

20th July 2021

CloudCall Group plc

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

Trading update for the six months ended 30 June 2021

The Company will be hosting an interactive presentation via Investor Meet Company's online platform at 4:00pm (BST) today. See below for registration details

CloudCall (AIM: CALL, OTCQX: CLLLIF), a leading cloud-based software business that integrates communications technology with Customer Relationship Management (CRM) platforms, announces the following trading update for the six months ended 30th June 2021.

Performance highlights:

- Total revenues up 10.4% to £6.4m, with recurring and repeating revenues representing 93.9% of total revenues
- Total revenues up 13.4% on a constant currency basis*
- Annualised run-rate revenue** (ARR) climbs 25% to £13.8m on a constant currency basis (1H 2020 £11.0m)
- Improving gross margin to 81.2% (1H 2020 80.2%)
- Gross cash balance of £8.4m at 30th June 2021, with a further £2.0m available to be drawn from the Group's debt facility, and a further ~£1.0m expected from R&D tax credits in the coming weeks
- Strong recovery in Recruitment industry driving new business sales growth acceleration across period
- SaaS metrics improving and continue to demonstrate effectiveness of CRM-based go-to-market strategy
 - LTV:CAC >5x
 - Net Retention Rate 100%
- The Company remains in a strong position and with operating expenses carefully controlled and tracking in line with plans, the Board is confident in delivering its full year guidance for FY21

*Constant currency revenue has been calculated by applying a fixed USD:GBP and AUD:GBP exchange rate to both 1H 2020 and 1H 2021 revenues

**Annualised run-rate revenues (ARR) = total monthly revenues multiplied by 12 months. In order to account for normal monthly and seasonal fluctuations, both the non-recurring revenue (NRR) and pay-as-you-go communications (PAYG) income have been calculated on a rolling 6-month average for the purposes of calculating annualised run-rate revenue

Simon Cleaver, CEO of CloudCall, commented:

"For CloudCall and many of our customers, 2020 was a challenging year, but I'm pleased to say that now seems firmly behind us and the business is once again thriving."

The recruitment sector, which represents over 50% of our revenues, has bounced back at an astonishing rate and sales to new customers have been accelerating throughout Q1 and Q2, we've also witnessed considerable growth from our customer base who have been increasing the services they buy from us. Many of our KPI's are now running well above pre-COVID-19 levels which provides confidence in achieving our targets for the full year.

I remain as passionate as ever about the value of CloudCall's services to our customers and the efficient way we reach those customers. The strong lead conversion rates and other compelling SaaS metrics we are consistently achieving only increases my belief that we are in the right market with the right product at the right time. I remain hugely excited for what CloudCall can achieve."

Revenues:

Total revenues for the six-month period were £6.4 million, representing an increase of 10.4% against H1 2020, whereas recurring and repeating revenue grew by 8.7%, to £6.0m, when compared to the same period. The lower relative increase in recurring revenue is indicative of increased new business sales with corresponding one-off fees for set-up etc. We are also seeing an increase in SMS and telecoms traffic whose income is classed as 'repeating revenue'.

The relative strength of the dollar compared to the same period last year has adversely impacted the ~40% of Group revenues generated in that currency when converting back to reporting currency (GBP). When looking at revenue growth on a constant currency basis, total revenues are 13.4% higher than the same period last year and recurring and repeating revenues grew by 11.6% over the same period.

Cash:

Having raised gross proceeds of £7.5m via a share placing and secured an updated £5.0m debt facility with Shawbrook in March 2021, the Group reports £8.4m of gross cash at the end of the half, with a further £2.0m available through its' existing £5.0m debt facility. A further ~£1.0m is expected from R&D tax credits in the coming weeks.

Sales growth accelerates through 1H:

The ongoing bounce-back we have seen in the Recruitment sector has been accelerating across the half with new business sales in Q2 running 30% higher than Q1. Sales to the customer base also followed the same trend with Q2 upsell sales 57% higher than Q1. This increased sales activity is expected to drop through to revenue across Q3 as these services go live. Indeed, our systems are currently forecasting that August's new recurring revenue billing is expected to increase ARR by approximately £500,000.

Overall, over £2.5m of ARR sales were booked in total in 1H 2021, up 66% on 1H 2020.

Future KPI Reporting:

Following the review of published KPIs announced earlier this year, the Company has decided to remove its user-based KPIs from external reporting and replace them with customer-based KPIs.

Customers often have a mixture of VoIP accounts, SMS accounts, campaign accounts, automated communication accounts, plus an increasing proliferation of home, mobile and work accounts as remote working patterns have changed. As a consequence, we have been steadily moving away from the principal that a typical CloudCall 'user' account is a direct match to a human being or a 'bum on a

seat'. Reporting on numbers of customers rather than users is simpler, removes any possible confusion and will not be affected by potential further 'user' growth as the product evolves towards more automation and reseller channel-driven revenues.

Our 'users' KPIs have also always included any signed users waiting to go live which can become distortive if larger customers delay their roll out plans. For simplicity and clarity, future reporting of customer numbers will exclude any awaiting go-live and will only include customers that are already billing.

This means that 'number of customers' multiplied by 'annualised revenue (ARR) per customer' should closely approximate to our reported 'annualised run-rate'.

In the interests of transparency, user numbers as calculated under the previous method would have been 51,966 as of 30 June 2021, an increase of 19% compared to the same point last year. Recurring revenue per user (RRPU) for 1H 2021 was £26.20, which is in-line with the same period last year.

Going forward, as well as the usual financial KPIs, CloudCall will report on the KPIs included in the below table.

Constant currency basis	June 2021	December 2020	June 2020	% change vs June 2020	% change vs Dec 2020
Annual run-rate revenues (ARR)	£13.8m	£12.2m	£11.0m	+25%	+13%
Number of billing customers	1,591	1,480	1,317	+21%	+8%
Annualised revenues (ARR) per billing customer	£8,651	£8,238	£8,358	+4%	+4%
% of recurring or repeating revenue	94%	95%	95%	-1%	-1%

Outlook:

The Company reiterates its' intention to reach monthly EBITDA break-even by mid-2023. As a consequence, whilst we will be announcing a limited number of additional CRM integrations, focus will be placed on existing partnerships to maximise short term cash flows.

With the positive first half of the year, the Company is in a strong position and the Board remains confident in delivering its full year revenue and OPEX guidance for FY21.

The Company will be hosting a live investor presentation relating to the post close trading update via the Investor Meet Company platform on 20 July 2021 at 16:00 BST.

The presentation is open to all existing and potential shareholders. Investors can sign up to Investor Meet Company for free and add to meet **CloudCall Group plc** via:

<https://www.investormeetcompany.com/cloudcall-group-plc/register-investor>

Investors who already follow **CloudCall Group plc** on the Investor Meet Company platform will automatically be invited.

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 (Nominated Adviser & Sole Broker)

Tel: +44 (0)20 7523 8000

Simon Bridges

Richard Andrews

Thomas Diehl

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.