for the six months to 31 December 2024**

**Analyst Briefing & Investor Presentation**

PCI-PAL PLC (AIM: PCIP), the global cloud provider of secure payment solutions for business communications, is pleased to announce its unaudited interim results for the six months to 31 December 2024 (the “Period” or “H1”).

**Financial highlights for the Period**

| | H1 FY25 ending 31 December 2024 | As restated* H1 FY24 ending 31 December 2023 | Change |
|---|---|---|---|
| | | | |
| Revenue | £10.57m | £8.42m | +26% |
| Gross Margin % | 90% | 89% | +100 bp |
| % of revenues from recurring contracts | 91% | 89% | +200 bp |
| Adjusted EBITDA[1] profit / (loss) | £0.95m | (£0.07m) | +1,450% |
| Adjusted profit/(loss) from operating activities[2] | £0.18m | (£0.73m) | +124% |
| Adjusted profit/(loss) before tax[2] | £0.20m | (£0.78m) | +125% |
| | | | |
| ARR[3] | £16.75m | £13.83m | +21% |
| TACV[4] | £20.30m | £17.46m | +16% |
| New ACV[5] contract sales in Period | £1.91m | £1.60m | +19% |
| | | | |
| NRR[6] | 102% | 102% | |
| GRR[7] | 95% | 96% | -100bp |
| | | | |

* As restated, see note 7 for further details.

**Operating highlights in the Period**

- Exit run rate ARR at the end of the Period increased 21% to £16.8 million
- Record H1 new business sales at £1.9 million, up 19%
- Adjusted EBITDA of £0.95 million and Adjusted profit from operating activities of £0.18 million
- Expansion of partner eco-system in Period with signing of new strategic partnership with RingCentral, Inc
- Successful renewal of large UK government contract worth £5m over initial three year period, with option to extend for further three years
- Continued exceptional performance of public cloud platform with uptime exceeding 99.999% and now providing services to over 700 customers globally
- Progress with product roadmap with first in-app AI capabilities amongst other features expected to be launched later in CY25
- Successful competitor displacement with enterprise contract win in UK with FTSE250 company
- New CFO on-boarded, continued strong cohesion of PCI Pal leadership team, and excellent corporate culture with high people retention
- New PCI Pal Advisory Committee member added, Tamzyn Furse, an experienced Chief People Officer with experience in growing exceptional teams in fast growing international technology companies.

[1] Adjusted EBITDA is the loss on Statutory Operating Activities before depreciation and amortisation, exchange movements charged to the profit and loss, exceptional items, non-operational costs and expenses relating to share option charges.

[2] Adjusted for exchange movements charged to the profit and loss, exceptional items, non-operational costs and expenses relating to share option charges.

[3] ARR is the Annual Recurring Revenue of all the deployed contracts.

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

[5] ACV is the annual recurring revenue generated from a contract.

[6] 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.

[7] AWS platform Gross Retention Rate is calculated using the ACV of retained, deployed contracts from twelve months ago divided by the opening total value of deployed contracts at the start of the twelve month period

## Current trading & Outlook

The new business sales momentum in H1 has continued into H2 with ACV to end of February 2025 now at £2.7 million with the Company's sales pipeline growing with the addition of a number of new strategic partners this year.

Deployments remain the key driver for revenue recognition of those services that have been sold and contracted to date in order to deliver management's full year revenue and closing ARR run rate expectations. We remain focused on continuing the operational progress we have made to date to reduce the Company's time to revenue for those newly signed customer projects yet to reach revenue recognition.

As we continue to execute against our near-term objectives, we are also looking ahead to the strategic opportunity for the business given the sizeable addressable market. This includes expanding our international footprint, with our first hires in mainland Europe expected later this financial year; expanding our product suite with adjacent products to drive new revenue streams; and increasing our awareness of selective M&A opportunities that would complement our organic growth strategy and drive further value to shareholders either through earnings enhancement or accelerated adjacent product opportunities.

**Commenting on the results for the Period and prospects, James Barham, Chief Executive Officer said:**

"I am pleased with our execution in H1 with highlights being the strong momentum in new business sales, the expansion of our market-leading partner eco-system, and solid progress against our product roadmap objectives for the year. We have built up an excellent market position as the leading cloud provider in our space, and we intend to capitalise on this to take advantage of the sizeable addressable market opportunity ahead.

"Organic growth at greater scale requires investment, and we intend to prudently utilise the profitability of the Group to drive continued long term growth momentum, whilst also continuing to consider inorganic growth opportunities.

"The Board remains confident in the Company's prospects and is keenly focused on delivering the Group's near-term objectives whilst also strategically looking ahead to the next 3-5 years and the opportunity to scale the business further, utilising the strong foundations we have built to date."

## Analyst Briefing: 9.30am today, Tuesday 4 March 2025

An online briefing for Analysts will be hosted by James Barham, Chief Executive, and Ryan Murray, Chief Financial Officer, at 9.30am today Tuesday 4 March 2025, to review the results and prospects. Analysts wishing to attend should contact Walbrook PR on pcipal@walbrookpr.com or 020 7933 8780.

