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30 September 2019

**CloudCall Group plc**

**("CloudCall" or the "Company")**

**Conditional Placing of £12.0 million**

**and**

**a proposed Open Offer to existing shareholders**

*Funding customer led growth capital opportunities, with ambitions to achieve >£50 million in annualised run-rate revenue by 2025*

CloudCall Group plc (AIM: CALL) ("**CloudCall**" or the "**Company**"), a leading cloud-based software business that integrates communications technology with Customer Relationship Management ("**CRM**") platforms, is pleased to announce that it has conditionally raised gross proceeds of £12.0 million by way of a conditional placing (the "**Placing**") of a total of 12,000,000 ordinary shares of 20 pence each in the Company ("**Placing Shares**"), at a price of 100 pence per Placing Share (the "**Issue Price**"). The net proceeds of the Placing will be used to fund customer led growth capital opportunities and strengthen the Company's balance sheet. The Company is also providing its existing shareholders with the opportunity to participate in an Open Offer to raise up to £0.5 million from Qualifying Shareholders, which will be made at the Issue Price, with the net proceeds from this expected to be used to further strengthen the Company's balance sheet.

CloudCall has also announced its interim results for six months ended 30 June 2019 earlier today. A copy of the Company's results is available on the Company's website found at: <https://www.cloudcall.com/investor-zone/>.

**Key Highlights:**

- Conditional Placing raising £12.0 million (before expenses) with institutional investors and a proposed Open Offer to Qualifying Shareholders to raise up to £0.5 million, in each case at the Issue Price.
- Issue Price of 100 pence per new ordinary share ("**New Ordinary Shares**").

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- The Company intends to use the net proceeds of the conditional Placing to fund customer led growth capital opportunities and strengthen the Company's balance sheet, with all net proceeds from the Open Offer to be used to further strengthen the balance sheet.
- The investment will support an acceleration of the scaling of the business, with the Board setting a new ambition for the business to achieve >£50 million in annualised run-rate revenue by 2025.
- Canaccord Genuity Limited ("**Canaccord Genuity**") acted as Nomad, sole Broker and Bookrunner in relation to the conditional Placing and Open Offer.

Completion of the Placing and Open Offer is subject, *inter alia*, to shareholder approval to enable the issue of the New Ordinary Shares, which will be sought at a general meeting of the Company expected to be held at the offices of the Company at 1 Colton Square, Leicester LE1 1QH 11.00 a.m. on 21 October 2019 (the "**General Meeting**"). The Directors believe that gross proceeds of £4.5 million of the Placing is expected to be EIS / VCT qualifying ("**EIS / VCT Placing Shares**"). The Company has applied for, but not, as at the date of this announcement, received, advance assurance from HM Revenue & Customs.

Although the Company currently expects to satisfy the relevant conditions for EIS/VCT Placing Shares, and the Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the EIS/VCT Placing Shares from being eligible for EIS and VCT investments on this occasion, neither the Directors nor the Company give any warranty or undertaking that relief will be available in respect of any investment in the EIS/VCT Placing Shares pursuant to this announcement, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders, or other potential investors are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.

Subject to, *inter alia*, the passing of the resolutions at the General Meeting, the EIS/VCT Placing Shares are expected to be admitted to trading on or around 22 October 2019 (the "**EIS/VCT Admission**") and will occur before the admission of the Placing Shares relating to the non EIS / VCT element of the Placing (the "**General Placing**") and Open Offer which are expected to be admitted to trading on AIM on or around 23 October 2019 (the "**General Admission**"). Shareholders and potential investors should be aware of the possibility that EIS/VCT Admission might occur, but General Admission might not take place.

**Background on the Company:**

CloudCall is a software-as-a-service ("**SaaS**") and unified communications business ("**UCaaS**"), that has developed and provides a suite of cloud-based software and communications products and services, which enables organisations to leverage data in CRM systems to enable more effective communications.

CloudCall's suite of software products span voice, SMS, instant messaging, desktop and mobile, allowing companies to integrate telephony and messaging capabilities into their existing CRM software, enabling communications to be initiated, recorded, logged and categorised from within the CRM system.

The global CRM market is worth around \$50bn per annum and is made up of thousands of individual CRM providers many of whom are smaller niche players. The size of the CRM market and the relative monthly subscription costs of CRMs versus the CloudCall service would indicate a total addressable market ("**TAM**") of ~\$20 billion per annum.

