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THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY NEW ORDINARY SHARES, NOR SHALL IT (OR ANY PART OF IT), OR THE FACT OF ITS DISTRIBUTION, FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO, ANY CONTRACT OR COMMITMENT WHATSOEVER WITH RESPECT TO THE PROPOSED PLACING AND OPEN OFFER OR OTHERWISE. THIS ANNOUNCEMENT IS NOT A CIRCULAR AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY NEW ORDINARY SHARES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT SOLELY ON THE BASIS OF INFORMATION IN THE CIRCULAR EXPECTED TO BE PUBLISHED TODAY. COPIES OF THE CIRCULAR WILL, FOLLOWING PUBLICATION, BE AVAILABLE FROM THE REGISTERED OFFICE OF SYNETY GROUP PLC AT ONE AMERICA SQUARE, CROSSWALL, LONDON EC3N 2SG AND ON THE COMPANY'S WEBSITE WWW.SYNETY.COM.

SYNETY GROUP PLC

Proposed Placing and Open Offer and Notice of General Meeting

Synety Group plc (AIM:SNTY), the UK software and telco company specialising in the provision of cloud based telephone call-control systems, is pleased to announce today that it has conditionally raised up to £4.5 million (before expenses) through the issue of up to 1,800,000 New Ordinary Shares by way of a Placing at 250 pence per Ordinary Share to certain institutional investors and up to a further 200,499 New Ordinary Shares to be issued through an Open Offer at 250 pence per New Ordinary Share to raise up to approximately £0.5 million. N+1 Singer is acting nominated adviser and broker to the Company in connection with the Issue.

The net proceeds of the Placing will be used primarily to continue to expand UK operations, including investing in the sales and marketing team and customer services departments and adding additional resource to integrate with further CRM platforms. A smaller proportion of funds will be used to expand the technology platform to increase the platform's resilience, capacity and territorial reach and to enable it to provide a better service for international companies. The remainder of the funds raised pursuant to the Placing will be used to initiate entry into the US market, including establishing a sales and marketing office and investing in the platform build.

It is the intention that any proceeds received by way of the Open Offer will be used for general working capital purposes.

The Placing Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after the admission of the Placing Shares in respect of Ordinary Shares and will otherwise rank on admission of the Placing Shares *pari passu* in all respects with the existing Ordinary Shares. The Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on LSE AIM. On the assumption that, *inter alia*, the Resolutions are passed, it is expected that admission of the Placing Shares will become effective on or around 9 April 2014.

The Placing is conditional on, *inter alia*, the passing of the Resolutions at the General Meeting, including a special resolution which will give the Directors the required authority to disapply statutory pre-emption rights in respect of the allotment of the Placing Shares.

A General Meeting of the Company will be held at 11.00 a.m. on 8 April 2014 at One America Square, Crosswall, London EC3N 2SG for the purpose of considering and, if thought fit, passing the Resolutions.

Simon Cleaver, Executive Chairman of Synety, said:

“The Group is experiencing significant and rapid growth and this oversubscribed fund raising will provide the means to accelerate our growth plans. Our technology has proved to be an important tool for our expanding roster of partners and we now feel confident to deploy part of the funds raised to extend our marketing to the USA where many of these partners are headquartered.”

Capitalised terms used in this announcement have the meanings given to them in the Circular.

Copies of the Circular, which will be posted to shareholders later today, will shortly be available on the Company's website (www.synety.com) and will also be available at the Company's office at One America Square, Crosswall, London EC3N 2SG.

For further information please contact:

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This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa or the United States or any jurisdiction into which the publication or distribution would be unlawful.

This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company. The distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The New Ordinary Shares have not been and will not be registered under the applicable securities laws of any of the Prohibited Territories and, unless an exemption under such laws are available, may not be offered for sale or subscription or sold, or pledged, or subscribed directly or indirectly within the Prohibited Territories or for the account or benefit of any national, resident or citizen of the Prohibited Territories. The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or under the securities laws of any state of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to or for the account or benefit of any US person within the meaning of Regulation S of the Securities Act, except pursuant to an applicable exemption from registration requirements. In particular, the New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or the adequacy of this announcement or the Circular. Any representation to the contrary is a criminal offence in the United States.

Forward looking statements:

This announcement contains statements about Synety Group plc that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this announcement may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", or words or terms of similar substance or the negative thereof, are forward looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Synety Group plc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Rules and/or the FSMA), Synety Group plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Synety Group plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this announcement are based on information available to the Directors of Synety Group plc at the date of this announcement, unless some other time is specified in relation to them, and the posting or receipt of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

N+1 Singer

N+1 Singer, which is a member of the London Stock Exchange and is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser and broker to Synety Group plc in connection with the proposed Placing. N+1 Singer is acting exclusively for Synety Group plc in connection with the Placing and no one else. N+1 Singer will not be responsible to anyone other than Synety Group plc for providing the protections afforded to clients of N+1 Singer nor for advising any other person on the transactions and arrangements described in this announcement or the Circular. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this announcement or the Circular. Apart from the liabilities and responsibilities, if any, which may be imposed on N+1 Singer by the Financial Services and Markets Act 2000 or the regulatory regime established under it, N+1 Singer accepts no responsibility whatsoever for the contents of this announcement or the Circular or for any other statement made or purported to be made by it or on its behalf in connection with Synety Group plc, the Ordinary Shares, the New Ordinary Shares or the Placing. N+1 Singer accordingly disclaims all and any liability whatsoever whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or the Circular or any such statement.

