

The following replaces the announcement released on 7 July 2014 at 18.21 under RNS number 6633L and restates the average number of new users per month, for the six months to 30 June 2014, as 359. The full amended text appears below.

All other details remain unchanged.

**Synergy Group plc**  
**(“the Group” or “the Company”)**

**Key Performance Indicators (KPIs) Update for the six months ending 30 June 2014**

The Group is delighted to report good progress for the six month period ended 30<sup>th</sup> June 2014, with significant growth in a number of the Group’s KPIs.

- 98% increase in Annualised Recurring Revenue since the beginning of the year
- Expansion into the US – new office open with early indications being very encouraging
- 3 further CRM integrations completed

**Key Performance Indicators (KPIs)**

	31 Dec 2012	30 June 2013	31 Dec 2013	<b>30 June 2014</b>	<b>Six Months Growth</b>
<b>No of End Users</b>	564	1,336	2,678	<b>4,834</b>	<b>+81%</b>
<b>Av NEW Users per Month</b>	55	128	224	<b>359</b>	<b>+60%</b>
<b>No of Licences</b>	794	2,149	5,160	<b>10,702</b>	<b>+107%</b>
<b>Av Users Per Customer</b>	5.8	7.9	10.1	<b>11.8</b>	<b>+18%</b>
<b>Annualised Recurring Revenue (ARR)</b>	£0.15m	£0.38m	£0.87m	<b>£1.72m</b>	<b>+98%</b>
<b>Recurring Revenue Per User</b>	£22.80	£24.17	£24.10	<b>£26.31</b>	<b>+9%</b>

During the same period, the Group also announced integrations with the following CRM companies, further increasing Synergy’s addressable market (i.e. the number of End Users of integrated CRMs);

Chameleon-i	Recruitment Software
Influence IT	Recruitment CRM
Tracker RMS	Sales and Recruitment software

Further operational highlights for the period include;

## **UK**

- Moved to larger premises in Leicester
- Doubled the UK sales team and launched a Strategic Partner Team to recruit and manage CRM partnerships
- Automated many of the customer provisioning procedures
- Launched significant product enhancements in the form of CloudCall Campaigns and an integrated Progressive Dialler

## **US**

- Built and commissioned the first non-UK CloudCall platform. Located in Boston, and ready to serve our US customers, delivered on time and on-budget
- Opened Boston sales office with 14 staff, 9 of whom are customer facing in sales or support roles  
Creation of initial US pipeline, with 20 US customers already live or trialling

Our continuing trading performance for the first half of 2014 is in line with management expectations and the Group's financial position remains strong.

### **Simon Cleaver, Synety's Executive Chairman commented:**

"This has been a period in which we have laid the foundation blocks to really begin scaling Synety. It has certainly been a very busy and productive 6 months and the Board is delighted with the progress made - particularly in getting the US operation up and running on schedule.

"Back home, operations in the UK are progressing well and we're now seeing increased lead flows from many of our CRM partners. The move to new premises in late May has removed our headcount constraints, so I'm confident we'll see an acceleration in customer acquisition as the newly enlarged sales team begins to come on stream. Tellingly, we are now seeing a strong pattern emerging in the flow of leads to demos to trials to orders. It is early days yet, but these conversion metrics are particularly reassuring and something we will be doing more work on as we go forward.

"Behind the scenes, we are continuing to invest in our internal systems, and have now completed the work needed to automate and improve our customer provisioning processes. This will remove another potential bottleneck and make a considerable difference to our on-boarding capacity, thereby allowing us to add to users more efficiently in the future.

"The US Sales office opened in early June to coincide with the commissioning of the US platform. Whilst it's still early days, I am pleased to report that we already have over 20 US businesses signed up or on trials and that initial feed-back reinforces our view that there is considerable appetite for CloudCall in the US. These views are further supported by the fact that in the US we are already receiving greater lead flows from Salesforce.com and Bullhorn CRM than we do in the UK.

"The board is increasingly confident about the exciting future the US business represents for Synety."

- Ends -

**For additional information:**

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**About SYNETY**

SYNETY is a leading cloud-based software and communications business based in Leicester, UK and Boston MA, US.

The company develops and provides a suite of cloud-based software products and services known as CloudCall which are aimed at enabling organisations to use their communications more effectively. The CloudCall suite of products allows companies to fully integrate their telephony systems into their existing software, enabling calls to be made, recorded, logged, categorised and detailed reports easily generated.

Since 2011 SYNETY has grown rapidly, seeing considerable increases in both the number of end users and in the number of CRM companies integrated with its software.

For additional information about SYNETY please visit [www.synety.com](http://www.synety.com)

**Key Performance Indicators Definitions****No of End Users**

Number of End Users (sometimes denoted as 'seats') is defined as the actual number of individual users licenced to access the CloudCall platform.

**Number of Licences**

A licence is a customer agreement to pay monthly fees (occasionally annually) for the use of a Synety package or service. Example of licences 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 as telecoms revenues that are not included in any calling package are particularly sensitive to these fluctuations. It further removes any anomalies that may be introduced by large customers coming on-stream partway through the month which 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 the average RRPU of the preceding three months.