## Investor Presentation: 3.00pm on Thursday 6 March 2025 (UK time)

The Directors will hold an investor presentation to cover the results and prospects at 3.00pm on Thursday 6 March 2025 (UK time).

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company and add to meet PCI-PAL PLC via the following link https://www.investormeetcompany.com/pci-pal-plc/register-investor. For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to pcipal@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

**For further information, please contact:**


| | |
|---|---|
| **PCI-PAL PLC** | Via Walbrook PR |
| James Barham - Chief Executive Officer | |
| Ryan Murray - Chief Financial Officer | |
| **Cavendish Capital Markets Limited (Nominated Adviser and Broker)** | +44 (0) 20 7227 0500 |
| Marc Milmo/Fergus Sullivan/Finn Gordon (Corporate Finance) | |
| Sunila De Silva (Corporate Broking) | |
| **Walbrook PR** | +44 (0) 20 7933 8780 |
| Tom Cooper/Nick Rome | +44 (0) 797 122 1972 |
| | tom.cooper@walbrookpr.com |


**About PCI Pal:**

PCI Pal is a leading provider of Software-as-a-Service (“SaaS”) solutions that empower companies to take payments from their customers securely, adhere to strict industry governance, and remove their environments from the significant risks posed by non-compliance and data loss. Our products secure payments and data in any business communications environment including voice, chat, social, email, and contact centre. 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 our product-base is available from our global cloud platform hosted in Amazon Web Services (“AWS”), with regional instances across EMEA, North America, and ANZ.

For more information visit www.pcipal.com or follow the team on Linkedin: https://www.linkedin.com/company/pci-pal/

## Chief Executive Officer's Business Review

Overview

I am pleased to report a solid first half to the financial year, with highlights including a record H1 for new business sales, a year-on-year ARR increase of 21%, and the Company's first H1 reporting full Group adjusted profit before tax.

Group revenues for the Period were 26% ahead of the restated prior year at £10.6 million (H1 FY24: £8.4 million). The underlying Normalised* revenue growth was 13%. Recurring revenues made up 91% of Group revenue (2023: 89%).

Importantly, the key growth metric of exit run rate ARR increased 21% to £16.8 million compared to the same period last year (H1 FY24: £13.8 million). This continued growth reflects the accumulation of new business sales and increasing momentum of these contracts reaching revenue recognition as deployments occur.

Underpinning revenue growth, and reflecting the Company's high service levels and robust customer and partner relationships, is continued strong customer retention with GRR for the Period at 95% (H1 FY24: 96%). NRR was in line with expectations and the prior year period at 102% (H1 FY24:102%). Given the Company's strength in retaining customers, we see a significant opportunity to drive cross-sell and upsell and therefore increase the Group's NRR going forward.

In line with management expectations, the Group was profitable with Adjusted Profit Before Tax of £0.2m. Cash remained stable even with continued investment in the business for growth.

*Normalised revenue growth is calculated by excluding the revenue recognised in the Period that was subsequently deferred from FY24 to FY25.

New Business Sales

The Company achieved a record H1 with new business ACV 19% ahead of the same period last year at £1.9m (H1 FY24: £1.6 million). We continue to be encouraged by the mix of new business sales that we are seeing across the business. We achieved strong month to month run-rate new business sales spanning commercial and mid-market deals, from the smaller £10k ACV contracts up to £100k ACV in value. On top of this important run rate, we are adding new enterprise deals with contact centres, many of which exceed 1,000 agent seats in size. This mix underscores PCI Pal's capability to service the breadth of our market which is important to allow us to address the entire contact centre market globally.

PCI Pal's strength in serving enterprise contact centres has grown substantially in the last five years. Today we have an enviable enterprise customer-base, supporting enterprise organisations that have now transitioned to the cloud. We were very pleased to successfully secure the renewal of one of our largest customers, the UK Government Department for Work and Pensions ("DWP"), which is one of the largest contact centres in Europe. The contract is initially worth over £5.0 million across an initial three-year term and includes the option for the DWP to renew for up to a further three years at the end of the initial period on the same commercial terms.

In the first half of the year we saw good growth in our sales pipeline through a combination of partner and direct sourced opportunities, providing a positive backdrop for H2. The increased number of enterprise deals in our pipeline is notable. Whilst these deals are less numerous and more difficult to predict in terms of timing, when layered onto PCI Pal's consistently strong run rate of commercial and mid-market deals, they provide a substantial growth opportunity for the Company.

At end of the Period, the Total Annual Contract Value ("TACV") of all customers contracted, whether at the stage of revenue recognition (ARR) or not, stood at £20.3m which is 16% greater than the same period in the prior year (2023: £17.5m).