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Whilst the Company contracts directly with the end customers of its CRM partners, it has developed a CRM based go-to-market strategy, whereby it receives referrals from CRMs and pays introductory commission to these CRM partners. Due to size of the CRM market, CloudCall focuses on CRMs that are specific to recruitment and staffing companies and on Bullhorn CRM in particular - one of the largest players in this sector. This focus is also reflected in the Company product in that the CloudCall product has been tailored to fit the needs of the recruitment and staffing sector.

**Background to and reasons for the Placing:**

In January 2019, the Company raised gross proceeds of £2.4 million to invest into sales and marketing and to strengthen the Company's balance sheet. Since then, the Company has won several new contracts and signed a number of new partnership agreements, including a contract with a major US staffing firm as announced on 4 June 2019.

CloudCall has also engaged in discussions with several other potential CRM partners who have significant user bases and are seeking an integrated unified communications solution for their customers. Furthermore, due to CloudCall's growing reputation within the recruitment industry, the Company has built a strong pipeline of large and very large potential customers, some of whom require CloudCall to be able to provide their service in Australia.

In July this year, the Company signed a partnership addendum with Bullhorn that sees their staff remunerated when their customers sign-up for CloudCall. Due to these customer led, growth opportunities, the Board believes this represents a highly compelling opportunity for the business to invest in several core areas, which should enable the Company to gain market share, drive marketing efficiencies and achieve overall scale quicker than previously thought.

By raising capital to invest in these opportunities, the Board believes there is an opportunity to more than double the size of CloudCall's current user base of ~37,000 within the next three years, and achieve highly attractive medium-term revenue growth rates of >25 per cent.

In doing so, the Board believes this will best position the business to achieve its ambition of annualised run rate revenues of >£50 million by 2025.

**Use of proceeds:**

The net proceeds of the Placing will be used to fund a number of customer-led growth opportunities, product enhancements, an acceleration of the product roadmap and strengthening of the balance sheet. The Company will also use a limited amount of the net proceeds to run a trial into a new vertical.

The majority of the investment will be made into the associated headcount in these areas which includes product development, sales, marketing, account management and finance, amongst other areas. The net proceeds from the Open Offer will be used to further strengthen the Group's balance sheet.

Specifically, the Company intends to use the net proceeds of the Placing as outlined below:

- **Customer led growth:**
  - Partnering with additional Recruitment CRMs, driving improved marketing efficiency;
  - Targeting of larger and Enterprise customers within Recruitment and other verticals;
  - Establishing a new Australian sales office to service the APAC region;
  - Support the working capital requirements of the Company and strengthen the balance sheet;

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• **Product enhancements:**

- Invest into the development and product teams;
- Accelerate the product roadmap, with plans to add video functionality and social media (omni channel) messaging to CloudCall's product offering in the future;
- Create new income streams, such as call and video storage;

• **Other expansion opportunities:**

- Launch a partner program in the USA with Microsoft Dynamics and build a dedicated sales operation;
- Build a dedicated sales operation to market to Salesforce.com customers;
- Limited trial into property vertical with CRM PropertyBase.

**Related Party Transactions:**

Gresham House Asset Management Limited ("**Gresham House**") and Kinderhook Partners LP ("Kinderhook") are each considered to be a 'Substantial Shareholder' under the AIM Rules and are subscribing for 1,590,000 Placing Shares and 1,456,744 Placing Shares each. Gresham House are subscribing for EIS/VCT Placing Shares and Kinderhook are subscribing for Placing Shares relating to the non EIS / VCT element of the Placing. These Placing participations constitute related party transactions under Rule 13 of the AIM Rules. The Directors consider that, having consulted with Canaccord Genuity, the terms of Gresham House's and Kinderhook's participation in the Placing are fair and reasonable insofar as Shareholders are concerned.

