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This Document is not for publication or distribution, directly or indirectly, in or into the United States of America. This Document is not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States. The total consideration under the PrimaryBid Offer will be less than €8 million (or an equivalent amount in sterling) in aggregate and the Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The Placing and the PrimaryBid Offer do not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. This Document has not been approved for the purposes of section 21 of FSMA. In addition this Document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

The Company and the Directors, whose names are set out on page 5, accept responsibility, both collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.



CloudCall Group plc

(Incorporated and registered in England and Wales with registered no. 5509873)

**Placing of 8,845,284 new Ordinary Shares at 81.5 pence per share
PrimaryBid Offer of 357,169 new Ordinary Shares at 81.5 pence per share
Adoption of New Articles of Association of the Company**

**and
Notice of General Meeting**

Nominated Adviser, Sole Broker and Bookrunner



Canaccord Genuity Limited

You should read the whole of this Document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 11 to 18 (inclusive) of this Document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting to be held virtually at 11.00 a.m. on 25 March 2021 is set out at the end of this Document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 11.00 a.m. on 23 March 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting).

In light of public health advice in response to the COVID-19 outbreak, including the limit on public gatherings, the General Meeting will be held as a virtual closed meeting with the minimum number of Shareholders legally required to be present. Shareholders will not be permitted to attend in person therefore the Company strongly encourages all Shareholders to submit their Form of Proxy appointing the Chairman as their proxy.

The Existing Ordinary Shares of the Company are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM in respect of the EIS/VCT Admission and the General Admission. The New Ordinary Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Existing Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) (“UKLA”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this Document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

Canaccord Genuity, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser, sole broker and bookrunner to the Company in connection with the Fundraising and is not acting for any other persons in relation to the Fundraising. Persons receiving this Document should note that Canaccord Genuity is not be responsible to anyone other than the Company for providing the protections afforded to customers of Canaccord Genuity or for advising any other person on the arrangements described in this Document. No representation or warranty, expressed or implied, is made by Canaccord Genuity as to any of the contents of this Document and Canaccord Genuity has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Canaccord Genuity for the accuracy of any information or opinions contained in this Document or for the omission of any information. Canaccord Genuity, as nominated adviser, sole broker and bookrunner to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the applicable laws of any of Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Canada, Australia, the Republic of Ireland, the Republic of South Africa, New Zealand or Japan.

Except for persons in Canada who are “permitted clients” as such term is defined in section 1.1 of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations (“NI 31-103”) who have been offered securities by an entity that is appropriately registered under applicable Canadian securities law or that are foreign dealers permitted to rely on the “international dealer exemption” contained in section 8.18 of NI 31-103, the content contained in this Document has not been prepared for delivery and review by a person that is resident of or otherwise subject to the laws of Canada or is considering the purchase of any securities for a principal who is a resident of Canada or otherwise subject to the laws of Canada (a “Non-Exempt Canadian”), may not be and must not be acted on or relied on by any Non-Exempt Canadian and shall not be treated as an offer to any Non-Exempt Canadian to purchase any securities of the Company.

This Document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Document or the merits of the securities described herein and any representation to the contrary is an offence.

If you are accessing this Document as a resident of Canada you are (i) a “permitted client” as defined in Section 1.1 of 31-103; and (ii) an “accredited investor” as defined in Section 73.3(1) of the Securities Act (Ontario) and Section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions and not a Non-Exempt Canadian.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website <https://www.cloudcall.com/investor-zone/>. Copies of this Document will also be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of CloudCall Group plc at 1 Colton Square, Leicester, LE1 1QH for a period of one month from the date of this Document.

Shareholders should not construe the contents of this Document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

FORWARD LOOKING STATEMENTS

This Document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, including those set out in the risk factors described in Part II of this Document, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Peter Simmonds Simon Cleaver Paul Williams Gary Browning Sophie Tomkins	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Ben Harber (Shakespeare Martineau)	
Registered Office	1 Colton Square Leicester LE1 1QH	
Nominated Adviser, Sole Broker and Bookrunner	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR	
Lawyers to the Company (as to English law)	Freeths LLP Floor 3, 100 Wellington Street Leeds LS1 4LT	
Lawyers to the Company (as to US law)	Proskauer Rose LLP 110 Bishopsgate London EC2N 4AY	
Lawyers to the Nominated Adviser, Sole Broker and Bookrunner	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ	
Registrars and Receiving Agent	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing and PrimaryBid Offer	1 March 2021
Posting of Circular and Forms of Proxy	2 March 2021
Latest time and date for receipt of Forms of Proxy and CREST proxy instructions	11.00 a.m. on 23 March 2021
General Meeting	11.00 a.m. on 25 March 2021
Results of the General Meeting announced through a RIS	25 March 2021
Expected date for EIS/VCT Admission and commencement of dealings of the EIS/VCT Placing Shares	8.00 a.m. on 26 March 2021
Expected date for EIS/VCT Placing Shares to be credited to CREST stock accounts	26 March 2021
Expected date for General Admission and commencement of dealings of the General Placing Shares and PrimaryBid Shares	8.00 a.m. on 29 March 2021
Expected date for General Placing Shares and PrimaryBid Shares to be credited to CREST stock accounts	29 March 2021
Expected date for despatch of definitive share certificates for EIS/VCT Placing Shares	within 10 business days following allotment
Expected date for despatch of definitive share certificates for General Placing Shares and PrimaryBid Shares	within 10 business days following allotment
Long Stop Date	8.00 a.m. on 12 April 2021

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.
- (iii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.

