

1 June 2020

CloudCall Group plc

("CloudCall", the "Company" or the "Group")

AGM trading update and investor meeting

CloudCall (AIM: CALL), the integrated communications company that provides unified communications and contact centre software that integrates with Customer Relationship Management ("CRM") platforms, provides a trading update covering the FY20 year-to-date ahead of the Group's Annual General Meeting due to take place today at 11.00 a.m. (UK time).

Trading update

Further to the Group's final results for the year ended 31 December 2019 that were published on 8 April 2020, the Group began the year well, with key elements of its strategic growth initiatives making positive progress, with early signs of a strengthening sales pipeline. However, it quickly became clear that the unfolding Coronavirus (COVID-19) pandemic would have a near term impact on the Group's operations.

As previously reported, to preserve cash the Group proactively adopted a more prudent approach to its investment plans, which alongside several temporary cost reduction actions, has seen operating cash burn reduce to around £250k per month at current revenue levels. The Group's immediate cash preservation actions are all firmly now in place and the Board remains highly confident that the Group has enough cash to fund it through this period of macroeconomic uncertainty.

The Group has continued to see ongoing challenges within the broader marketplace with CloudCall's prospective customers reducing non-critical additional spend, which has had a near term impact on the sales pipeline. However, this effect is now stabilising following careful and proactive management by the Group.

The Group's continued focus on marketing activity has encouragingly kept year to date lead-flow running at around 70% of the volume achieved over the same period last year. Overall sales bookings from new customers for the year to date are running approximately 28% less than the same period last year, and whilst larger sales prospects continue to defer their purchasing decisions, new sales bookings from smaller prospects have continued reasonably well.

Existing customers, who typically purchase more users and upgrades on a regular basis, are less inclined to do so given the challenging market backdrop, and this is reflected in a 35% reduction in existing customer sales bookings for the year to date when compared to the same period last year.

Underlying churn levels, expressed as lost monthly recurring revenue (MRR), pleasingly continue to run at normal historic levels. The Group has also received a number of specific COVID-19 related requests for temporary relief from some customers and permanent churn from others. To-date, CloudCall's customer services teams have processed COVID-19 related requests amounting to approximately 7% of MRR. However, half of this is for temporary support, and as we currently stand, only approximately 3.5% of the MRR reduction is expected to be permanent, with the remainder anticipated to return over the coming months.

The Board continues to monitor the ongoing environment closely and whilst the Group's customer base remains largely stable, the Group will maintain a prudent approach to managing cash until the broader macro-economic outlook becomes clearer.

At this point in time, whilst the Group remains confident in its ability to successfully navigate the current disruption, the Board continues to withhold its guidance as previously announced. The Board hopes to be able to provide further information on its' outlook within the interim trading update due to be issued in July 2020.

Simon Cleaver, CloudCall CEO, commented;

"As soon as the likely effects of the pandemic became apparent, we took quick and decisive actions. Since then, I've been impressed with how efficiently the company switched to home working and how well our staff have responded to support our great customers.

There's obviously been considerable disruption to our growth plans but in comparison to so many companies we're faring well, and the team is doing a fantastic job to manage and navigate the impact. Sales are down compared to our expectations at the start of the year, but whilst it's too early to provide specific guidance at this stage, I believe that if a second wave of COVID-19 can be avoided, we'll finish the year with revenues broadly in line with last year.

We're pushing hard to build our Microsoft Teams integration which should launch in the next few months and we are focused on ensuring we are battle ready to re-engage our growth plans as soon as the climate permits."

Investor Meeting

The Company will be hosting an interactive presentation through the digital platform Investor Meet Company at 1.00 p.m. (UK) today, Monday 1st June 2020.

The Company is committed to ensuring that there are appropriate communication structures for all elements of its shareholder base so that its strategy, business model and performance are clearly understood.

- The online presentation is open to all existing and potential shareholders.
- Questions can be submitted any time during the live presentation, via the "Ask a Question" function. Whilst the Company may not be in a position to answer every question it receives, it will seek to respond to the most prominent questions within the confines of information already disclosed to the market. Responses to the Q&A from the live presentation will be published at the earliest opportunity on the Investor Meet Company platform.
- Investor feedback can also be submitted directly to management post the event to ensure the company can understand the views of all elements of its shareholder base.

Investors can sign up to Investor Meet Company for free and add to meet Cloudcall via: [CloudCall AGM Update 2020](#)

For further information, please contact:

CloudCall Group plc

Tel: +44 (0)20 3587 7188

Simon Cleaver, Chief Executive Officer

Paul Williams, Chief Financial Officer

Canaccord Genuity Limited

Tel: +44 (0)20 7523 8000

Simon Bridges

Richard Andrews

About CloudCall Group Plc

CloudCall is a software and integrated 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 in Leicester and London (UK), Boston (US), Minsk (BY0) with over 42,000 end-users relying on CloudCall technology to power their communications.