**Company Highlights:**

- Attractive SaaS business model; +30% revenue growth and 77% gross margin in 1H2019;
- >£11m annualised revenue run rate, with ~£10m combined recurring and repeatable revenue;
- Good SaaS Metrics: net renewal rate >100%, CAC/LTV ratio >7x;
- >1,200 customers, ~37,000 users, growing at >1,000 users per month;
- Considered to be differentiated go to market strategy;
- Strong near-term pipeline of Enterprise customers;
- Large opportunity, ~\$20bn TAM;

**Current Trading and Outlook:**

The Company announced its interim results for six months ended 30 June 2019 today. During the first six months of the year, the Company reported H1 revenues were up 30 per cent. organically to £5.2 million (H1 2018: £4.0 million), with recurring revenues up 34 per cent. compared to H1 2018 and an annualised revenue run rate of ~ £11 million in June 2019. The Company's user base also grew by 37 per cent. to 36,936 (H1 2018: 27,000), with Q2 monthly net user growth exceeding the stated target of 1,000 per month. Since the interim period end, positive trading has continued into H2 and inline with management's expectations, the Board expects to achieve 2019 full year revenue of ~£11.7 million, as previously announced on 16 July 2019.

By investing to accelerate the rapid scaling of the business using the proposed Placing proceeds, the Board believes the following guidance would be achievable:

**Organic revenue growth:**

- >30% for the years FY19 and FY20
- >25% p.a. for the years FY21 to FY23
- Overall ambition to achieve annualised run rate revenue of >£50m by 2025
- Recurring and repeatable revenue ~87%

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**Operating expenditure growth:**

- ~40% for FY20
- ~15% for the years FY21 to FY22
- Expect to normalise at ~10 per cent. per annum thereafter

**Breakeven:**

- Monthly EBITDA breakeven to be achieved mid FY22

**Details of the Placing and Open Offer:**

The Placing is being conducted by way of a fixed price conditional Placing, in accordance with the terms and conditions set out in the Appendix to this announcement (the "**Appendix**"). Canaccord Genuity is acting as Nomad, sole Broker and Bookrunner in connection with the conditional Placing. The allocation of the Placing Shares shall be at the full discretion of Canaccord Genuity in consultation with the Company. The Placing is not underwritten.

In addition, in order to provide Shareholders who do not take part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for Open Offer Shares at the Issue Price. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility. The Open Offer is not underwritten. Details of the Open Offer, including the pro rata entitlement of the Qualifying Shareholders, will be contained in the Circular.

The issue of the Placing Shares and the Open Offer Shares are conditional, *inter alia*, on the passing by Shareholders of the resolutions at the General Meeting of the Company, which is expected to be convened for 11.00 a.m. on 21 October 2019.

Application will be made in due course to the London Stock Exchange for the EIS / VCT Placing Shares, General Placing Shares and the Open Offer Shares to be admitted to trading on AIM. EIS/VCT Admission of the EIS / VCT Placing Shares are expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on 22 October 2019. General Admission for the General Placing Shares and the Open Offer Shares is expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on 23 October 2019.

The New Ordinary Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

The Appendix (which forms part of this Announcement) contains the detailed terms and conditions of the Placing.

The Circular, containing further details of the Placing and Open Offer and convening the General Meeting, an Application Form setting out each Qualifying Shareholder's Basic Entitlements and a proxy form is expected to be despatched to Shareholders on or around 3 October 2019 and will thereafter be available on the Company's website at: <https://www.cloudcall.com/investor-zone/>.

**For further information, please contact:**

**CloudCall Group plc:**

**Tel: +44 (0)20 3587 7188**

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Simon Cleaver, Chief Executive Officer

Paul Williams, Chief Financial Officer

**Canaccord Genuity Limited (Nomad, Sole Broker and Bookrunner):**

**Tel: +44 (0)20 7523 8000**

Simon Bridges

Richard Andrews

The person responsible for arranging the release of this information is Mr Simon Cleaver, CEO of the Company.

**About CloudCall Group Plc:**

CloudCall is a software and unified communications business that has developed and provides a suite of cloud-based software and communications products and services. CloudCall's products and services are aimed at enabling organisations to leverage their customer data to enable more effective communications.

The CloudCall suite of software products allows companies to fully integrate telephony and messaging capability into their existing CRM software, enabling communications to be made, recorded, logged and categorised from within the CRM system with detailed activity reporting and powerful business intelligence capable of being easily generated.

At the end of June 2019, the Company had approximately 150 staff based predominantly in Leicester and London (UK), Boston (US) and Minsk (BY), with just under 37,000 end-users relying on CloudCall technology to power their daily communications.

**ADDITIONAL INFORMATION**

**1. Expected Timetable of Principal Events**

The expected timetable relating to the Placing and the Open Offer is set out below.