PLACING AND PRIMARYBID OFFER STATISTICS

Number of Existing Ordinary Shares in issue ¹	38,826,763
Issue Price of each New Ordinary Share	81.5 pence
Discount to the closing price per Existing Ordinary Share ²	0.0 per cent
New Ordinary Shares to be issued pursuant to the Placing	8,845,284
New Ordinary Shares to be issued pursuant to the PrimaryBid Offer	357,169
Enlarged Share Capital following EIS/VCT Admission	44,348,235
Enlarged Share Capital following General Admission	48,029,216
Gross proceeds of the Placing and PrimaryBid Offer at the Issue Price	approximately £7.5 million
Net proceeds of the Placing and PrimaryBid Offer	approximately £7.0 million
ISIN	GB00B4XS5145
TIDM	CALL
SEDOL	B4XS514

Notes:

1 On 1 March 2021, being the last practicable date prior to the publication of this Document.

2 Based on the closing price on 1 March 2021, being the last practicable date prior to the publication of this Document.

DEFINITIONS

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

“Admissions”	together, the EIS/VCT Admission and the General Admission
“Affiliates”	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
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Announcement”	means the announcement (including the Appendix to the announcement) dated 1 March 2021
“Articles”	the existing articles of association of the Company as at the date of this Document
“Bookrunner” or “Broker” or “Canaccord Genuity”	Canaccord Genuity Limited
“CRM”	customer relationship management
“CIGA”	the Corporate Insolvency and Governance Act 2020
“Circular” or “Document”	this circular dated 2 March 2021
“Company” or “CloudCall”	CloudCall Group plc
“CREST”	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
“Directors” or “Board”	the directors of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EEA”	the European Economic Area
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the UK Income Tax Act 2007 (as amended)
“EIS/VCT Admission”	admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“EIS/VCT AIM Application”	the application to the London Stock Exchange for EIS/VCT Admission as required by Rule 29 of the AIM Rules
“EIS/VCT Placing”	the conditional placing of the EIS/VCT Placing Shares by Canaccord Genuity, as agent on behalf of the Company, pursuant to the Placing Agreement
“EIS/VCT Placing Shares”	5,521,472 number of Placing Shares 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
“Existing Ordinary Shares”	the 38,826,763 Ordinary Shares in issue as at the date of this Document
“FCA”	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“FSMA”	the Financial Services and Markets Act of 2000 (as amended)
“Fundraising”	together, the Placing and the PrimaryBid Offer

“General Admission”	admission of the General Placing Shares and PrimaryBid Shares to trading on AIM becoming effective in accordance with the AIM Rules
“General AIM Application”	the application to the London Stock Exchange for General Admission as required by Rule 29 of the AIM Rules
“General Meeting”	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
“General Placing”	the conditional placing of the General Placing Shares by Canaccord Genuity, as agent on behalf of the Company, pursuant to the Placing 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 “Group Company” shall be construed accordingly
“HMRC”	HM Revenue & Customs in the UK
“Issue Documents”	the Circular, the 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”	81.5 pence per New Ordinary Share
“Link Group”	a trading name of Link Market Services Limited
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	8.00 a.m. on 12 April 2021
“Market Abuse Regulation”	the Market Abuse Regulation (2014/596/EU) retained by the UK (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 Articles”	the proposed new articles of association to be adopted by the Company pursuant to Resolution 3 of the General Meeting, being in the form found on the Company’s website at www.cloudcall.com
“New Ordinary Shares”	together, the Placing Shares and the PrimaryBid Shares
“Nomad”	Canaccord Genuity Limited
“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 conditional 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 Agreement
“Placing Agreement”	the agreement dated 1 March 2021 between (i) the Company; and (ii) Canaccord Genuity relating to the Placing, further details of which are set out in this Announcement
“Placing Shares”	8,845,284 new Ordinary Shares to be issued in connection with the Placing
“PrimaryBid”	PrimaryBid Limited (registered number 08092575), which is authorised and regulated by the FCA with register number 779021

“PrimaryBid Offer”	the offer for subscription conducted by PrimaryBid of the PrimaryBid Shares at the Placing Price
“PrimaryBid Shares”	357,169 new Ordinary Shares to be issued in connection with the PrimaryBid Offer
“Prospectus Directive”	EU Directive 2003/71/EC
“Prospectus Rules”	the prospectus regulation rules made by the FCA pursuant to section 73A of FSMA
“Publicly Available Information”	any information announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Document
“Regulation S”	Regulation S under the Securities Act
“Regulatory Information Service”	any of the services set out on the list maintained by the London Stock Exchange as set out in the AIM Rules
“Resolutions”	the resolutions to be put to Shareholders at the General Meeting to be convened by the notice of General Meeting in the Circular
“Restricted Jurisdictions”	United States, Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders”	the shareholders of the Company from time to time
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“VCT”	a Venture Capital Trust under Part 6 of the Income Tax Act 2007

PART I

Letter from the Chairman

CloudCall Group plc

Incorporated in England and Wales with registered number 5509873

Directors:

Peter Simmonds *Non-Executive Chairman*
Simon Cleaver *Chief Executive Officer*
Paul Williams *Chief Financial Officer*
Gary Browning *Non-Executive Director*
Sophie Tomkins *Non-Executive Director*

Registered office:

1 Colton Square
Leicester
LE1 1QH

For the attention of Shareholders and for information only option holders

2 March 2021

Dear Shareholder,

Placing of 8,845,284 new Ordinary Shares at 81.5 pence per share

PrimaryBid Offer of 357,169 new Ordinary Shares at 81.5 pence per share

Admission of New Ordinary Shares to trading on AIM and Notice of General Meeting

Adoption of New Articles of Association of the Company

1. Introduction

The Company announced on 1 March 2021 that it had conditionally raised £7.5 million before fees and expenses via a Placing and PrimaryBid Offer with certain existing and new institutional and other investors.

The Placing Shares and PrimaryBid Shares are being issued at 81.5 pence per new Ordinary Share, representing a discount of 0.0 per cent. to the closing middle market price of 81.5 pence per Ordinary Share on 1 March 2021, being the last practicable date prior to the date of this Document. The Placing Shares and PrimaryBid Shares will together represent approximately 23.7 per cent. of the Company's existing issued ordinary share capital.

