

5 August 2016

This announcement contains inside information.

## **CloudCall Group plc**

("CloudCall" or the "Company")

### **Proposed Placing to raise up to £3.77 million and Notice of General Meeting**

#### **CloudCall to increase sales function capacity to focus on key channel partner**

CloudCall (AIM: CALL), a leading cloud-based software business that integrates voice communications into CRM platforms, announces that it has conditionally raised £2.13 million before expenses, by way of a placing of up to 3,700,960 new Ordinary Shares at 57.5 pence (the "Firm Placing"). In addition, the Company has conditionally raised £1.64 million, before expenses, by way of a placing of up to 2,854,521 new Ordinary Shares at 57.5 pence each (the "VCT/EIS Placing"), subject to clearance by HMRC. The Transaction was oversubscribed and the Placing Price represents a premium of 3.6% to the Company's closing price of 55.5p on 4 August 2016.

The Transaction is expected to facilitate a rapid expansion of CloudCall's sales function, particularly in the US, in line with the Company's strategy to increase its capacity to focus on a key channel partner, Bullhorn, which could have a transformational impact on the business. The Transaction is expected to enable CloudCall to accelerate growth and capitalise on near term revenue opportunities, with significantly reduced working capital constraints.

#### **Background to the Transaction and Bullhorn strategy**

- The Company is making excellent progress with its key CRM (Customer Relationship Management) platform partner, Bullhorn, which is driving CloudCall's growth
- Bullhorn is a leading recruitment CRM provider, which is now offering CRM to non-recruiters – it has upwards of 6,000 customers and 80,000 users, of which 70% are US based and 18% are UK based - and is experiencing substantial year on year growth
- CloudCall is enjoying increasing success with Bullhorn in the UK where the Company is servicing 12% of Bullhorn's customers and growing – but is currently only servicing 2% of Bullhorn's much larger US customer base
- CloudCall believes it will be highly advantageous to expand the Company's sales function in order to maximise the transformational growth opportunity presented by Bullhorn's user base, particularly in the US
- Conditional on HMRC clearance, the Company also intends to invest the proceeds from the VCT/EIS Placing to capitalise on other new product development, including the development of a new messaging product

#### **Simon Cleaver, CEO of CloudCall, commented:**

"As a key channel partner, Bullhorn represents a transformational business opportunity for CloudCall and it is therefore essential that we have the sales capacity to service this channel. Bullhorn's strong endorsement of

the CloudCall solution, and our high win rate with their customers, creates a compelling opportunity to vigorously pursue this sales channel alongside others.

“The Transaction will enable us to achieve that while also capitalising on other near term growth opportunities, without the working capital constraints which have hitherto restricted our rate of growth.

“It is particularly pleasing to note that several leading institutional investors are backing this opportunity and participating in the Transaction which, I believe, will facilitate a step-change in our customer growth in the relatively near-term.”

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**A circular containing details of the Transaction have today been posted to Shareholders, along with a form of proxy to vote at the General Meeting convened for 10.00 a.m. on 24 August 2016 the (the “Circular”). Capitalised terms in this announcement are defined as set out at the end of this announcement.**

**Introduction**

The Company has today announced, alongside its interim results, a conditional Firm Placing to raise up to £1.91 million (net of expenses) by the issue and allotment by the Company of up to 3,700,960 new Ordinary Shares at the Offer Price of 57.5 pence per Ordinary Share.

In addition, the Company has conditionally raised £1.56 million (net of expenses) through the VCT/EIS Placing by the issue and allotment by the Company of 2,854,521 new Ordinary Shares at the Offer Price. The VCT/EIS Placing is conditional upon, inter-alia, the Company receiving clearance from HMRC that the Company’s business will qualify for the relevant tax reliefs in connection with the VCT/EIS Placing. The Company has submitted an application for clearance to HMRC and it is expected that such clearance will be granted, should it be granted, following completion of the Firm Placing.

The Transaction is conditional, inter alia, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the New Ordinary Shares and the power to disapply statutory pre-emption rights in respect of the New Ordinary Shares. The Resolutions are contained in the Notice of General Meeting at the end of the Circular. First Admission is expected to occur no later than 8.00 a.m. on 25 August 2016 or such later time and/or date as Cenkos Securities and the Company may agree. Second Admission is expected to occur within 7 business days following receipt of clearance from HMRC that the Company’s business will qualify for the relevant tax reliefs in connection with the VCT/EIS Placing or such later time and/or date as Cenkos Securities and the Company may agree. The Transaction is not underwritten.