<b>Event</b>	<b>Date</b>
Record Date for the Open Offer	5.00 p.m. on 30 September 2019
Posting of the Circular, the Notice of General Meeting and Proxy Form	By 3 October 2019
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 17 October 2019
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 17 October 2019
General Meeting	11.00 a.m. on 21 October 2019
Results of the General Meeting announced through a RIS	21 October 2019

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Expected date for EIS/VCT Admission and commencement of dealings of the EIS/VCT Placing Shares	8.00 a.m. on 22 October 2019
Expected date for EIS/VCT Placing Shares to be credited to CREST stock accounts	22 October 2019
Expected date for General Admission and commencement of dealings of the General Placing Shares and Open Offer Shares	8.00 a.m. on 23 October 2019
Expected date for General Placing Shares and Open Offer Shares to be credited to CREST stock accounts	23 October 2019
Expected date for despatch of definitive share certificates for EIS/VCT Placing Shares	By 29 October 2019
Expected date for despatch of definitive share certificates for General Placing Shares and Open Offer Shares	by 30 October 2019

**Notes**

Each of the times and dates in the above timetable, and shown elsewhere in this Announcement, are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

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Canaccord Genuity is authorised and regulated by the Financial Conduct Authority ("**FCA**") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

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No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events and the Company's future financial condition and performance. These statements, which sometimes use words such as "aim", "anticipate", "believe", "may", "will", "should", "intend", "plan", "assume", "estimate", "expect" (or the negative thereof) and words of similar meaning, reflect the Directors' current beliefs and expectations and involve known and unknown risks, uncertainties and assumptions, many of which are outside the Company's control and difficult to predict, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Any forward-looking statements made in this announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgment at the date of this announcement and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## **APPENDIX**

### **TERMS AND CONDITIONS OF THE PLACING**

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MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, PERSONS WHO ARE, UNLESS OTHERWISE AGREED BY THE BROKER, "**QUALIFIED INVESTORS**" AS DEFINED IN ARTICLE 2.1(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**"); AND (B) IN THE UNITED KINGDOM, PERSONS WHO ARE: (I) "INVESTMENT PROFESSIONALS" WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND

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EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action.

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These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee hereby agrees with the Broker and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if the Broker confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "**Placee**" means a Relevant Person (including individuals, funds or others) who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

***Details of the Placing and Open Offer Agreement and the Placing Shares***

The Broker and the Company have entered into a Placing and Open Offer Agreement, under which the Broker has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. It is expected that the Placing will raise £12.0 million in gross proceeds. The Placing is not being underwritten by the Broker or any other person.

The Placing will be effected in two tranches. The EIS/VCT Placing Shares will be issued on EIS/VCT Admission on or around 22 October 2019. The General Placing Shares will be issued, together with the Open Offer Shares, on General Admission on or around 23 October 2019.

The Placing Shares will, when issued, be subject to the articles of association of the Company, will be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade on AIM under CALL with ISIN GB00B4XS5145.

***Application for admission to trading***

Application will be made in due course to London Stock Exchange for admission to trading of the Placing Shares on AIM. It is expected that settlement of the EIS/VCT Placing Shares and EIS/VCT Admission will become effective on or around 8.00a.m. on 22 October 2019, subject to shareholder approval being received. It is expected that settlement of the General Placing Shares and the Open Offer Shares and General Admission will become effective on 8.00a.m. on 23 October 2019. In any event, the latest date for Admission (whether in respect of the EIS/VCT Admission and/or the General Admission) is 5 November 2019 (the "**Long Stop Date**").

***Placing***

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Participation in, and principal terms of, the Placing are as follows:

1. The Broker is arranging the Placing as agent for, and broker of, the Company.
2. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by the Broker. The Broker is entitled to participate in the Placing as principal.
3. Each Placee's allocation has been or will be confirmed to Placees orally, or in writing (which can include email), by the Broker and a trade confirmation or contract note has been or will be dispatched as soon as possible thereafter. The Broker's oral or written confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Broker and the Company, under which it agrees to acquire by subscription the number of Placing Shares allocated to it at the Issue Price and otherwise on the terms and subject to the

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conditions set out in this Appendix and in accordance with the Company's articles of association. Except with the Broker's consent, such commitment will not be capable of variation or revocation.