As part of the Placing, the Company is seeking to raise gross funds of up to £4.5 million by the issue of the EIS Placing Shares to investors seeking the benefit of relief under the Enterprise Investment Scheme and VCT Placing Shares to investors seeking the benefit of tax relief through Venture Capital Trusts. The issue of the EIS/VCT Placing Shares will be unconditionally issued to the relevant Placees at EIS/VCT Admission (being one business day prior to the anticipated date of General Admission) so that Placees investing as part of the EIS/VCT Placing shall be able to benefit for tax advantages available to Venture Capital Trusts and pursuant to the Enterprise Investment Scheme as governed by HMRC. The Company has applied for, and received, advance assurance from HMRC that the EIS/VCT Placing Shares will qualify for EIS tax relief on EIS/VCT Admission based on an indicative Fundraising amount of up to approximately £7.5 million.

Neither the Placing Shares nor the PrimaryBid Shares are being offered on a *pro rata* basis to existing Shareholders and accordingly the Placing and PrimaryBid Offer is conditional, *inter alia*, upon Shareholders resolving to disapply statutory pre-emption rights. Shareholders will find set out at the end of this Document a Notice of General Meeting which has been convened for 11.00 a.m. on 25 March 2021 at which resolutions will be proposed to approve the allotment and issue of the Placing Shares and the PrimaryBid Shares and to disapply statutory pre-emption rights in respect of such allotment.

If the conditions relating to the issue of the Placing Shares and PrimaryBid Shares are not satisfied, or the Placing Agreement is terminated in accordance with its terms, the Placing Shares and

PrimaryBid Shares will not be issued and the Company will not receive the related Placing monies. Neither the Placing nor the PrimaryBid Offer is underwritten.

Applications will be made in due course to the London Stock Exchange for the EIS/VCT Placing Shares, General Placing Shares and the PrimaryBid 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 26 March 2021. General Admission for the General Placing Shares and the PrimaryBid Shares is expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on 29 March 2021.

The purpose of this Document is to provide Shareholders with further information to explain the background to and reasons for the Placing and the PrimaryBid Offer, and to convene a General Meeting at which the Resolutions seeking Shareholder authority for the issue of the New Ordinary Shares and the adoption of the New Articles will be put to the Shareholders. If the Resolutions are not passed, the Company will be unable to issue the New Ordinary Shares and unable to adopt the New Articles.

In light of public health advice in response to the COVID-19 outbreak, including the limit on public gatherings, the General Meeting will be held as a virtual closed meeting with the minimum number of Shareholders legally required to be present. Shareholders will not be permitted to attend in person therefore the Company strongly encourages all Shareholders to submit their completed and signed Form of Proxy appointing the Chairman as their proxy, in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 23 March 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

The Articles do not, at present, fully permit the Company to hold hybrid or virtual general meetings however, the CIGA (proposed and passed due to COVID-19 and the associated social distancing and lockdown measures) currently, and only temporarily, allows a company to override its articles of association to hold hybrid or virtual general meetings. This temporary measure is to expire in the future and therefore the Company considers it prudent to amend its Articles and adopt the New Articles to ensure that hybrid or virtual general meetings can validly occur in the future whether the measures of CIGA are in force or not.

2. 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.

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 per referral to these CRM partners. Due to the 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.

3. Background to and reasons for the Placing

In September and October 2019, the Company announced it had raised gross proceeds of £12.1 million via a placing and open offer to fund future growth, with the Directors outlining an investment programme that included investing into customer led growth initiatives, product enhancements and other expansion opportunities. As a consequence of this focus on revenue growth, the Group also set itself the target of achieving a £50 million revenue run rate by 2025, with monthly EBITDA breakeven expected to be achieved in mid-2022.

In early 2020, the year commenced well, with positive net user growth and other attractive SaaS metrics being achieved. However, in mid-March 2020, the UK government implemented a stringent national lockdown as a result of the rising effects from the global COVID-19 pandemic. This compulsory national lockdown forced many businesses across the UK to temporarily shut or move to a working-from-home environment.

With the significant macroeconomic uncertainty created by the COVID-19 pandemic, CloudCall experienced a material decline in net user growth, in addition to rising user churn rates. This was due in part to approximately 66 per cent. of CloudCall's customer base being in the recruitment sector, which can often be one of the first industries that is negatively impacted during economic uncertainty. At that time the Directors put in place a cost management programme, including but not limited to: reducing marketing and travel budget, employee salaries, as well as a number of other cost cutting initiatives.

As the longevity of the lockdown restrictions became more apparent into Q2 2020, many of the Group's customers sought to utilise CloudCall's products and services to fulfil the new working-from-home need. As a result, the Group experienced a 'v-shaped' recovery in net user growth from June 2020. The recovery trend continued throughout the second half of 2020, with many of the Group's key performance indicators back near or surpassing the pre-COVID-19 levels by the end of 2020.

Whilst the Group was able to achieve 2020 revenues of £11.8 million, being the top end of its revised stated guidance, the Directors estimate the impact from COVID-19 has likely delayed the Group's growth plans by approximately one year. Because of this, monthly EBITDA breakeven is now expected to be achieved by mid-2023 and £50 million run rate revenues by 2026.

4. Use of proceeds

Given the impact COVID-19 had on 2020 performance as well as the compounding impact from the lost revenue in future years and the extended time to achieve monthly EBITDA breakeven, the Group's growth plans now require additional funding.

The Company will use the net proceeds from the Placing and the PrimaryBid Offer for general working capital purposes and to strength its balance sheet, which together with the updated debt facility (more detail is outlined in paragraph 5 below) would provide the Group with sufficient funds to deliver its near term growth plan.

The Directors have sought to minimise the dilutive effects to investors from the Placing and PrimaryBid Offer by increasing the Company's debt facility and raising only what they need to progress their near term growth plan.

Whilst 2020 has been a challenging year for many businesses, including CloudCall, the Directors remain confident about the future growth prospects for the Group. Furthermore, as the COVID-19 pandemic has accelerated the general approval and application of remote and agile working, the Directors believe the Group's product and service offering remains a highly compelling and relevant proposition for customers.

5. Current Trading and Prospects

On 21 January 2021, the Company announced a trading update for the twelve months ended 31 December 2020, in which it announced it had achieved 2020 revenues of £11.8 million, being the top end of its revised stated guidance, with many of the Company's key operational and financial performance indicators back near or surpassing pre the COVID-19 levels. A summary of several of the Company's key operational performance indicators is set out in the table below.