**Background on the Company**

CloudCall is a UK registered company quoted on the AIM market of the London Stock Exchange. It is a software and unified communications business that has developed and provides a suite of cloud-based software and telephony products and services. CloudCall’s products and services are aimed at enabling organisations to leverage their voice communications more effectively. The CloudCall suite of products allows companies to

fully integrate their telephony systems into their existing CRM software, enabling calls to be made, recorded, logged and categorised from within the customer relationship management (CRM) system with detailed activity reports capable of being easily generated. The Company has approximately 90 staff based predominantly in Leicester (UK) and Boston (US). The Group has approximately 750 customers, equating to approximately 13,300 users and the top 25 customers represent approximately 25% of the Group's revenue.

#### *CRM integration*

The Company has established partnerships with approximately 15 CRM providers, relationships which enable the Company to directly reach the client base of these providers. CRM partners typically require voice integration technology that enhances functionality of their solutions. CloudCall provide this complementary technology. The global CRM market is forecast to grow at 14.8% CAGR to \$36 billion by 2017, with approximately 45% of the CRM market being smaller niche platforms. The Company is not dependent on any single CRM and has partnerships with leading CRM providers including Microsoft and Salesforce. Furthermore, the Company has partnerships with a number of much smaller niche platforms, representing approximately 40 per cent of its new business sales activity in H1 2016.

Typically, many CRM platforms do not log telephony voice calls and call recordings are usually run on separate systems. The Company's CloudCall services are based on the premise that businesses wish to use CRM software to log, analyse and track their electronic and paper communications, but these systems are not well-adapted to process voice calls in the same way. The Company's CloudCall solution integrates CRM platforms with existing telephony infrastructure, which benefits the CRM providers as they are able to offer customers telephony integration and receive commission from the associated SaaS fees. The Company's product is designed to be quick and easy to use and deploy. It has been designed to provide a single solution that can replace four existing telephony systems currently used by companies: switchboard; call recording platform; telecoms provider & CRM integration. Once integrated, end users can simply click on customer details in their CRM to make a call. Furthermore, a log and if desired, a recording of that call are automatically added to that customer's record in the CRM, improving CRM-users efficiency and compliance. Once integration with a CRM platform has taken place, the Company can then market its CloudCall suite of services to the users of the now integrated CRM partners and their end users. As CloudCall can be deployed as a Cloud-based 'overlay solution', there is no need for a customer to change their existing telephone infrastructure even if they use mobile or VoIP (Voice over Internet Protocol).

#### *Products and services*

In addition to click and call, the Company provides the following services:

- **Inbound screen-pops** - inbound calls will generate a screen pop alert with direct links to the caller's record in the CRM;
- **Power dialler** - agents can upload their own calling lists. Campaigns are also available for multi-agents using the progressive dialler which automatically dials outbound calls from the uploaded calling lists;
- **Call recording** - record and store calls within your database. Users can pause call recording if sensitive information is shared over the phone. CloudCall offers compliance with PCI & DSS regulations;
- **Local presence** - displays a number that is local to the area to which the customer is making that call;
- **Reporting and staff monitoring** - customizable, real-time dashboards and ASR (Average Success Rates based on a set call duration) reports allow monitoring of a team's performance & maximize productivity;
- **Interactive Voice Responses** - allows the ability to distribute inbound calls to relevant groups or departments with pre-recording options;
- **Automated Calls Workflows** – event driven call initiation enables calls to be driven by configurable event triggers from within the CRM system; and

- **Websites and marketing platform integrations** - calls can be automatically driven by inbound requests from non-integrated websites or third party marketing platforms, for example, “call-me back” requests.

#### *Income streams*

The Company currently has a number of income streams, with the majority of revenue generated through SaaS recurring service fees. Only 17% of the Company’s revenue is derived from unbundled telecom minutes. The Company generates additional revenues through add-ons, such as enhanced support and seven year extended call recording (varying gross margins), and also one off income, such as set up fees and telephony hardware sales (47% combined gross margin). The Company has strong visibility over its revenue streams with 84% recurring revenue currently. Overall gross margin from these combined revenue streams is approximately 77%, including the commissions paid to CRM partners. The Company’s SaaS based model means that integration of its software requires no capital expenditure. The Company has developed its own Intellectual Property internally.

#### **Background to and reasons for the Transaction**

As explained in the Company’s interim results released this morning, the Group has continued to see growth with H1 revenue rising to £2.3 million, a 62% increase compared to the previous year and a 24% increase in recurring revenue compared to the previous half. The Company has continued to focus efforts on conserving cash over the last year, and despite this growth, its ability to acquire new business and capitalise on the significant growth opportunities that it sees emerging has remained constrained.

