

7th October 2014

SYNETY Group plc
(“SYNETY” or “the Group”)

Key Performance Indicators (KPIs) Update
For the 9 month period ending 30th September 2014

Key Performance Indicators (KPIs) Update:

- 155% increase in Annualised Recurring Revenue
- 130% increase in End Users
- 23% increase Recurring Revenue per user

The Group reports strong growth for the 9 month period ending 30th September 2014, with a marked acceleration in orders received during September.

Key Performance Indicators (KPIs)

	31 Dec 2012	30 June 2013	31 Dec 2013	30 June 2014	31 Aug 2014	30 Sept 2014	9 Months Growth
No of End Users	564	1,336	2,678	4,834	5,571	6,156	130%
Av NEW Users per Month	55	128	224	359	362	386	73%
No of Licences	794	2,149	5,160	10,702	12,602	14,025	172%
Av Users Per Customer	5.8	7.9	10.1	11.8	11.7	12.0	19%
Annual Recurring Revenue - ARR	£0.15m	£0.38m	£0.87m	£1.72m	£2.01m	£2.22m	155%
Recurring Revenue Per User	£22.80	£24.17	£24.10	£26.31	£28.15	£29.59	23%

Please see below for a full definition of these KPIs at end of this announcement

Note - these figures are unaudited.

During the same period, the Group also announced integrations with the following CRM companies, further increasing SYNETY's addressable market.

SurCo	Online CRM provider
Oracle	Global CRM provider
IQX	Online Recruitment Software

Simon Cleaver, SYNETY's Executive Chairman commented:

"I'm obviously delighted that the team's hard work is starting to bear fruit and anticipate that the level of new orders received in September is not only sustainable in future months, but should serve as a new base from which to grow.

As previously stated, the early part of 2014 was focussed on laying the foundations for expansion and growth. The benefit of this investment is now starting to be reflected in the KPIs, particularly in the latter part of the quarter. September was the Group's best trading month to date, with the number of new users signed up breaking through the 500 mark for the first time, and Annual Recurring Revenue from new orders received increased by over £200,000.

As the overall sales pipeline continues to grow and the scale of the US opportunity becomes more apparent, the Board is happy to confirm its confidence in, and excitement about, the potential future for SYNETY."

For additional information;

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Key Performance Indicators Definitions

No of End Users

Number of End Users is defined as the actual number of individual users licenced to access the CloudCall platform.

Average New Users per Month

Average New Users per Month is defined as the average number of new users signed up each month since the end of the prior year.

Number of Licences

A licence confers the right to use a SYNETY licenced product or service in exchange for a customer's agreement to pay the appropriate monthly fees (occasionally annually) for a minimum period of 12 months. Examples of

licence carrying products include; CloudCall Click, Unlimited UK landlines calls package, extended call recording (7 year option) etc. An 'End User' may purchase multiple licences depending upon the services that they subscribe to.

Average Users per Customer (AUPC)

This is simply the average customer size calculated as the number of End Users divided by the number of customers.

Annualised Recurring Revenue (ARR)

ARR is a forward looking number based on products sold to date. To calculate the ARR, we strip out any one-off invoices such as set-up, hardware sales or professional fees and simply take the ongoing monthly recurring licence fees customers have subscribed for and add in the projected telecommunications income (average daily telecommunications spend X working days in an average month). This figure is then multiplied by 12 to give the expected annual recurring revenue.

The Board believes that this is the clearest way of expressing the underlying annualised recurring revenue as it levels out inconsistencies that may be caused by how many working days there are in any particular month – for example, telecoms revenues that are not included in any calling package, are particularly sensitive to these fluctuations. By considering ARR in this way, we further remove any anomalies that may be caused by large customers coming on-stream partway through the month which would otherwise lower the ARPU since they are only billed for a partial month.

Recurring Revenue per End User (per month) (RRPU)

This figure is not simply the ARR divided by the number of End Users. RRPU is calculated by combining the actual billed subscription revenue with the monthly subscription fees ordered, together with an estimate of the related telecommunications spend (eliminating any one-off billings) and dividing by number of End Users. To reduce the effects of monthly variations, RRPU published is calculated as an average over the preceding three months.