	H2 2019	H1 2020	H2 2020	H2 2020 vs H1 2020	Back above pre-COVID-19 levels
Leads generated	634	893	1,398	Up 57%	✓
Demos completed (1)	203	263	361	Up 37%	✓
New customers signed	147	181	279	Up 54%	✓
New users added	3,303	2,423	4,135	Up 71%	✓
New business sales	1,456	1,030	1,611	Up 56%	✓
Y1 Value / sales rep / month (£k)	17.7	15.4	22.2	Up 44%	✓

In addition to the Placing and PrimaryBid Offer, CloudCall also announced on 1 March 2021 that it has received credit committee approval from its existing lender, Shawbrook Bank Limited, in relation to updating its existing £2.1 million drawn term loan debt facility with a new £5.0 million term debt facility. This increased debt facility remains subject to raising not less than £5.0 million in net proceeds in the Fundraising, and the Company is in the advanced stages of the legal process with Shawbrook, which it expects to complete not later than 24 March 2021.

Given the conditional net Placing and PrimaryBid Offer proceeds and the proposed new debt facility, the Board is now in a position to provide new guidance for the 2021 financial year (for the twelve months to 31 December 2021) and now expects to achieve revenues of £14.0 million, representing an 18 per cent. increase on 2020 revenues. In addition, the Company has provided guidance for 2021 operating expenditure which is expected to be approximately £16.9 million compared to 2020 which was £13.9 million (including one-time COVID-19 related savings). This increase in 2021 operating expenditure is expected to be driven in part by a £1.3 million reversal in the one-time COVID-19 savings as well as continued investment of £1.7 million across sales and marketing, investment into the Australian office, research and development and general growth.

The net cash impact expected at the end of 2021 compared to the previous expectations is £4.8 million.

6. The Fundraising

Details of the Placing and PrimaryBid Offer

The Company has conditionally raised approximately £7.2 million before expenses by the conditional Placing of the Placing Shares at the Issue Price. In addition, the Company has also conditionally raised a further £0.3 million before expenses through the PrimaryBid Offer at the Issue Price.

Together, the Placing Shares and PrimaryBid Shares represent 23.7 per cent. of the Company's existing issued ordinary share capital and will when issued rank *pari passu* with the Existing Ordinary Shares in the Company. The issue of the Placing Shares and PrimaryBid Shares is conditional, *inter alia*, upon Shareholders voting in favour of the Resolutions at the General Meeting which is expected to be held on 25 March 2021.

As part of the Placing, the Company is seeking to raise gross funds of up to £4.5 million by the issue of the EIS/VCT Placing Shares to investors seeking the benefit of relief under the Enterprise Investment Scheme or seeking the benefit of tax relief through Venture Capital Trusts. The EIS/VCT Placing Shares will be unconditionally issued to the relevant Placees at EIS/VCT Admission (being one business day prior to the anticipated date of General Admission) so that Placees investing as part of the EIS/VCT Placing shall be able to benefit for tax advantages available to Venture Capital Trusts and pursuant to the Enterprise Investment Scheme as governed by HMRC. The Company has applied for, and received, advance assurance from HMRC that the EIS/VCT Placing Shares will qualify for EIS tax relief on EIS/VCT Admission based on an indicative Fundraising amount of up to approximately £7.5 million.

The EIS/VCT Placing is conditional, *inter alia*, upon:

- (a) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to EIS/VCT Admission;
- (b) the passing of the Resolutions at the General Meeting; and

- (c) EIS/VCT Admission becoming effective by no later than 8.00 a.m. on 26 March 2021 or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as Canaccord Genuity and the Company may agree.

If any of the conditions are not satisfied, the EIS/VCT Placing Shares will not be issued.

The General Placing is conditional, *inter alia*, upon:

- (a) the Placing and Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to General Admission;
- (b) the passing of the Resolutions at the General Meeting;
- (c) completion of EIS/VCT Admission; and
- (d) General Admission becoming effective by no later than 8.00 a.m. on 29 March 2021 or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as Canaccord Genuity and the Company may agree.

If any of the conditions are not satisfied, the General Placing Shares will not be issued.

The PrimaryBid Offer is conditional upon:

- (a) the Placing and Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to General Admission;
- (b) General Admission becoming effective by no later than 8.00 a.m. on 29 March 2021 or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as Canaccord Genuity and the Company may agree. The Placing Shares and PrimaryBid Shares are not subject to clawback. Neither the Placing nor the PrimaryBid Offer is being underwritten.

The Placing Shares and PrimaryBid Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The Company currently expects to satisfy the relevant conditions for the 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 EIS/VCT Admission, neither the Directors nor the Company give any warranty or undertaking that relief will be available in respect of the EIS/VCT Placing Shares nor is any warranty or undertaking given that the Company will continue to conduct its activities in a way that qualifies for or preserves its eligibility status.

Subject to, *inter alia*, the passing of the Resolutions, an application will be made to the London Stock Exchange, via the EIS/VCT AIM Application, for the admission of the EIS/VCT Placing Shares to trading on AIM. The EIS/VCT Admission is expected to occur and that dealings will commence at 8.00 a.m. on 26 March 2021. An application will be made to the London Stock Exchange, via the General AIM Application, for the admission of the General Placing Shares, together with the PrimaryBid Shares to trading on AIM. The General Admission is expected to be occur and that dealings will commence at 8.00 a.m. on 29 March 2021. Shareholders and potential investors should be aware of the possibility that EIS/VCT Admission might occur, but General Admission might not take place.

The Placing Agreement

Pursuant to the Placing Agreement, Canaccord Genuity have agreed to use their respective reasonable endeavours as agents of the Company to procure subscribers for the Placing Shares at the Issue Price.

The Placing Agreement provides, *inter alia*, for payment by the Company to Canaccord Genuity of commissions based on the number of Placing Shares placed by Canaccord Genuity multiplied by the Issue Price.

The Company will bear all other expenses of, and incidental to, the Placing including a corporate finance fee payable to Canaccord Genuity, the fees of the London Stock Exchange, printing costs, Registrars' fees, all legal and accounting fees of the Company and all stamp duty and other taxes and duties payable.

