

16 January 2020

CloudCall Group plc
(“CloudCall”, the “Company” or the “Group”)

Trading update for the year ended 31 December 2019

FOCUSED STRATEGY DELIVERS ANOTHER YEAR OF STRONG REVENUE GROWTH

- *Total revenue up 30% year-on-year, with H2 2019 revenue up 18% from H1 2019;*
- *Total recurring revenue up 33% year-on-year;*
- *US revenue up 55% year-on-year, with US revenue now approximately 40% of total Group revenue;*
- *Q4 2019 record quarter for new orders received and net new users at 1,162 per month;*
- *Total users up 35% year-on-year to 42,348;*
- *Average monthly net new users up 41% year-on-year to 917;*
- *2 enterprise deals signed in Q4 2019 - combined first full year of contracted revenue valued at over £0.6m;*
- *Net renewal rate from existing customers remains above 100%;*
- *Available cash resources of ~£13.4m at end of the period.*

CloudCall (AIM: CALL), the integrated communications company that provides communications and contact centre software that integrates with Customer Relationship Management (“CRM”) platforms, announces the following trading update for the year ended 31 December 2019.

The Group is pleased to confirm that revenues, cash and losses before tax are all expected to be broadly in-line with market expectations, subject to year-end financial close and audit procedures.

Total revenues for the year increased by 30% to £11.4m, with the Group exiting 2019 with an annualised revenue run rate of over £13m. Recurring revenue grew 33% in comparison to 2018, which, including repeating telephony income, accounts for 89% of total revenues. Driven by larger customers, the US continued to perform particularly strongly, and the Group achieved a US revenue growth rate of over 55% year-on-year, with US revenue now representing approximately 40% of the Group’s total revenue.

The total number of users grew 35% to just over 42,300, representing an average net new user growth of 917 per month over the year, a 41% increase over 2018. During H2, an average of 902 monthly net new users were added compared to 932 in H1. The slightly lower number in H2 was due to no enterprise deals closing in Q3. However, Q4 recovered strongly and was a record quarter in terms of new orders received and net new user growth of 1,162.

Total users	2018 H1	2018 H2	2019 H1	2019 H2
Monthly average net user growth	580	724	932	902
Total users at end of period	27,000	31,343	36,936	42,348

The Company is pleased to report the increased level of interest from larger and enterprise customers announced in the 2019 interim trading statement has continued during H2. There is a growing pipeline of these enterprise deals which the Board believes should contribute strongly towards 2020 growth targets.

The Group's record-breaking Q4 was helped by two such enterprise deals which are expected to go-live in 2020, with a combined first year revenue value of over £0.6m to the Group. Together with the ASC Group (American Cyber Systems Group) deal announced earlier in the year, these three enterprise customers are expected to generate over £1m of revenue for the Group in 2020.

The Company is also pleased to report that net renewal rates from existing customers remains over 100%, and this continues to be demonstrably higher where those customers are from the recruitment and staffing sector, which remains a key strategic focus area for CloudCall's products and services.

The average recurring revenue per user (ARPU) remained constant during the period at approximately £28 per user per month, as discounts on larger customer wins were offset by cross selling additional chargeable products or services.

The Group also completed an equity fundraise in October 2019, raising net proceeds of £11.3m. As at 31 December 2019, the Group held available cash reserves of approximately £13.4m, consisting of approximately £11.4m in cash and £2.0m of headroom on its available to be drawn debt facility.

The 2019 period saw the Company continue to strengthen its relationship with Bullhorn, who again acquired further recruitment CRMs during the year, increasing the size of their market share and customer base. In June 2019, Bullhorn amended CloudCall's partner agreement and commission sharing process so that Bullhorn's sales staff are more directly incentivised to recommend CloudCall's products and services. As a result, the Company is now seeing greater collaboration and lead flow, particularly from Bullhorn's large and enterprise customers which is one of the primary drivers behind the increase in the pipeline of larger opportunities mentioned above.

In H2 2019, the Company announced several new integrations with other recruitment and staffing CRMs and is now pleased to see lead-flow and new customer acquisitions from these new partners contributing towards Q4's excellent results. These new CRM partnerships are still in a relatively early stage and Board expects they will have a greater contribution in 2020 as the relationships develop. Further CRM integrations and partnerships continue to be actively worked on.

Following the October 2019 fundraise, the Company has embarked on a period of investment in the extension of its platform into the Asia Pacific (APAC) region, further enhancement of its products and services and significant additional sales and marketing capabilities from which it expects to deliver considerable revenue growth in the years ahead. Further detail and information on progress will be provided when the Company reports its full year numbers.

Simon Cleaver, Chief Executive Officer of CloudCall, commented:

"2019 has been another outstanding year for CloudCall. Not only has the Company once again delivered organic revenue growth of 30%, it also successfully raised new capital to fund future growth and strengthen the balance sheet.

The two standouts for the year are the quantum increase in interest from enterprise companies and the over-50% growth we delivered in the US.

It is worth noting that the US is now responsible for approximately 40% of our total revenue and with nearly half of the total funds raised in the recent placing coming from US investors, I have little doubt there is a huge, largely untapped, opportunity for CloudCall in the US and this is a key focus of our sales and marketing expansion.

CloudCall has a clear strategy to become the leading provider of 'integrated communications'. We will continue to build out our product, integrate with more CRMs, expand our geographic reach and engage with ever larger customers – our 4 pillars of growth.

We are entering 2020 with significant opportunities and a well-funded balance sheet that is strong enough to capitalise on those opportunities. The Board continues to be confident in the future outlook for the Company."

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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 and improve performance.

The CloudCall suite of software products allows companies to fully integrate telephony, messaging and contact centre capabilities into their existing customer relationship management (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 December 2019, the Company had approximately 160 staff based predominantly in Leicester and London (UK), Boston (US), Minsk (BY) and Sydney (Australia) with just over 42,000 end-users relying on CloudCall technology to power their daily communications.