4. Each Placee's allocation will, unless otherwise agreed between the Placee and the Broker, be evidenced by a trade confirmation or contract note issued to each such Placee by the Broker. The terms and conditions of this Announcement (including the Appendix) will be deemed to be incorporated in that trade confirmation, contract note or such other confirmation and will be legally binding on the Placee on behalf of which it is made and except with the Broker's consent will not be capable of variation or revocation from the time at which it is issued.
5. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Broker (as agent for the Company), to pay to the Broker (or as the Broker may direct) in cleared funds an amount equal to the produce of the Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
6. Except as required by law or regulation, no press release or other announcement will be made by the Broker or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
7. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
8. All obligations of the Broker under the Placing will be subject to fulfilment of the conditions referred to below "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing and Open Offer Agreement".
9. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
10. To the fullest extent permissible by law and the applicable rules of the Financial Conduct Authority, neither the Broker nor any of its Affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Broker and its Affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither the Broker nor any of its Affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Broker's conduct of the Placing.

***Conditions of the Placing***

The Broker's obligations under the Placing and Open Offer Agreement in respect of, amongst other things, the EIS/VCT Placing are conditional on, inter alia:

1. the release of this Announcement to a Regulatory Information Service by no later than 4:30 p.m. on 30 September 2019;
2. the General Meeting having taken place and the passing thereof of the Resolutions without any amendment which has not been approved by the Broker;
3. the EIS/VCT AIM Application will be delivered to the London Stock Exchange not later than 9.00 a.m. on 17 October 2019 and all other documents required to be submitted for the General AIM Application will be delivered to the London Stock Exchange not later than 9.00 a.m. on 18 October 2019;
4. the delivery by the Company to the Broker of certain documents required under the Placing and Open Offer Agreement;
5. the Company having fully performed its obligations under the Placing and Open Offer Agreement to the extent that such obligations fall to be performed prior to EIS/VCT Admission;

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6. none of the warranties given in the Placing and Open Offer Agreement being, in the opinion of the Broker (acting in good faith), untrue or inaccurate in any material respect or misleading in any respect at any time between the date of the Placing and Open Offer Agreement and EIS/VCT Admission and no fact or circumstance having arisen which would render any of the warranties untrue or inaccurate in any material respect or misleading in any respect if it was repeated as at EIS/VCT Admission;
7. the issue and allotment of the EIS/VCT Placing Shares, conditional only upon admission of such Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules, by 22 October 2019 or such later time as may be agreed between the Company and the Broker, not being later than the Long Stop Date;
8. admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules on or before 22 October 2019; and
9. the Placing and Open Offer Agreement not having been terminated by the Broker.

The Broker's obligations under the Placing and Open Offer Agreement in respect of the General Placing are conditional on, inter alia:

1. EIS/VCT Admission having occurred in accordance with the terms of the Placing and Open Offer Agreement;
2. the General AIM Application and all other documents required to be submitted with the General AIM Application being delivered to the London Stock Exchange;
3. the delivery by the Company to the Broker of certain documents required under the Placing and Open Offer Agreement;
4. the Company having fully performed its obligations under the Placing and Open Offer Agreement to the extent that such obligations fall to be performed prior to General Admission;
5. none of the warranties given in the Placing and Open Offer Agreement being, in the opinion of the Broker (acting in good faith), untrue or inaccurate in any material respect or misleading in any respect at any time between the date of the Placing and Open Offer Agreement and General Admission and no fact or circumstance having arisen which would render any of the warranties untrue or inaccurate in any material respect or misleading in any respect if it was repeated as at General Admission;
6. the issue and allotment of the General Placing Shares and Open Offer Shares, conditional only upon admission of such Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules, by 23 October 2019 or such later time as may be agreed between the Company and the Broker, not being later than the Long Stop Date;
7. admission of the General Placing Shares and Open Offer Shares becoming effective in accordance with Rule 6 of the AIM Rules on or before 23 October 2019; and
8. the Placing and Open Offer Agreement not having been terminated by the Broker.

If: (i) any of the conditions contained in the Placing and Open Offer Agreement, including those described above, are not fulfilled or (where applicable) waived by the Broker by the respective time or date where specified (or such later time or date as the Broker may notify to the Company); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing and Open Offer Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Shareholders should note that it is possible that EIS/VCT Admission occurs but General Admission does not, should any condition of the Placing and Open Offer Agreement be invalidated between EIS/VCT Admission and General Admission.