The Placing Agreement contains certain warranties and indemnities from the Company in favour of Canaccord Genuity and is conditional, *inter alia*, upon:

- (a) the Placing Agreement having become unconditional in all respects (save for the condition relating each Admission) and not having been terminated in accordance with its terms prior any Admission; and
- (b) each Admission becoming effective not later than 8.00 a.m. on the Long Stop Date.

Canaccord Genuity may terminate the Placing Agreement if, *inter alia*: the Company is in material breach of any of its obligations under the Placing Agreement; or there has occurred, in the opinion of Canaccord Genuity, acting in good faith, a material adverse change in the business of the Group or in the financial or trading position or prospects of the Group.

The PrimaryBid Offer

The PrimaryBid Offer, which closed on the evening of the 1 March 2021, was open to private and other investors subscribing via PrimaryBid.com and conditionally raised £0.3 million (before fees and expenses) through the issue of the PrimaryBid Shares. The PrimaryBid Offer remains conditional as noted above.

A total of 357,169 New Ordinary Shares are to be issued under the PrimaryBid Offer at the Issue Price.

7. Proposed New Long Term Incentive Plan

Following a detailed review, conducted with advice from independent professional advisers, the Remuneration Committee has decided to overhaul the Company's incentive remuneration policy. The Committee believes that current long-term incentives for executive directors, senior management and other key employees are no longer aligned with the Company's strategy and are not providing an appropriate incentive to grow the business for the benefit of all stakeholders.

Therefore, the Remuneration Committee intends to seek shareholders' approval, at the annual general meeting in June, for a new long-term incentive plan for executive directors and other key executives, who strongly influence the success of the business.

The new plan will be designed in accordance with QCA guidance to align executives' rewards with the long-term interests of shareholders and to be consistent with the Company's strategy and culture. Vesting of awards will be conditional on both demanding operating performance and shareholder return metrics.

Plan design will also recognise the Company's growing US presence and the recent hiring of senior US executives, who will be eligible to participate.

This, together with the Company's history of making share awards to employees on joining the Company and the requirement to allow participants, if they wish, to exercise their rights under existing plans has placed strain on the number of shares available for the current executive team and employee share plans. As a result, the proposals will contain a request to increase the number of new shares which may be issued under employees' share plans in any 10-year period from 10 per cent. to 15 per cent. of the Company's issued share capital.

The Remuneration Committee continues to support participation in the Company's shares by executive directors, senior managers and employees and believes that the proposed new plan will be in the best interests of the Company and its stakeholders.

Full details of the proposed new plan will be published in advance of the AGM and the Committee will engage in a consultation programme with shareholders on its proposals before publication.

8. Related Party Transaction

Gresham House Asset Management Limited ("**Gresham House**") and Canaccord Genuity Wealth Group Limited ("**CGW**") are each considered to be a 'Substantial Shareholder' under the AIM Rules and are subscribing for 1,349,417 Placing Shares and 2,152,417 Placing Shares respectively. Gresham House are subscribing for EIS/VCT Placing Shares and CGW are subscribing for 925,430 EIS/VCT Placing Shares and 1,226,987 General Placing Shares. The Placing participation for both Gresham House and CGW constitutes 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 CGW's participation in the Placing are fair and reasonable insofar as Shareholders are concerned.

9. General Meeting

The Directors do not currently have authority to allot the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting, together with approval to disapply pre-emption rights in respect of the New Ordinary Shares

In addition, the Company also proposes to amend its Articles so as to allow for hybrid or virtual general meetings in the future. A comparison of the New Articles against the Articles showing the proposed changes made can be found on the Company's website at www.cloudcall.com.

A notice convening the General Meeting, which is to be held virtually at 11.00 a.m. on 25 March 2021, is set out at the end of the Circular.

At the General Meeting, the Resolutions will be proposed to authorise the Directors:

- to allot:
 - the Placing Shares in connection with the Placing; and
 - the PrimaryBid Shares in connection with the PrimaryBid Offer;
- to dis-apply statutory pre-emption rights in relation to the Placing Shares and the PrimaryBid Shares; and
- to adopt the New Articles.

The share allotment and dis-application authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2021 or the date falling six months from the date of the passing of the Resolutions (unless renewed, varied or revoked by the Company prior to or on that date) and shall be in addition to the Directors' authorities to allot relevant securities and dis-apply statutory pre-emption rights granted at the Company's Annual General Meeting held on 1 June 2020.

Action to be taken

10. in respect of the General Meeting

Please check that you have received a Form of Proxy for use in relation to the General Meeting with this Document.

For the reasons given above in light of public health advice in response to the COVID-19 outbreak, including the limit on public gatherings, the General Meeting will be held as a virtual closed meeting with the minimum number of Shareholders legally required to be present. Shareholders will not be permitted to attend in person therefore the Company strongly encourages all Shareholders to submit their completed and signed Form of Proxy appointing the Chairman as their proxy, in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 23 March 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Alternatively, Shareholders can also either:

- **vote online by logging on to www.signalshares.com and following the instructions; or**
- **in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting.**

Appointing a proxy or voting online in accordance with the instructions set out above will enable your vote to be counted at the General Meeting. Shareholders will not be permitted to attend in person therefore the Company strongly encourages all Shareholders to submit their completed and signed Form of Proxy appointing the Chairman as their proxy.

Shareholders are invited to submit any questions in advance of the meeting that they would like answered and the Company will promptly respond. The email address to send questions to is ir@cloudcall.com.

11. Additional information

Your attention is drawn to the risk factors set out in Part II of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

12. Importance of the vote

The Resolutions must be passed by Shareholders in person or by proxy at the General Meeting in order for the Fundraising to proceed. If the Resolutions are not passed, the Company would need to consider the options available to it in terms of alternative sources of funding. It may be that such sources would not be on terms as favourable to Shareholders as the Fundraising. Further, there is no guarantee that alternative sources could be found. If such an alternative source of funding cannot be found, the Company expects that it would only have sufficient cash to fund its activities until later this year. In such circumstances, Shareholders may lose the value of their current shareholdings.