Partner Eco-system

In the last five years, the Company has been successful in executing against its strategy to be the secure payment provider of choice to the world's leading business communications vendors. Today, PCI Pal's market leading partner eco-system consistently delivers more than 70% of the Company's new customers each year. The eco-system includes integrated reseller and OEM relationships with the majority of the leading names in the cloud communications market globally such as Genesys, Zoom, RingCentral, Talkdesk, 8x8, and Amazon.

In H1, 75% of new logo customers came from partners making up 77% of the new ACV value signed in the Period. FY25 includes the introduction of three new strategic partnerships, the first with Zoom, which as previously announced launched in late Q4FY24, and represents an exciting long term opportunity as Zoom expand their unified communications and video business into the CCaaS market. The second is an extension to our marketplace partnership with Five9 Inc which now includes a repeatable integration to their CCaaS platform and improved levels of engagement with their sales teams in North America. The third is RingCentral who with 6,000 employees globally is another major vendor in the UCaaS and CCaaS market with its AI-powered cloud communications suite.

PCI Pal was selected by RingCentral's product team in Q1FY25 and the integrated partnership is expected for launch imminently across North America and Europe regions, with ROW expected thereafter. Sales enablement is now fully underway with sales pipeline building and there is strong peer to peer collaboration across both organisations. We look forward to updating investors further on this important new partner as the launch progresses.

PCI Pal's agnostic approach to the business communications space, supported by our patented innovation around voice integrations, has allowed us to be the provider of choice for these international vendors.

Conversational AI Partner Update:

Conversational AI is providing businesses with an alternative option to human contact centre agents, with AI chat and voice bots now beginning to be used in customer engagements. Bots are becoming an alternative to human agents for more basic or generic tasks, while human agents become more specialised on more complex tasks. At PCI Pal we have been proactive in aligning ourselves with this new category of technology partners who have a need for our services. Our partners in the space include PolyAI and Converse360 as well as a number of CCaaS partner's own conversational AI solutions.

Whilst there are very few payments handled across voice or chat bot customer interactions today, we expect there to be an increase over time as the technology advances and the adoption of AI as a customer experience ("CX") strategy within organisations gathers more momentum. The conversational AI space is relatively immature with a high number of earlier stage vendors and a smaller number of larger, more mature providers. In keeping with our strategic approach to reseller partnerships in general, we are taking a proactive but targeted approach to vendors in the space that we aim to align ourselves with.

We have been working on a number of projects which are going through solution design and testing for integration with a number of conversational AI vendors who we expect to add to our reseller community in the near term. We are also working with existing CCaaS partners who themselves have their own conversational AI solutions that we are integrating to and that will be incorporated commercially into their existing reseller agreements with us.

Running in tandem with these specific project efforts, we expect to launch a chat and voice bot API in H2 which will provide future conversational AI partners with a generic and simple way to integrate PCI Pal's secure payment capabilities into their own conversational flows. By utilising PCI Pal services, these AI providers are able to fully de-scope their own networks from handling sensitive payment data, whilst also gaining valuable access to PCI Pal's extensive range of payment provider integrations which today is more than 120 organisations.

## Platform & Product Update

The investment we have made in the last few years, to expand the Company's engineering function to be more in line with peer group SaaS technology companies, is paying off. Today we not only have the most mature public cloud platform in our market having been first to market in 2017, but also an extensive customer-base with over 700 organisations utilising its capabilities across numerous regional instances in AWS across North America, Europe, and ANZ.

In the Period we made good progress in rolling out a standardisation enhancement to our secure payment products to key partners. This standardisation approach is applied to SMB customers using a feature-rich standardised version of our products to facilitate more out-of-the-box deployments, which is only now possible due to the product enhancements we have made in prior years which provides for a more feature-rich standard service offering. Larger scale deployments for enterprise customers are afforded more customisation. Over the next 18 months we expect to see an accelerated shift in Professional Services efforts in the business to focus more on higher value, enterprise contracts, with the standardised approach reducing the team's involvement on smaller contracts.

In terms of new products and features, we have progressed development work on new features to our core products leveraging our own AI capabilities. In the Period we have made further progress in consolidating our data backbone which will enable these AI capabilities for which data access is absolutely critical. The Company expects to launch the first of these AI product features later in the calendar year. The benefits will include enhanced CX, making our services even easier and more intuitive for customers to use; improved agent experience, putting more power into the agent's hands to run customer interactions in an optimal way; and increased data analytics capabilities providing intelligence to our customers that we expect will allow them to generate more revenue whilst cutting costs of processing customer payments.

James Barham
Chief Executive Officer
4 March 2025

**CFO's Financial Review**

Our first half financial results demonstrate further progress in delivering the Group's growth strategy.

Revenue and gross margin

Revenue for H1 increased 26% to £10.57 million (H1 FY24: £8.42 million restated). The restatement reflects revenue that was recognised in the period H1 FY24 that was subsequently reclassified as deferred income at the financial year end. After excluding the revenue recognised in the current Period that was deferred from the full year FY24 to FY25, the normalised revenue growth was 13%.