The Broker may, at its discretion and upon such terms as it thinks fit, waive, or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing and Open Offer Agreement save that the condition relating to each Admission taking

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place by the Long Stop Date may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Broker, the Company nor any of their respective Affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Broker.

***Right to terminate the Placing and Open Offer Agreement***

The Broker is entitled to terminate the Placing and Open Offer Agreement by giving notice to the Company in certain circumstances, including, inter alia, if before either General Admission (in respect of the General Placing) or EIS/VCT Admission (in respect of the EIS/VCT Placing):

1. the Company is in breach of any provision of the Agreement, or with the requirements of any laws or regulations (including the Market Abuse Regulation and the AIM Rules) in relation to the Placing;
2. the Broker becomes aware of any circumstance which results in any of the warranties given in the Placing and Open Offer Agreement being not true or inaccurate in any material respect or misleading when given at the date of the Placing and Open Offer Agreement or which results in or might in the opinion of the Broker (acting in good faith) result in any of the warranties being not true or inaccurate in any material respect or misleading when deemed given;
3. the appointment of the Broker pursuant to the engagement letter between the Broker and the Company dated 12 August 2019 and/or as nominated advisor to the Company is terminated for whatever reason;
4. it should come to the notice of the Broker that any statement contained in any of the Issue Documents (as defined in the Placing and Open Offer Agreement) is untrue or inaccurate which the Broker considers to be material or misleading or that matters have arisen which would, if the Issue Documents were issued at that time, constitute an omission therefrom which the Broker (acting in good faith) considers to be material, and such matter may not, in the opinion of the Broker be addressed by the publication of a further document or the making of an announcement;
5. in the opinion of the Broker (acting in good faith) any material adverse change in the financial or trading position or prospects of the Company or any Group Company or the Group as a whole has or will occur;
6. the General AIM Application or the EIS/VCT AIM Application being refused by the London Stock Exchange;
7. a suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on such exchange; or
8. an event or other matter (including, without limitation, any change or development in national or international economic, financial, political, diplomatic, military or other market conditions or any change in any government regulation) has occurred or is likely to occur which, in the opinion of the Broker acting in good faith, is (or will be if it occurs) likely materially and prejudicially to affect the financial position or the business or prospects of the Company or otherwise makes it impractical or inadvisable for the Broker to perform its respective obligations under the Placing and Open Offer Agreement; for these purposes 'market conditions' includes conditions affecting securities in the business sector in which the Company operates and conditions affecting securities generally.

If the Placing and Open Offer Agreement is terminated prior to EIS/VCT Admission then neither the EIS/VCT Placing, the Open Offer nor the General Placing will occur.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise

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by the Broker of any right of termination or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of the Broker and that the Broker need not make any reference to Placees in this regard and that neither the Broker nor any of its respective Affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

***No Admission Document or Prospectus***

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the business and financial information that the Company is required to publish in accordance with the AIM Rules (the "**Exchange Information**"). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange and/or Publicly Available Information), representation, warranty, or statement made by or on behalf of the Company or the Broker or any other person and neither the Broker, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Broker, the Company or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor the Broker are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

***Registration and Settlement***

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within CREST. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Broker in accordance with the standing CREST settlement instructions which they have in place with the Broker.

Settlement of transactions in the Placing Shares (ISIN:GB00B4XS5145) following each Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**") provided that, subject to certain exceptions, the Broker reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement of the EIS/VCT Placing Shares will be on 22 October 2019 unless otherwise notified by the Broker and EIS/VCT Admission is expected to occur by 22 October 2019 or such later time as may be agreed between the Company and the Broker, not being later than the Long Stop. It is expected that settlement of the General Placing Shares, together with the Open Offer Shares, will be on 23 October 2019 unless otherwise notified by the Broker and General Admission is expected to occur by 23 October 2019 or such later time as may be agreed between the Company and the Broker, not being later than the Long Stop Date.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of 2 percentage points above the prevailing LIBOR as determined by the Broker.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Broker may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Broker's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by

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the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Broker on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Broker such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Broker lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that any form of confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Broker nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

***Representations, Warranties and Further Terms***

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Broker (for itself and on behalf of the Company):