In recent months, the Company has made excellent progress with its key CRM partner Bullhorn, who is driving growth for the Company in both the US and elsewhere. From January 2015 to date, Bullhorn represented approximately 24% of the company’s new business sales activity (with approximately 30% represented by Salesforce, 4% by Microsoft and the remaining activity represented by other CRM partnerships).

Bullhorn is a leading recruitment CRM provider, which is now offering CRM to non-recruiters. It has upwards of 6,000 customers and 80,000 users, and is experiencing substantial year on year growth. Approximately 70% of Bullhorn’s users are based in the US and 18% in the UK, with the rest elsewhere. By comparison, CloudCall’s 145 customers that are serviced by Bullhorn (approximately 2,900 users) are split between 12% in UK and less than 2% in the US currently.

CloudCall continues to strengthen its Partnership with Bullhorn and in 2016 the Company launched a new integration, designed with one of Bullhorn’s key recruitment customers (Apex Systems Inc.). This new integration is now viewed as the best VoIP Integration by Bullhorn and as a result of this strengthening partnership, CloudCall has been selected for internal use in Bullhorn’s EMEA roll out and has ongoing discussions for global adoption. The Company’s partnership with Bullhorn has provided it with access to significant new customer opportunities including pilot trials that are either currently underway, or in negotiation, with Adecco Group, Randstad EMEA, Apex Solutions and LEK Consulting.

In order to capitalise fully on the opportunities with Bullhorn, particularly in the US where the Company perceives the greatest growth opportunity in the mid-term, CloudCall intends to use part of the proceeds of the Firm Placing to provide financial support for Bullhorn related sales, marketing and customer onboarding activities. CloudCall will also apply part of the proceeds from the Firm Placing to provide further working capital for the Group and to continue with the development of its core telephony based product set.

The Company also intends to invest the net proceeds from the VCT/EIS Placing to capitalise on new product development, including the development of a new messaging product. In launching these services, the board believes that the Company will be able to attract new customers and entirely new market sectors by leveraging its experience within the integrated communications market.

#### **Current Trading and Prospects**

As announced in the Company's interim results this morning, revenue increased by 62% increase compared to the same period for H1 2015, and the Company saw a 24% increase in recurring revenues compared to the previous half (H2 2015). The Company continues to maintain a high gross margin at 77%, recurring revenue of 84% and the Group's customer base has grown to approximately 750 (approximately 13,300 users).

The Company's cash position at 30 June 2016 was £860,000, compared to £1,524,000 at 31 December 2015, with an outstanding R&D tax credit receivable of £480,000 (subsequently received in early-July). Average monthly cash burn from operations for the first 6 months of 2016 was approximately £262,000. Monthly cash-burn from operations continues to trend downwards as revenues grow, and operating expenses remain stable. The Company's previously announced £900,000 term loan facility with Barclays has now been drawn down in full.

The Company's growth potential has continued to be constrained by its balance sheet and by management's requirement to focus on conserving cash. The net proceeds from the Firm Placing will provide the Company with the ability to capitalise on the significant growth opportunities that it has secured to date through its relationships with Bullhorn and other CRM providers.

### **The Firm Placing and VCT/EIS Placing**

#### ***Details of the Firm Placing***

The Company has conditionally raised £2.13 million before expenses by the conditional Firm Placing of up to 3,700,960 Firm Placing Shares at the Offer Price to the Placees.

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

- (a) the passing of the Resolutions at the General Meeting;
- (b) the First Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to First Admission;
- (c) First Admission becoming effective by no later than 8.00 a.m. on 25 August 2016 or such later time and/or date (being no later than 8.00 a.m. on 7 September 2016) as Cenkos Securities and the Company may agree.

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

The Firm Placing Shares are not subject to clawback. The Firm Placing is not being underwritten.

The Firm Placing 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.

Application will be made to the London Stock Exchange for the admission of the Firm Placing Shares to trading on AIM. It is expected that First Admission will occur and that dealings will commence at 8.00 a.m. on 25 August 2016 at which time it is also expected that the Firm Placing Shares will be enabled for settlement in CREST.

#### ***Details of the VCT/EIS Placing***

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

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

- (c) First Admission becoming effective by no later than 8.00 a.m. on 25 August 2016 or such later time and/or date (being no later than 8.00 a.m. on 7 September 2016) as Cenkos Securities and the Company may agree;
- (d) the Company receiving clearance from HMRC that its business, and its project relating to entering into a new product market or geographical market, will qualify for the relevant tax reliefs in connection with the total VCT/EIS Placing of up to £1.64 million (before expenses); and
- (e) Second Admission becoming effective by no later than 8.00 a.m. on the 7<sup>th</sup> business day following the date on which the clearance described in paragraph (d) above is provided, or such later time and/or date (being no later than 8.00 a.m. on 30 November 2016) as Cenkos Securities and the Company may agree.