Gross margin increased to 90% compared to 89% in the prior period, reflecting continued focus on delivering high-quality recurring licence revenues from our public cloud platform hosted in AWS. Of the revenues reported in the Period, 91% was recurring (H1 FY24: 89%).

Gross revenue retention rates continue to be high at 95% (H1 FY24: 96%) and in line with management's expectations year to date. Net revenue retention (NRR), which we report on a rolling 12-month basis, continued to be positive at 102% (H1 FY24: 102%) as the Group upsells more contracts to existing customers.

Adjusted profitability and cash flow

In order to provide a meaningful financial comparison of how the business is performing between periods, the Group measures adjusted EBITDA, adjusted operating profit and adjusted operating cashflow which exclude items that could distort the understanding between comparability periods.

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

| £' 000 | **H1 FY25** | *Restated* **H1 FY24** |
|---|---|---|
| Loss from operating activities | (309) | (1,576) |
| Exceptional items | - | 635 |
| Non-operational costs | 346 | - |
| Exchange movements | 11 | 67 |
| Share Option charge | 127 | 139 |
| **Adjusted operating profit/(loss)** | **175** | **(735)** |
| Depreciation and amortisation | 774 | 665 |
| **Adjusted EBITDA** | **949** | **(70)** |

There were no exceptional items reported in the profit and loss in the first half of the year. In the prior year, total exceptional items were £0.64 million which related to the patent case. A share-based payment charge of £0.13 million was also recorded in the first half period and was broadly in line with the prior year charge of £0.14m.

Non-operational costs in H1 FY25 includes software implementation expenditure, which in line with IFRIC guidance on accounting for cloud implementation costs, is expensed to the profit and loss, and other expenses incurred evaluating corporate opportunities.

| £' 000 | **H1 FY25** | *Restated* **H1 FY24** |
|---|---|---|
| Loss before tax | (286) | (1,625) |
| Exceptional items | - | 635 |
| Non-operational costs | 346 | - |
| Exchange movements | 11 | 67 |

| | | |
|---|---|---|
| Share Option charge | 127 | 139 |
| **Adjusted Profit/(Loss) before tax** | **198** | **(784)** |

The Group delivered an adjusted profit before tax of £0.20 million in the Period, compared to an adjusted loss before tax in the prior year demonstrating the continued positive operational gearing level of the business. Profitability will continue to be managed in line with required investment for future growth.

Total administrative expenses were £9.78 million (H1 FY24: £9.06 million), an increase of 8%. Included in this expenditure was capitalised software development of £0.80 million (H1 FY24: £0.87 million) as well as the expense of running our AWS global platform and associated software, which was £0.53 million in the Period (H1 FY24: £0.54 million).

Positive cash from operations of £0.35 million was generated in the Period (H1 2024: £(0.20) million). After adjusting for exceptional and non-operational costs, the Group delivered cash from operations of £0.98 million (H1 2024: £0.80 million). This has been achieved as a result of solid revenue growth, operational delivery efficiencies and prudent cost control. Adjusted free cash flow for the Period was £0.30m (H1 2024: £0.63 million). In the prior year, the free cash flow benefited from a R&D tax refund of £0.54 million.

At the Period end, the Group held net cash of £4.00 million and continues to have access to an undrawn £3.00 million debt facility with its bank HSBC.

Principal operational Key Performance Indicators

In addition to the financial Key Performance Indicators (KPIs), the following operational KPI's are also monitored.

| £'000 | **H1 FY25** | *Restated* **H1 FY24** | % Change |
|---|---|---|---|
| Annual Recurring Revenue (ARR) | 16,754 | 13,826 | 21% |
| Projects in deployment | 2,922 | 2,927 | |
| Projects on hold | 621 | 705 | -12% |
| TACV | 20,297 | 17,457 | 16% |
| New ACV contracted sales in the Period | 1,912 | 1,603 | 19% |
| AWS Gross Retention Rates | 95% | 96% | -1% |
| AWS Platform Net Retention Rates | 102% | 102% | |

ARR has increased by 21% to £16.75 million. Additionally, there is £2.92 million of projects in deployment which should convert to ARR in the near future. The deployment process is influenced by the availability of resources of the end customer and technical work required from the channel partner that is independent of our product, and over which PCI Pal has limited influence. The value of projects on hold has reduced by 12% reflecting the high quality of the services sold and as a percentage of TACV has decreased to just 3% (H1 2024: 4%). This is a positive trend. Overall, all signed contracts saw year-on-year growth of 16% to £20.3m.

Financial Outlook

The Group delivered a strong first half performance with the second half of the financial year having started well. With continued robust demand for our cloud platform adding to TACV, when deployed, this contributes to the Group's growing recurring revenues. In line with stated objectives, investment will continue in the business to take advantage of this which includes expanding international growth, further capitalising on our partner eco-system, and launching new complementary features and products to our partners and customers. This is supported by the Group's cash generation and a strong balance sheet.