13. Recommendation

The Directors believe that the Fundraising and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own holdings of Ordinary Shares, totalling 1,370,153 Ordinary Shares, being approximately 3.53 per cent. of the Existing Ordinary Shares.

The Fundraising is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Fundraising will not proceed.

Yours faithfully

Peter Simmonds

Non-Executive Chairman

2 March 2021

PART II

Risk Factors

Investors should be aware of the risks associated with an investment in the Group. An investment in the Company may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an investment adviser under the FSMA, who specialises on advising on this type of investment.

A prospective investor should carefully consider whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline and an investor might lose all or part of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.

1. Risks relating specifically to the Group

Data protection and GDPR

The Group's business will continue to enter into material contracts that involve the processing of personal data on behalf of its customers. In light of the General Data Protection Regulation ("GDPR") that came into force in May 2018, the Group may have to review such contracts in order to ensure that it is compliant with the regulation. If the Enlarged Group does not maintain compliance with GDPR (and other applicable data protection laws) and is found to be in breach, its business and operations could be materially adversely affected.

Termination of agreements with key customers

The Group currently relies on certain agreements with key customers, which may be terminated in accordance with their terms. Whilst the Directors believe such agreements will not be terminated following the Fundraising, the loss of contracts with any of its key customers following Admission could have a material adverse effect on the Group's business.

Failure in technology platform

The business of the Group is highly dependant on the performance, reliability and availability of its information technology infrastructure and communications systems as well as the accessibility of the wider internet infrastructure. There is a risk that these systems may be adversely affected by a number of factors, including damage, equipment faults, power failure or natural disasters. Events of that nature may cause all or part of the Group's technology platform or website to become unavailable. This in turn could reduce the Group's ability to generate income, impact client service levels and cause damage to the Group's reputation and, potentially, have a material adverse effect on its financial position and performance. Whilst the Group is committing resources to managing improving its resilience, any substantial disruption to the internet on a micro or macro basis could disrupt the Group's ability to generate sales from its website.

The Group's information technology infrastructure may also be damaged by computer viruses, computer hackers, and organised activities among groups of persons designed to breach security systems. Privacy breaches may expose the Group to additional liability and result in the loss of customers and users, or an inability to conduct business. Any inability on the Group to protect the privacy or security of its electronic transactions or systems could have a material effect on profitability.

Management of growth

The Group's growth plans will place additional demand on its management, customer support, marketing and administrative resources. If the Group is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

In addition, the anticipated growth rates in the Group's markets cannot be guaranteed. Furthermore, while the Group is aware of a number of new potential markets for its products, the successful evolution of these markets cannot be relied upon.

Trading

The trading expectations of the Group are based on assumptions which the Directors consider to be reasonable but which are inherently subject to variation and uncertainty. There can be no assurance or guarantee that any element of those plans will be fulfilled, that the outcome of the Company's strategy will be achieved or that the Group will achieve revenue or be profitable.

Additional capital requirements in the future

The Resolutions the Board are putting forward to Shareholders must be passed at the General Meeting in order for the Fundraising to proceed. If the Resolutions are not passed, the Company would need to consider the options available to it in terms of alternative sources of funding.

The Company is likely to need additional capital to achieve cashflow break even, which is now expected to be achieved by mid-2023. Even with additional capital there is no guarantee that the Company will be able to achieve cash flow break even if trading does develop as the Directors anticipate.

The capital requirements of the Group depend on numerous factors. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Group.

Loss of key personnel

The performance of the Group is dependent upon the continued services, expertise, experience and the performance of the senior management and other key personnel. Incentives are in place to suitably reward and retain key personnel. However, risks in this area cannot be totally eliminated. The loss of the services of any of the senior management or key personnel could have a material adverse effect upon the Group's future.

Ability to Attract Employees

The Group depends on qualified and experienced employees to enable it to bid for new business and develop new software. Should the Group be unable to attract new employees or retain existing employees, this could have a material adverse effect on the Group's ability to grow or maintain its business.

The Group will be exposed to foreign exchange risks

The Group will receive income from overseas, mainly in United States dollars. As a result, the Group will be exposed to the risk that adverse exchange rate movements cause its costs to increase (relative to its reporting currency), resulting in reduced profitability.

Competition

The Group's competitors may in the future develop increased financial, technological or market capability. This could adversely affect the Group's turnover and margins in the future.

The Group will operate in a competitive market and will face pressure to keep its pricing and product features competitive. Failure to do either could result in an adverse impact on the Group's financial performance. The Group sees growth in the US in particular. However, local specialists may have the advantages of a better understanding of local market needs and lower operating costs due to a local presence. The Group intends to initially integrate with local CRM and other suitable software companies in order to mitigate this risk.

Revenue Model

The Company is a software as a service (SaaS) and telecoms company and only limited revenues have been made to date. Due to restricted financial trading of the Company the sales cycle currently varies and continues to present a risk, even with more regular and reliant sales volumes. There can be no assurance that the Group will operate profitably and if the Group's strategy going forward proves unsuccessful, Shareholders could lose all or part of their investment. The growth of revenues to a point where the Group becomes profitable is dependent upon further acceptance by customers and users of the product and in particular, by the willingness of CRM companies to continue adopting the CloudCall technology onto their platforms. Whilst the Group has seen some initial success in achieving these integrations, there can be no guarantee that this success will continue in the medium to long term financial future.

The Group's future success will depend on the ability of the Board to implement its objectives and strategy. Whilst the Board is confident about the Group's prospects, there is no certainty that anticipated revenues or growth can be achieved.

Cost Base

The Group will have a level of fixed costs mostly related to salaries and associated costs. In the event of a failure to grow as anticipated, the Group may not be able to reduce costs very quickly in the short term. This could have an adverse effect on the Group's operating results in the event of lower than expected revenue growth.