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

The VCT/EIS Placing Shares are not subject to clawback. The VCT/EIS Placing is not being underwritten.

The VCT/EIS Placing 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.

Application will be made to the London Stock Exchange for the admission of the VCT/EIS Placing Shares to trading on AIM. It is expected that Second Admission will occur and that dealings will commence at 8.00 a.m. on the seventh business day following receipt of clearance from HMRC that the Company's business will qualify for certain tax reliefs in connection with the VCT/EIS Placing at which time it is also expected that the VCT/EIS Placing Shares will be enabled for settlement in CREST.

#### ***Use of net proceeds***

The net proceeds of the Firm Placing are expected to be approximately £1.91 million and it is proposed that such proceeds shall be used as follows:

- £1.0 million to strengthen sales and marketing operations in the U.S and support Bullhorn roll out; and
- £0.91 million for working capital and ongoing development of the Company's existing product set.

Proceeds from the VCT/EIS Placing, which are conditional upon receipt of clearance by HMRC, will be used to fund the development, marketing and eventual sale of two new messaging products based around SMS and instant messaging technologies.

#### ***The First and Second Placing Agreement***

##### **First Placing Agreement**

Pursuant to the First Placing Agreement, Cenkos Securities has agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the Firm Placing Shares at the Offer Price.

The First Placing Agreement provides, *inter alia*, for payment by the Company to Cenkos Securities of commissions based on the number of Firm Placing Shares placed by Cenkos Securities multiplied by the Offer Price.

The Company will bear all other expenses of, and incidental to, the Firm Placing including 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 First Placing Agreement contains certain warranties and indemnities from the Company in favour of Cenkos Securities and is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions at the General Meeting without material amendment;
- (b) the First Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to First Admission; and
- (c) First Admission becoming effective not later than 8.00 a.m. on 25 August 2016 or such later time and/or date as the Company and Cenkos Securities may agree, being not later than 7 September 2016.

Cenkos Securities may terminate the Firm Placing Agreement if, *inter alia*: the Company is in material breach of any of its obligations under the First Placing Agreement; or there has occurred, in the opinion of Cenkos Securities, 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.

### **Second Placing Agreement**

Pursuant to the Second Placing Agreement, Cenkos Securities has agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the VCT/EIS Placing Shares at the Offer Price.

The Second Placing Agreement provides, *inter alia*, for payment by the Company to Cenkos Securities of commissions based on the number of VCT/EIS Placing Shares placed by Cenkos Securities multiplied by the Offer Price.

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

- (a) the First Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms prior to First Admission; and
- (b) the Company receiving clearance from HMRC that its business will qualify for the relevant tax reliefs in connection with the VCT/EIS Placing;
- (c) the Second Placing Agreement having become unconditional in all respects (save for the condition relating to Second Admission) and not having been terminated in accordance with its terms prior to Second Admission; and
- (d) Second Admission becoming effective not later than 8.00 a.m. on the 7<sup>th</sup> business day following the date on which the clearance described in paragraph (b) above is provided, 2016 or such later time and/or date as the Company and Cenkos Securities may agree, being not later than 30 November 2016.

Cenkos Securities may terminate the Second Placing Agreement if, *inter alia*: the Company is in material breach of any of its obligations under the Second Placing Agreement; or there has occurred, in the opinion of Cenkos Securities, 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.

## **Related Party Transaction**

Helium Rising Stars Fund (“Helium”) is considered a Substantial Shareholder under the AIM Rules and is subscribing for 695,652 Firm Placing Shares. This Placing participation constitutes a related party transaction under Rule 13 of the AIM Rules. The Directors consider that, having consulted with Cenkos, the terms of Helium’s participation in the Placing is fair and reasonable insofar as Shareholders are concerned.

## **Directors’ participation**

Certain of the Company’s directors (Simon Cleaver, Mark Seemann, Paul Williams, Graham Ward, Sophie Tomkins and Peter Simmonds) and senior manager Andrew Jones have indicated that they intend to participate, in aggregate, up to £86,998.65 in the Firm Placing. A further announcement will be made in due course regarding these intentions to subscribe.

## **General Meeting**

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at the offices of the Company at 1 Colton Square, Leicester, LE1 1QH at 10.00 a.m. on 24 August 2016, is set out at the end of the Circular. At the General Meeting, the Resolutions will be proposed to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £1,311,096.20, being equal to 6,555,481 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Firm Placing and VCT/EIS Placing) and to authorise the Directors to issue and allot 6,555,481 New Ordinary Shares pursuant to the Firm Placing and VCT/EIS Placing on a non-pre-emptive basis.