Ryan Murray
Chief Financial Officer
4 March 2025

## Consolidated statement of comprehensive income
for the six months ended 31 December 2024

| | **Six months ended 31 December 2024 £'000 (unaudited)** | As restated* Six months ended 31 December 2023 £'000 (unaudited) | Twelve months ended 30 June 2024 £'000 (audited) |
|---|---|---|---|
| **Revenue** | **10,575** | 8,419 | 17,960 |
| Cost of sales | **(1,105)** | (940) | (1,939) |
| **Gross profit** | **9,470** | 7,479 | 16,021 |
| Administrative expenses | **(9,779)** | (9,055) | (17,683) |
| **Loss from operating activities** | **(309)** | (1,576) | (1,662) |
| Finance income | **58** | 10 | 32 |
| Finance expenditure | **(33)** | (59) | (84) |
| **Loss before taxation** | **(286)** | (1,625) | (1,714) |
| Taxation | **(2)** | 535 | 535 |
| **Loss for the period** | **(288)** | (1,090) | (1,179) |
| | | | |
| **Other comprehensive expense: items that will be classified subsequently to profit and loss** | | | |
| Foreign exchange translation differences | **(24)** | **72** | 20 |
| **Total comprehensive loss for the period** | **(312)** | **(1,018)** | (1,159) |

| **Loss per share expressed in pence** | | | |
|---|---|---|---|
| Basic and diluted | (0.40) | (1.67) | (1.74) |

*As restated, see note 7 for further details.

## Consolidated statement of financial position

as at 31 December 2024

| | **31 December 2024 £'000 (unaudited)** | As restated* 31 December 2023 £'000 (unaudited) | 30 June 2024 £'000 (audited) |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | **4,179** | 3,491 | 4,097 |
| Plant and equipment | **110** | 148 | 118 |
| Trade & other receivables | **1,266** | 1,269 | 1,513 |
| Non-current assets | **5,555** | 4,908 | 5,728 |
| | | | |
| **Current assets** | | | |
| Trade and other receivables | **5,142** | 5,159 | 5,456 |
| Cash and cash equivalents | **4,003** | 795 | 4,332 |
| Current assets | **9,145** | 5,954 | 9,788 |
| | | | |
| **Total assets** | **14,700** | 10,862 | 15,516 |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | **(2,951)** | (2,335) | (3,067) |
| Deferred Income | **(12,232)** | (11,757) | (12,620) |
| Other interest-bearing loans and borrowings | **-** | (250) | - |
| Current liabilities | **(15,183)** | (14,342) | (15,687) |
| | | | |
| **Non-current liabilities** | | | |
| Other payables | **(114)** | - | (83) |
| Deferred Income | **(1,442)** | (1,915) | (1,716) |
| Long term borrowings | **-** | - | - |
| Non-current liabilities | **(1,556)** | (1,915) | (1,799) |
| **Total liabilities** | **(16,739)** | (16,257) | (17,486) |
| **Net assets/(liabilities)** | **(2,039)** | (5,395) | (1,970) |
| | | | |
| **Shareholders' equity** | | | |
| Share capital | **726** | 656 | 723 |
| Share premium | **17,737** | 14,287 | 17,624 |
| Other reserve | **1,350** | 1,061 | 1,223 |
| Currency reserve | **(298)** | (222) | (274) |
| Profit and loss account | **(21,554)** | (21,177) | (21,266) |
| **Total shareholders' equity** | **(2,039)** | (5,395) | (1,970) |

*As restated, see note 7 for further details.

Deferred income has been disclosed separately in these interim unaudited statements. This disclosure treatment differs from that in the audited accounts for the year ending 30 June 2024.

## Consolidated interim statement of changes in equity

as at 31 December 2024 (unaudited)

| | Share capital | Share premium | Other reserve | Profit and loss account | Currency reserve | Total shareholders' equity |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 July 2023 | 656 | 14,281 | 922 | (19,674) | (294) | (4,109) |
| Impact of change | - | - | - | (413) | - | (413) |
| Balance at 1 July 2023 (as restated*) | 656 | 14,281 | 922 | (20,087) | (294) | (4,522) |
| Share based payment charge | - | - | 139 | - | - | 139 |
| New shares issued net of costs | - | 6 | - | - | - | 6 |
| Dividend paid | - | - | - | - | - | - |
| Transactions with owners | - | 6 | 139 | - | - | 145 |
| Foreign exchange translation differences | - | - | - | - | 72 | 72 |
| Loss for the period (as restated) | - | - | - | (1,090) | - | (1,090) |
| Total comprehensive loss | - | - | - | (1,090) | 72 | (1,018) |
| Balance at 31 December 2023 | 656 | 14,287 | 1,061 | (21,177) | (222) | (5,395) |
| Balance as at 1 January 2024 | 656 | 14,287 | 1,061 | (21,177) | (222) | (5,395) |
| Share based payment charge | - | - | 162 | - | - | 162 |
| New shares issued net of costs | 67 | 3,337 | - | - | - | 3,404 |
| Dividend paid | - | - | - | - | - | - |
| Transactions with owners | 67 | 3,337 | 162 | - | - | 3,566 |
| Foreign exchange translation differences | - | - | - | - | (52) | (52) |
| Loss for the period | - | - | - | (89) | - | (89) |
| Total comprehensive loss | - | - | - | (89) | (52) | (141) |
| Balance at 30 June 2024 | 723 | 17,624 | 1,223 | (21,266) | (274) | (1,970) |
| Balance at 1 July 2024 | 723 | 17,624 | 1,223 | (21,266) | (274) | (1,970) |
| Share based payment charge | - | - | 127 | - | - | 127 |
| New shares issued net of costs | 3 | 113 | - | - | - | 116 |
| Dividend paid | - | - | - | - | - | - |
| Transactions with owners | 3 | 113 | 127 | - | - | 243 |
| Foreign exchange translation differences | - | - | - | - | (24) | (24) |
| Loss for the period | - | - | - | (288) | - | (288) |
| Total comprehensive loss | - | - | - | (288) | (24) | (312) |
| **Balance at 31 December 2024** | **726** | **17,737** | **1,350** | **(21,554)** | **(298)** | **(2,039)** |