1. that it has read and understood this Announcement, including the Appendix, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by the Broker of any right or discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of the Broker and the Broker need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Broker or the Company, or any of their respective officers, directors or employees, under the Placing and Open Offer Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
4. that these terms and conditions represent the whole and only agreement between it, the Broker and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement, the Exchange Information and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, the Broker nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
5. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of the Broker has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of

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those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

6. that neither it nor, as the case may be, its clients expect the Broker to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that the Broker is not acting for it or its clients, and that the Broker will not be responsible for providing the protections afforded to customers of the Broker or for providing advice in respect of the transactions described herein;
7. that it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither the Broker or the Company nor any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Broker, the Company or any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
8. that the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in this Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement, the Circular and the Publicly Available Information;
9. that neither the Broker or the Company nor any of their respective Affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of this Announcement or the Publicly Available Information;
10. that it and the person(s), if any, for whose account or benefit it is subscribing for the Placing Shares is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S;
11. that, unless specifically agreed with the Broker, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for and/or purchase Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;
12. that it is not a national or resident of Canada, Australia, South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, the Republic South Africa or Japan;
13. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;

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14. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing or the Placing Shares to any persons within the United States;
15. that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Broker or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
16. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;
17. that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and this Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Broker;
18. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
19. that, unless otherwise agreed by the Broker, it is a qualified investor (as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"));
20. that, unless otherwise agreed by the Broker, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
21. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
22. that any money held in an account with the Broker (or its nominee) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Broker's (or its nominee) money in accordance with such client money rules and will be used by the Broker in the course of its own business and each Placee will rank only as a general creditor of the Broker;
23. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
24. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;

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25. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission becomes effective;
26. that it appoints irrevocably any director of the Broker as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
27. that, as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
28. that this Announcement does not constitute a securities recommendation or financial product advice and that neither the Broker nor the Company has considered its particular objectives, financial situation and needs;
29. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
30. that it will indemnify and hold the Company and the Broker and their respective Affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the Company and the Broker will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Broker and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including this Appendix) are given to the Broker for itself and on behalf of the Company and will survive completion of the Placing and Admission;
31. that time shall be of the essence as regards obligations pursuant to this Appendix;
32. that it is responsible for obtaining any legal, financial, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or the Broker to provide any legal, financial, tax or other advice to it;
33. that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that the Broker shall notify it of such amendments;
34. that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and the Market Abuse Regulation, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Broker such evidence, if any, as to the identity or location or legal status of any person which the Broker may request from it in connection with the Placing (for the purpose of complying with such

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Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Broker on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Broker may decide in its absolute discretion;

35. that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased by it for the purposes of the Prospectus Rules made by the FCA pursuant to Commission Regulation (EC) No. 809/2004;
36. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
37. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Broker in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;
38. that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the Broker;
39. that the Broker owes no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing and Open Offer Agreement;
40. that the Broker or any of its respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;
41. that no prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares; and
42. that if it has received any confidential price sensitive information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, the Broker and their respective Affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Broker for itself and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by the Broker.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there

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are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or the Broker will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Broker in the event that any of the Company and/or the Broker have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Broker accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Broker or by any of their respective Affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

## **DEFINITIONS**

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>"Admission"</b>	together, General Admission and EIS/VCT Admission
<b>"Affiliates"</b>	any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies as published by the London Stock Exchange from time to time
<b>"Announcement"</b>	means this announcement (including the Appendix to this announcement)
<b>"Application Form"</b>	the application form relating to the Open Offer which will accompany the Circular
<b>"Basic Entitlements"</b>	the number of Open Offer Shares which Qualifying Shareholders are entitled to subscribe for at the Issue Price pro rata to their holding of existing Ordinary Shares held at the Record Date pursuant to the Open Offer as described in Part III of the Circular
<b>"Bookrunner" or "Broker" or "Canaccord Genuity"</b>	Canaccord Genuity Limited
<b>"Circular"</b>	the circular to be published by the Company on or around 3 October 2019
<b>"Company" or "CloudCall"</b>	CloudCall Group plc