The 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 2017 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 23 May 2016.

## **Recommendation**

The Directors believe that the Transaction 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 2,713,959 Ordinary Shares, being approximately 20.1 per cent. of the Existing Ordinary Shares.

The Transaction 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 Firm Placing and the VCT/EIS Placing will not proceed.

## **Definitions**

“Act”

Companies Act 2006 (as amended)

“AIM”

the AIM market operated by London Stock Exchange



“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by London Stock Exchange from time to time
“Board” or “Directors”	the directors of the Company as at the date of this document
“CAGR”	compound annual growth rate
“Capita Asset Services”	a trading name of Capita Registrars Limited
“Cenkos Securities”	Cenkos Securities plc
“Company” or “CloudCall”	CloudCall Group plc
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“CRM”	customer relationship management, an electronic system for maintaining customer information

“EIS”	the Enterprise Incentive Scheme under Part 5 of the Income Tax Act 2007
“Enlarged Share Capital”	the entire issued share capital of the Company following completion of the Firm Placing and First Admission assuming the Directors participate in full at the Offer Price
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Ordinary Shares”	the 13,504,867 Ordinary Shares in issue on the date of this document
“FCA”	the Financial Conduct Authority of the UK
“Firm Placing”	the firm placing by the Company of the Firm Placing Shares with certain institutional and other investors pursuant to the First Placing Agreement
“Firm Placing Shares”	up to 3,700,960 new Ordinary Shares the subject of the Firm Placing
“First Admission”	the admission of the Firm Placing Shares to trading on AIM in accordance with the AIM Rules for Companies
“First Placing Agreement”	the agreement entered into between the Company and Cenkos Securities in respect of the Firm Placing dated 4 August 2016, as

	described in this document
“Form of Proxy”	the form of proxy for use in relation to the General Meeting enclosed with this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the General Meeting of the Company, convened for 10.00 a.m. on 24 August 2016 or at any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“HMRC”	Her Majesty’s Revenue and Customs
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Firm Placing Shares and the VCT/EIS Placing Shares
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document
“Offer Price”	57.5 pence per New Ordinary Share
“Ordinary Shares”	ordinary shares of 20 pence each in the capital of the Company
“Placees”	subscribers for new Ordinary Shares pursuant to the Firm Placing or VCT/EIS Placing as the case may be
“Prospectus Rules”	the Prospectus Rules made in accordance with the EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public and the admission of securities to trading on a regulated market
“Registrars”	Capita Asset Services, a trading name of Capita Registrars Limited

“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
"Resolutions"	the ordinary and special resolutions to be proposed at the General Meeting, as set out in the Notice of the General Meeting
“SaaS”	Software as a service
“Securities Act”	US Securities Act of 1933 (as amended)
“Second Admission”	the admission of the VCT/EIS Placing Shares to trading on AIM in accordance with the AIM Rules for Companies
“Second Placing Agreement”	the agreement entered into between the Company and Cenkos Securities in respect of the VCT/EIS Placing dated 4 August 2016, as described in the Circular
“Shareholders”	the holders of Existing Ordinary Shares
“Transaction”	the Firm Placing and VCT/EIS Placing
"United Kingdom" or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“VCT”	a Venture Capital Trust under Part 6 of the Income Tax Act 2007
“VCT/EIS Placing”	The placing by the Company of the VCT/EIS Placing Shares with certain institutional investors pursuant to the Second Placing Agreement, which is conditional, <i>inter-alia</i> , on the receipt of clearance from HMRC that the Company’s business, and its project relating to entering into a new product market or geographical market, will qualify for the relevant tax reliefs in connection with the total VCT/EIS Placing of up to £1.7 million.
“VCT/EIS Placing Shares”	up to 2,854,521 new Ordinary Shares the subject of the VCT/EIS Placing

## **About CloudCall Group Plc**

CloudCall is a software and unified communications business that has developed and provides a suite of cloud-based software and telephony products and services. CloudCall's products and services are aimed at enabling organisations to leverage their voice communications more effectively. The CloudCall suite of products allows companies to fully integrate their telephony systems into their existing CRM software, enabling calls to be made, recorded, logged and categorised from within the customer relationship management (CRM) system with detailed activity reports capable of being easily generated. The Company has approximately 90 staff based predominantly in Leicester (UK) and Boston (US). The Company currently has approximately 750 customers, equating to approximately 13,300 users.