*As restated, see note 7 for further details.

## Consolidated statement of cash flows
for the six months ended 31 December 2024

| | **Six months ended 31 December 2024 £'000 (unaudited)** | As restated Six months ended 31 December 2023 £'000 (unaudited) | Twelve months ended 30 June 2024 £'000 (audited) |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss after taxation | **(288)** | (1,090) | (1,179) |
| Adjustments for: | | | |
| Depreciation of equipment and fixtures | **56** | 57 | 116 |
| Amortisation of intangible assets | **718** | 609 | 1,266 |
| Loss on disposal of equipment and fixtures | **-** | - | - |
| Interest income | **(58)** | (10) | (32) |
| Interest expense | **25** | 47 | 58 |
| Exchange differences | **(24)** | 72 | 20 |
| Income taxes | **2** | (535) | (535) |
| Share based payments | **127** | 139 | 301 |
| Increase in trade & other receivables | **562** | 515 | (27) |
| Decrease in trade & other payables | **(767)** | (6) | 1,329 |
| **Cash generated/(used) in operating activities** | **353** | (202) | 1,317 |
| Dividend paid | **-** | - | - |
| Income taxes received | **(2)** | 535 | 535 |
| Interest paid | **(25)** | (47) | (58) |
| **Net cash generated in operating activities** | **326** | 286 | 1,794 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | **(5)** | (20) | (49) |
| Purchase of intangible assets | **-** | (10) | (155) |
| Development expenditure capitalised | **(801)** | (874) | (1,825) |
| Interest received | **58** | 10 | 32 |
| **Net cash used in investing activities** | **(748)** | (894) | (1,997) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | **-** | 1,000 | 1,000 |
| Repayment of borrowings | **-** | (750) | (1,000) |
| Principal element of lease payments | **(23)** | (22) | (44) |
| Issue of shares | **116** | 6 | 3,647 |
| Costs relating to issue of shares | **-** | - | (237) |
| **Net cash generated in financing activities** | **93** | 234 | 3,366 |
| **Net (decrease)/increase in cash** | **(329)** | (374) | 3,163 |
| | | | |
| Cash and cash equivalents at the start of the period | **4,332** | 1,169 | 1,169 |
| Net (decrease)/increase in cash | **(329)** | (374) | 3,163 |
| **Cash and cash equivalents at the end of the period** | **4,003** | 795 | 4,332 |

*As restated, see note 7 for further details.

**Notes to the interim financial statements for the six months ended 31 December 2024**

## 1. Nature of activities and general information

PCI-PAL PLC is the Group's ultimate parent company. It is a public limited company incorporated and domiciled in England and Wales (registration number 3869545). The company's registered office is Unit 7, Gamma Terrace, Ransomes Europark, Ipswich, Suffolk, IP3 9FF. The Company's ordinary shares are quoted and publicly traded on the AIM division of the London Stock Exchange. The Group's consolidated interim financial statements (the "interim financial statements") for the period ended 31 December 2024 comprise the Company and its subsidiaries (the "Group").

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

The interim financial statements are presented in pounds sterling (£000), which is also the functional currency of the parent company.

## 2. Basis of preparation

These consolidated interim financial statements have been prepared on a going concern basis in conformity with the UK adopted international accounting standards "IFRS's" and the requirements of the Companies Act 2006, using the accounting policies which are consistent with those set out in the Group's annual report and accounts for the year ended 30 June 2024.

The unaudited interim financial information for the period ended 31 December 2024 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the year ended 30 June 2024 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and contain an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

## 3. Dividends

The directors do not propose to declare a dividend for the Period.

