

20 January 2016

SYNETY Group plc
("SYNETY" or the "Group")

Trading update for the year ended 31 December 2015

SYNETY Group plc (AIM: SNTY.L) today gives a trading update prior to the Group's full year results for the period ending December 2015 which will be announced in mid March 2016. The trading performance in this statement is based upon unaudited initial management information.

The Board is pleased to announce performance slightly ahead of expectations.

Key financial metrics:-

- Group revenues up 105% to £3.33m
- US revenue up sevenfold to £0.5m
- Cash balance at year-end £1.58m
- Operating cash-burn reduced by 25% in 2H 2015, compared to 1H 2015
- Annualised recurring revenue ("ARR") up by 54% on a year-on-year basis
- End users up by 54% on a year-on-year basis
- Annualised recurring revenue per user (ARRPU) up 9% on a year-on-year basis
- The Group continues with its strategy to focus on larger customers, key partners, cash generation and reaching break-even

Simon Cleaver, Chief Executive of Synety Group plc commented,

"Following the announcement of an updated strategy last April, 2015 was a key year for Synety and we are pleased to be delivering these numbers that are in line with expectations.

As this more focused strategy continues to feed its way into the business, we are encouraged by the improvements that we are witnessing. Concentrating on a limited number of strategic CRM partners and more accurately targeting 'sweet spot' customers is allowing us to develop stronger relationships and deliver a better customer experience. The strategic reduction in cash absorption is also clearly visible in comparison to the interim results to 30 June 2015.

Now that the sales teams in both the UK and US are becoming more experienced in dealing with larger customers and the consultative sales process, we are seeing a more consistent growth in new sales, which in turn is helping to optimise staffing requirements and provide a better quality of customer on-boarding experience.

Synety Inc continues to gain momentum. With Andrew Jones now in place to head up the US operations, backed by some further investment to strengthen his team, we fully expect the pace of new business wins in the US to outstrip the UK at some point during the coming year.

The Board are planning to continue with this focused strategy in 2016 and remain confident in Synety's future."

For additional information:

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