Wireless connected device market risks

Consumer demand, manufacturer supply, competition and regulation can all impact on gross margin obtained within the market and therefore the Company focuses on protecting its margins through balancing efficient supply chain and logistics with group wide bulk purchasing. In addition the Group's products and services are subject to rapid technological change and therefore often subject to price deflation as new products are manufactured as technology improves.

Business continuity and incident management

The Group's businesses are at risk from disruption of key systems and assets on which they depend. The functioning of the IT systems within the Group's businesses could be disrupted for reasons either within or beyond their control, including but not limited to: accidental damage; disruption to the supply of utilities or services; extreme weather events; safety issues; systems failure; workforce actions; or environmental contamination. There is a risk that such disruption may materially and adversely affect the Group's businesses' ability to sell products to customers and therefore materially and adversely affect their reputation, performance or financial condition.

Exposure to Economic Cycle

The Group is exposed to the general economic cycle through its clients' ability to purchase new or upgrade existing software. Such projects could be vulnerable to delay or cancellation in the event of a continuing and prolonged economic downturn.

Reliance on Major Clients and Partners

The business plan produced by management assumes the maintained roll out of the Bullhorn and other CRM contracts in the UK and the US. Were the Bullhorn or other current contracts to be terminated, this could affect the projected growth of the Group. However, as the Group's ongoing strategy will be to integrate with more CRM and other suitable software companies, reliance on any one software partner will be reduced. The Group intend to further market CloudCall's services directly to end users.

Short term contracts

The Company's standard client and partner contracts cover a 12 month term. Some of the contracts the Company has entered into with customers, partners and suppliers are coming up to (or are past) 12 months old and are therefore now running on a rolling monthly basis and could be terminated at short notice. While the Directors are not presently aware of any reason likely to lead a material customer or partner to effect such a termination, there can be no guarantee that such a termination will not occur in the future. Whilst the Company is reducing its exposure to such

earnings loss by building strategic, long-term partnerships, such terminations could have a materially adverse effect upon the Group's revenues and earnings.

Reliance on Major Suppliers

The Group is reliant on its suppliers to provide services to the Company. In the event that one or more of these services ceased to be provided or is provided on onerous terms to the Group, this could have an adverse effect on the Group's business and performance.

Entry into unproven new market

The Company has recently announced the launch into the property and real estate vertical. This is a new market segment, adjacent to the Company's existing business which the Company feels it is well placed to service. As with its activity within the recruitment segment, revenue generation will be reliant on the Company's own efforts through its joint marketing activities with CRM partners, and the Company will be selling direct to the end customers of CRM providers. There is no guarantee that this market will scale and grow in the way that the Directors anticipate.

Regulatory Environment

The telecoms and data protection and other regulations are onerous and subject to change which may adversely affect the prospects of the Group.

Third Party Intellectual Property Rights

Although the Directors believe that the Group's intellectual property rights do not infringe the intellectual property rights of others, third parties may assert claims that the Group has violated a patent or infringed a particular copyright, trade mark or other proprietary right or confidential information belonging to them. Any such intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and information.

Intellectual Property Rights

The industry in which the Group competes often makes it difficult to identify infringement of intellectual property rights by other participants. This, together with the protracted and costly nature of litigation, particularly in the US, may make it difficult to take swift or decisive action to prevent infringement of the Group's intellectual property rights.

No assurance is given that the Group will develop products which are capable of being protected or that any protection gained will be sufficiently broad in its scope to protect the Group's intellectual property rights and exclude competitors from similar competing technology. The commercial success of the Group will also depend, in part, on its current and future products not infringing intellectual property owned by third parties. Competitors may have filed applications for, or may have been granted, or may obtain patents or other intellectual property protection which may relate to products competitive with those of the Group.

Technology Risk

Investors should be aware that as with every technology company there may be challenges in rolling out new products which could adversely affect the Group's growth and financial performance.

Litigation

Although the Group takes legal counsel on the positions it holds, any litigation, by any member of the Group or against it, is likely to be costly and there can be no assurance that the Group would prevail. Litigation could also involve a significant diversion of resources and management attention.

Changes in Communication Technology

The Group's software is largely focussed on telephony communications via CRM platforms. There is a risk that new communication technologies are adopted by its customers such as email, instant messaging, video conferencing, augmented reality or a new, as yet developed, communication technology, and there is no guarantee that the Group's software will be compatible with any such communication technology adopted by its customers. If the Group fails to respond to changes in

communication technology then there is a risk that the Group's software becomes obsolete which could adversely affect the Group's growth and performance.

2. General industry risks

General economic conditions

Market conditions may affect the value of the Company's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks and political unrest and/or government legislation or policy. General economic conditions may affect interest rates and inflation rates. Movements in these rates will have an impact on the Group's cost of raising and maintaining debt financing. Similarly, general economic conditions may impact on the customers of the Group impacting on the ability of the Group's ability to win new business and the potential recoverability of amounts owed.

Changes in laws or regulations

The Group will be subject to laws and regulations in the UK and so the Group's operations may be in future affected by such laws and regulations. Further, the Group may be subject to and required to comply with certain regulatory requirements that are applicable to companies carrying on businesses of a similar nature. The Company must also comply with the AIM Rules and with certain elements of the disclosure and transparency rules made by the FCA under Part VI of the FSMA. Any change in the law and regulation affecting the Group may have a material adverse effect on the ability of the Group to carry on its business and on the value of the Ordinary Shares. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading and a decrease in the value of the Ordinary Shares. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to the Group's business model. Compliance with such requirements could involve additional costs, which could have a material adverse effect on the business of the Group or otherwise adversely affect or constrain the Group's ability to operate.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Any statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Political Uncertainty

The Group's commercial and trading opportunities across its businesses may be impacted by unforeseeable and unavoidable political or national events or scenarios, including but not limited to, the triggering of an early general election which could prevent fulfilment of client or supplier contracts which fall on dates affected by such events.