## 4. Analysis of results

The first half performance of the Group can be further analysed as follows:

| | Six months to Dec 24 EMEA £000s | Six months to Dec 24 North America £000s | Six months to Dec 24 ANZ £000s | Six months to Dec 24 Central costs £000s | **Six months to Dec 24 Total £000s** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue from recurring contract Fees | 5,530 | 3,872 | 211 | - | **9,613** |
| Non recurring transaction Fees | 297 | - | - | - | **297** |
| Set up and Professional Services Fees [1] | 368 | 272 | 25 | - | **665** |
| **Total** | **6,195** | **4,144** | **236** | **-** | **10,575** |
| **Gross Profit** | **5,130** | **4,107** | **233** | **-** | **9,470** |
| Margin % | 82.8% | 99.1% | 98.7% | - | 89.6% |
| Administrative Expenses | (5,537) | (2,891) | (329) | (676) | (9,433) |
| Inter-company Royalty | 1,079 | (1,020) | (59) | - | - |
| Non-operational costs | (96) | - | - | (250) | (346) |
| **Profit/(Loss) from Operating Activities** | **576** | **196** | **(155)** | **(926)** | **(309)** |
| Bank charges and Interest payable | (8) | (3) | - | (24) | (35) |
| Finance Income | 6 | 14 | - | 38 | 58 |
| **Profit/ (Loss) before Taxation** | **574** | **207** | **(155)** | **(912)** | **(286)** |

(1) Set up and Professional Services Fees represents the amortisation of set up fees and other professional services income deferred under IFRS 15

| | As restated Six months to Dec 23 EMEA £000s | As restated Six months to Dec 23 North America £000s | As restated Six months to Dec 23 ANZ £000s | As restated Six months to Dec 23 Central costs £000s | **As restated Six months to Dec 23 Total £000s** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue from recurring contract Fees | 4,815 | 2,513 | 174 | - | **7,502** |
| Non recurring transaction Fees | 259 | - | - | - | **259** |
| Set up and Professional Services Fees (1) | 369 | 275 | 14 | - | **658** |
| **Total** | **5,443** | **2,788** | **188** | **-** | **8,419** |
| **Gross Profit** | **4,544** | **2,748** | **187** | **-** | **7,479** |
| Margin % | 83.5% | 98.6% | 99.5% | - | 88.8% |
| Administrative Expenses | (4,801) | (2,732) | (301) | (586) | (8,420) |
| Inter-company Royalty | 738 | (691) | (47) | - | - |
| Exceptional Items | (12) | (133) | - | (490) | (635) |
| **Profit/(Loss) from Operating Activities** | **469** | **(808)** | **(161)** | **(1,076)** | **(1,576)** |
| Bank charges and Interest payable | (9) | (4) | - | (46) | (59) |
| Finance Income | 10 | - | - | - | 10 |
| **Profit/ (Loss) before Taxation** | **470** | **(812)** | **(161)** | **(1,122)** | **(1,625)** |

(1) Set up and Professional Services Fees represents the amortisation of set up fees and other professional services income deferred under IFRS 15

## 5. Underlying financial performance analysis

The Group uses the following internal metric to calculate Adjusted EBITDA:

| | Six months to Dec 24 EMEA £000s | Six months to Dec 24 North America £000s | Six months to Dec 24 ANZ £000s | Six months to Dec 24 Central costs £000s | **Six months to Dec 24 Total £000s** |
|---|---|---|---|---|---|
| Profit/(Loss) before Taxation | 574 | 207 | (155) | (912) | (286) |
| Adjust for: | | | | | |
| Expenses relating to share options | 91 | 35 | (2) | 3 | **127** |
| Non-operational costs | 96 | - | - | 250 | **346** |
| Exchange Loss/(Gain) | 15 | (33) | 29 | - | **11** |
| Bank charges and Interest Payable | 8 | 3 | - | 24 | **35** |
| Finance Income | (6) | (14) | - | (38) | **(58)** |
| **Adjusted Profit/(Loss) from Operating Activities** | **778** | **198** | **(128)** | **(673)** | **175** |
| Depreciation & Amortisation | 772 | 1 | 1 | - | **774** |
| **Adjusted EBITDA** | **1,550** | **199** | **(127)** | **(673)** | **949** |

| | As restated Six months to Dec 23 EMEA £000s | As restated Six months to Dec 23 North America £000s | As restated Six months to Dec 23 ANZ £000s | As restated Six months to Dec 23 Central costs £000s | **As restated Six months to Dec 23 Total £000s** |
|---|---|---|---|---|---|
| Profit/(Loss) before Taxation | 470 | (812) | (161) | (1,122) | **(1,625)** |
| Adjust for: | | | | | |
| Expenses relating to share options | 76 | 26 | 13 | 24 | **139** |
| Exceptional Items | 12 | 133 | - | 490 | **635** |
| Exchange Loss/(Gain) | 25 | 54 | (12) | - | **67** |
| Bank charges and Interest Payable | 9 | 4 | - | 46 | **59** |
| Finance Income | (10) | - | - | - | **(10)** |
| **Adjusted Profit/(Loss) from Operating Activities** | **582** | **(595)** | **(160)** | **(562)** | **(735)** |
| Depreciation & Amortisation | 664 | - | 1 | - | **665** |
| **Adjusted EBITDA** | **1,246** | **(595)** | **(159)** | **(562)** | **(70)** |