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<b>"CREST"</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited
<b>"Directors" or "Board"</b>	the directors of the Company
<b>"EEA "</b>	the European Economic Area
<b>"EIS"</b>	Enterprise Investment Scheme under the provisions of Part 5 of the UK Income Tax Act 2007 (as amended)
<b>"EIS/VCT Admission"</b>	admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"EIS/VCT AIM Application"</b>	the application to the London Stock Exchange for EIS/VCT Admission as required by Rule 29 of the AIM Rules
<b>"EIS/VCT Placing"</b>	the conditional placing of the EIS/VCT Placing Shares by Canaccord Genuity, as agent on behalf of the Company, pursuant to the Placing and Open Offer Agreement
<b>"EIS/VCT Placing Shares"</b>	such number of Placing Shares as are to be allotted and issued to certain persons seeking to invest in "eligible shares" for the purposes of the applicable legislation in relation to EIS or VCT
<b>"Excess Application Facility"</b>	the arrangement provided to Qualifying Shareholders, which may apply for additional Open Offer Shares in excess of their Basic Entitlements in accordance with the terms and conditions of the Open Offer to be set out in the Circular
<b>"FCA "</b>	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>"FSMA"</b>	the Financial Services and Markets Act of 2000 (as amended)
<b>"Fundraising"</b>	together, the Placing and the Open Offer
<b>"General Admission"</b>	admission of the General Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"General AIM Application"</b>	the application to the London Stock Exchange for General Admission as required by Rule 29 of the AIM Rules
<b>"General Meeting"</b>	the general meeting to be convened by the notice of the General Meeting to be set out in the Circular for the date and time referred to in this Announcement or any adjournment thereof

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"General Placing"	the conditional placing of the General Placing Shares by Canaccord Genuity, as agent on behalf of the Company, pursuant to the Placing and Open Offer Agreement
"General Placing Shares"	the new Ordinary Shares to be issued by the Company pursuant to the Placing which are not the EIS/VCT Placing Shares
"Group"	the Company and its subsidiary undertakings from time to time and " <b>Group Company</b> " shall be construed accordingly
"HMRC"	HM Revenue & Customs in the UK
"Issue Documents"	the Circular, this Announcement, the form of proxy to accompany the Circular and to be used for the appointment of proxies by Shareholders at the General Meeting, the General AIM Application, the EIS/VCT AIM Application and any other document published or issued by or on behalf of the Company for purposes of the Fundraising
"Issue Price"	100 pence per New Ordinary Share
"London Stock Exchange"	London Stock Exchange plc
"Market Abuse Regulation"	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority)
"New Ordinary Shares"	together, the Placing Shares and the Open Offer Shares
"Nomad"	Canaccord Genuity Limited
"Open Offer"	the conditional invitation to be made by the Company to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price, in accordance with the terms to be set out in the Circular and/or the Application Form
"Open Offer Shares"	up to 500,000 new Ordinary Shares to be issued pursuant to the Open Offer
"Ordinary Shares"	the ordinary shares of 20 pence each in the capital of the Company
"Placees"	subscribers for Placing Shares pursuant to the Placing
"Placing"	the placing of the Placing Shares at the Issue Price by Canaccord Genuity as agent for and on behalf of the Company pursuant to the terms of the Placing and Open Offer Agreement

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<b>"Placing and Open Offer Agreement"</b>	the agreement dated 30 September 2019 between (i) the Company; and (ii) Canaccord Genuity relating to the Placing, further details of which are set out in this Announcement
<b>"Placing Shares"</b>	the General Placing Shares and the EIS/VCT Placing Shares
<b>"Prospectus Directive"</b>	EU Directive 2003/71/EC
<b>"Publicly Available Information"</b>	any information announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement
<b>"Qualifying Shareholders"</b>	Shareholders whose names appear on the register of members of the Company on the Record Date as holders of existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions to be set out in the Circular;
<b>"Record Date"</b>	5.00 p.m. on 30 September 2019
<b>"Regulation S"</b>	Regulation S under the Securities Act
<b>"Regulatory Information Service"</b>	any of the services set out on the list maintained by the London Stock Exchange as set out in the AIM Rules
<b>"Resolutions"</b>	the resolutions to be put to Shareholders at the General Meeting to be convened by the notice of General Meeting in the Circular
<b>"Securities Act"</b>	the US Securities Act of 1933, as amended
<b>"Shareholders"</b>	the shareholders of the Company from time to time
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>"VCT"</b>	a Venture Capital Trust under Part 6 of the Income Tax Act 2007