Impact of COVID-19

The global macroeconomy has been severely impacted by COVID-19. There has been negative impact on the global recruitment industry as well as customers willingness to undertake discretionary spending for IT and technology. These impacts resulted in CloudCall seeing a reduced overall demand for unified communications technology in the recruitment sector when the COVID-19 pandemic hit. This reduced the short term growth rate of the Company compared to the Directors' initial expectations at the start of the 2020 financial year. The Directors believe that the Group will recover to pre COVID-19 net new user levels in H1 2021 and it is expected that COVID-19 will not have a long term lasting impact on the Company, however, it is currently impossible to predict when the pandemic will end and this makes forecasting future revenues inherently uncertain.

Impact of the European Union Exit

On 29 March 2017 the United Kingdom served notice pursuant to Article 50 of the Treaty of Lisbon to leave the European Union. The Directors believe that the subsequent European Union (Future Relationship) Act 2020 ("**Relationship Act**"), which became law on 31 December 2020, does not specifically address how cross border telecommunications services will be dealt with in relation to the dealings which UK telecommunications companies have with their EU customers and the

Company is waiting for further clarification as to how the services which they provide will be impacted. Pending such clarification it is difficult to assess the impact of the Relationship Act on the services which the Company provides to EU customers. If the clarification results in the Company not being able to passport its UK telecommunication licences into the EU there may be additional costs which the Company needs to incur to continue to provide services to EU customers as well as additional regulatory hurdles that the Company must satisfy which may have a material detrimental impact on its financial condition.

3. Risks relating to an investment in Ordinary Shares

Dilution

The effect of the Placing and Primary Bid Offer may likely result in a reduction of a Shareholder's proportionate ownership and the voting interests in the Company. Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not participate in Fundraising.

EIS and VCT eligibility

Although it is envisaged that qualifying potential investors who subscribe for EIS/VCT Placing Shares may be able to obtain tax relief on this investment under applicable EIS or VCT relief. Neither the Company nor the Directors can provide any warranty, undertaking or guarantee that such reliefs will, in fact, be, and continue to be, available.

Neither the Company nor the Directors give any warranties or undertakings that EIS and/or VCT relief will not be withdrawn. Potential investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits.

Realisation of investment

Potential investors should be aware that the value of shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

Investment risk and AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, the London Stock Exchange has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Market for the Company's shares and volatility of share price

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the assets held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment.

Investors should consider carefully whether an investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties. This Document contains statements about the Company and the Enlarged Group that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in

this Document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue”, “potential” or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this Document and include (without limitation) statements regarding the Board’s intentions, understanding, beliefs or current expectations concerning, among other things, the Company’s and/or the Group’s results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this letter are based on information available to the Board at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Dividends

The Company does not currently anticipate paying dividends in the short or medium term. Furthermore, there can be no guarantee that the Company will be able to pay dividends on the Ordinary Shares in the foreseeable future.

NOTICE OF GENERAL MEETING

Company number: 5509873

CLOUDCALL GROUP PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of CloudCall Group plc, (the “**Company**”) will be held virtually on 25 March 2021 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary or special resolutions (as indicated).

ORDINARY RESOLUTION

1. Authority to allot shares in relation to the Placing and PrimaryBid Offer

THAT, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all or any of the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company (“**Relevant Securities**”) up to an aggregate nominal amount of £1,840,490.60 pursuant to or in connection with the Placing and PrimaryBid Offer (as such term is defined in the circular of which this Notice of General Meeting forms part (the “**Circular**”) provided that

- 1.1 this authority shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company to be held in 2021 or the date falling six months from the date of the general meeting; and
- 1.2 the Company may make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

This authority is in addition to all unexercised authorities in relation to the allotment of securities pursuant to section 551 of the Act conferred on the Directors at the annual general meeting of the Company held on 1 June 2020.

SPECIAL RESOLUTIONS

2. Disapplication of pre-emption rights in relation to the Placing and PrimaryBid Offer

THAT, subject to and conditional upon the passing of resolution 1 above, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that:

- 2.1 such power shall be limited to the allotment of up to 9,202,453 New Ordinary Shares (as such term is defined in the Circular) pursuant to or in connection with the Placing and PrimaryBid Offer (as such term is defined in the Circular); and
- 2.2 this power shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company to be held in 2021 or the date falling six months from the date of the general meeting provided that the Company may make an offer or agreement which would or might require securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

This authority is in addition to all unexercised authorities in relation to the disapplication of section 561 of the Act conferred on the Directors at the annual general meeting of the Company held on 1 June 2020.

3. Adoption of the New Articles

THAT, the draft articles of association presented to the meeting and initialled by the chairman (a copy of which together with a compare against the existing articles can be found on the Company's website at www.cloudcall.com) be adopted with effect from the close of the general meeting in substitution for the existing articles of association.

By order of the Board
Ben Harber
Company Secretary

Registered office:
1 Colton Square
Leicester
LE1 1QH

2 March 2021

Notes

Voting

1. You can vote either:
 - **by logging on to www.signalshares.com and following the instructions. Please note that if not already registered for The Share Portal; you will need your Investor Code which can be found on your share certificate;**
 - **by completing the proxy form accompanying this notice; or**
 - **in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.**

Rights to appoint a proxy

2. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
3. A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Procedure for appointing a proxy

4. To be valid, the proxy form must be received by post or (during normal business hours only) by hand to Link Group, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 11.00 a.m. on 23 March 2021. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.
5. The return of a completed proxy form will not preclude a member from attending the general meeting and voting in person if he or she wishes to do so.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - (a) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST

Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11:00am on 23 March 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Nominated persons

8. Any person to whom this notice is sent who is a person nominated under s.146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
9. The statement of the rights of members in relation to the appointment of proxies in notes 2 to 6 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Record date

10. To be entitled to attend and vote at the general meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company by close of business on 23 March 2021 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting.

Corporate representatives

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Total voting rights

12. As at 1 March 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital comprised 38,826,763 ordinary shares of 20p each. Each ordinary share carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 38,826,763. As at 1 March 2021, the Company held no Ordinary Shares as treasury shares.
13. A copy of this notice, and other information required by s.311A Companies Act 2006, can be found on the website at www.CloudCall.com

Other rights of members

14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communications

15. Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales”.
16. You may not use any electronic address provided in this notice of general meeting for communicating with the Company for any purposes other than those expressly state.