## 6. Earnings per share

The basic and diluted earnings per share are calculated on the following profit and number of shares. Earnings for the calculation of earnings per share is the net profit attributable to equity holders of the parent.

| | **Six months ended 31 December 2024 £000** | **Restated Six months ended 31 December 2023** £000 | Twelve months ended 30 June 2024 £000 |
|---|---|---|---|
| Earnings for the purposes of basic and diluted earnings per share | | | |
| Loss after taxation | **(287)** | **(1,090)** | (1,179) |
| **Denominator** | **'000** | **'000** | '000 |
| Weighted average number of shares in issue in the period | **72,422** | **65,463** | 67,646 |
| Dilutive effect of potential shares and share options | **8,592** | **8,627** | 8,773 |
| Number of shares used in calculating diluted earnings per share | **81,014** | **74,090** | 76,419 |
| Basic and diluted earnings per share expressed in pence | **(0.40)** | **(1.67)** | (1.74) |

There are no separate diluted earnings per share calculations shown as it is considered to be anti-dilutive.

## 7. Prior Period Restatement

The Directors have identified two prior period adjustments as follows:

1. As reported in the FY24 Annual Report, there was an adjustment to correct the historical timing of revenue recognition in respect of certain customer contracts and to appropriately adjust the resulting deferred income balances carried forward.

   At 30 June 2023 and 31 December 2023, the result of this adjustment on the Consolidated Statement of Financial Position was to increase current deferred income by £0.32 million and non-current deferred income by £0.09 million, with a corresponding increase in net liabilities of £0.41 million. There was no impact on the Consolidated Statement of Comprehensive Income and no impact on the Consolidated Statement of Cashflows for this adjustment.

2. As announced on 28 August 2024, there was a deferral of revenue in respect of a specific customer from FY24 into FY25. The impact on the Consolidated Statement of Comprehensive Income for the six-month period ended 31 December 2023 has been to reduce recognised revenue by £0.32 million and a corresponding increase in deferred income by the same amount in the Consolidated Statement of Financial Position.

The effect of the correction of these two prior period adjustments on the Consolidated Statement of Comprehensive Income and the Statement of Financial Position as at 31 December 2023 and 1 July 2023 is shown below.

| | As originally stated | Prior period restatement (1) | Prior period restatement (2) | As restated |
|---|---|---|---|---|
| | £000s | £000s | | £000s |
| **Reconciliation of Comprehensive Income for the six months ended 31 December 2023** | | | | |
| Revenue | 8,736 | - | (317) | 8,419 |
| Loss for the period | (773) | - | (317) | (1,090) |
| Basic and diluted Loss per share (expressed in pence) | (1.18) | - | (0.49) | (1.67) |
| **Reconciliation of equity as at 31 December 2023** | | | | |
| Deferred income due within 1 year | (11,076) | (319) | (362) | (11,757) |
| Total current Liabilities | (13,661) | (319) | (362) | (14,342) |
| Deferred income due after 1 year | (1,866) | (94) | 45 | (1,915) |
| Total non-current liabilities | (1,866) | (94) | 45 | (1,915) |
| Total liabilities | (15,527) | (413) | (317) | (16,257) |
| **Net liabilities** | (4,665) | (413) | (317) | (5,395) |
| Share capital | 656 | - | - | 656 |
| Share premium | 14,287 | - | - | 14,287 |
| Other reserves | 1,061 | - | - | 1,061 |
| Currency reserves | (222) | - | - | (222) |
| Profit and loss account | (20,447) | (413) | (317) | (21,177) |
| **Total equity (Shareholders' deficit)** | (4,665) | (413) | (317) | (5,395) |

The effect of the correction of the first prior period adjustment the Statement of Financial Position as at 1 July 2023 is shown below.

**Reconciliation of equity as at 1 July 2023**

| | As originally stated £000s | Prior period restatement (1) £000s | As restated £000s |
|---|---|---|---|
| Deferred income due within 1 year | (8,045) | (319) | (8,364) |
| Total current Liabilities | (11,822) | (319) | (12,141) |
| Deferred income due after 1 year | (3,777) | (94) | (3,871) |
| Total non-current liabilities | (3,800) | (94) | (3,894) |
| Total liabilities | (15,622) | (413) | (16,035) |
| **Net assets /(liabilities)** | (4,109) | (413) | (4,522) |
| Share capital | 656 | - | 656 |
| Share premium | 14,281 | - | 14,281 |
| Other reserves | 922 | - | 922 |
| Currency reserves | (294) | - | (294) |
| Profit and loss account | (19,674) | (413) | (20,087) |
| **Total equity (Shareholders' deficit)** | (4,109) | (413) | (4,522) |

## 8. Subsequent events to 31 December 2024

There have been no subsequent events since the balance sheet date.