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SYNETY GROUP PLC

Proposed Placing and Open Offer and Notice of General Meeting

1. Introduction

The Company today announced a share issue to raise up to £4.5 million (before expenses) through the issue of up to 1,800,000 New Ordinary Shares by way of a Placing at 250 pence per Ordinary Share to certain institutional investors and up to a further 200,499 New Ordinary Shares to be issued through an Open Offer at 250 pence per New Ordinary Share to raise up to £0.5 million. The Issue Price represents a • per cent. discount to the Closing Price of • pence per Ordinary Share on 20 March 2014 (being the last Business Day prior to the announcement of the Issue). N+1 Singer is acting nominated adviser and as sole broker for the Company in connection with the Issue.

The net proceeds of the Placing will be used primarily to continue to expand UK operations, including investing in the sales and marketing team and customer services departments and adding additional resource to integrate with further CRM platforms. A smaller proportion of funds will be used to expand the technology platform to increase the platform's resilience, capacity and territorial reach and to enable it to provide a better service for international companies. The remainder of the funds raised pursuant to the Placing will be used to initiate entry into the US market, including establishing a sales and marketing office and investing in the platform build.

It is the intention that any proceeds received by way of the Open Offer will be used for general working capital purposes.

The total amount that the Company could raise under the Issue is £5.0 million (before expenses), assuming all the Open Offer Entitlements are taken up. Neither the Placing nor the Open Offer is being underwritten and accordingly, as set out below, the minimum proceeds under the Issue are approximately £4.5 million (before expenses).

The Issue is conditional, *inter alia*, on Admission becoming effective, the Placing Agreement between the Company and N+1 Singer becoming unconditional and not being terminated (in accordance with its terms), and the passing by the Shareholders of the Resolutions at the General Meeting, including a special resolution which will give the Directors the required authority to disapply statutory pre-emption rights in respect of the allotment of the New Ordinary Shares. Subject to all relevant conditions being satisfied (or, if applicable, waived), it is expected that the New Ordinary Shares will be admitted to trading on LSE AIM on or about 9 April 2014.

The purpose of this letter is to outline the reasons for the Issue and explain why the Board considers the Resolutions to be in the best interests of the Company and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions as they intend to do in respect of the Ordinary Shares held by them.

2. Background to, and reasons for, the Issue

On 13 August 2013, the Company announced that it had raised £2.1 million (before expenses) through a placing of Ordinary Shares with certain institutional investors. As detailed in the circular dated 13 August 2013 which was sent to all shareholders, the net proceeds of the placing were used to expand the Company's UK sales force and customer services team, expand and strengthen the technology platform with disaster recovery features and provide general working capital for the Company to capitalise on its first-mover advantage where the Directors believe there is limited competition and significant potential.

Since the August 2013 fundraising, the Board has effectively deployed its limited capital and there has been a tangible growth in sales. Synety's go-to market strategy is based on partnering with CRM companies and paying them a fee for each of their end users that purchase CloudCall. Since the August 2013 fundraising, Synety has integrated with a further three CRM platforms, bringing the total number of CRM platform integrations to 18, with ongoing conversations with numerous others.

The market dynamics that the Company operates in also remains attractive. A recent report published by Gartner, titled "*Gartner Forecast: Enterprise Software Markets, Worldwide, 2012-2017, 2Q13 Update*", estimated the revenue of the Global CRM market to be worth USD\$18 billion in 2012 and predicts it will grow at a rate of 15.1 per cent. CAGR to USD\$36 billion by 2017.

The favourable market and continuing operational success on limited capital resources has reaffirmed the Board's belief that Synety has identified and continues to exploit a niche where there is limited competition and significant market potential. Synety is therefore looking to raise additional funds to build on the progress made to date and expedite its growth by continuing to expand the UK business. This includes investing in the technology platform to increase the platform's resilience, capacity and territorial reach and increasing sales and marketing and customer services headcount to ramp up new customer acquisition. The Company believes that deploying additional capital into the UK now will consolidate on its first-mover advantage and allow it to land grab this potentially lucrative market.

The Company also believes that the time is right to leverage its existing relationships with US based CRM platforms and enter the much larger US market. Whilst the Directors recognise the inherent risk for a company of Synety's size to enter a new geographical market, especially the US, they believe that the risk is mitigated by the immediate and realisable opportunities that they believe are open to them. The limited quantum of funds required to open a sales and marketing office and obtain a foothold in the market reflect that much of the technology platform's investment and development has already been undertaken in the UK.

3. Use of net proceeds

The net proceeds of the Placing are expected to be approximately £4.2 million and it is proposed that such proceeds shall be used in the following order of priority:

- | | |
|--|---------------|
| 1. UK Expansion plans: | £2.75 million |
| – Sales & Marketing | |
| – Increase in provisioning and Customer Services | |
| – Additional headcount to integrate with further CRMs | |
| 2. Platform expansion: | £0.5 million |
| – Increase platform resilience, capacity and territorial reach | |
| – Optimise for international companies | |
| 3. Initial entry into US market: | £0.95 million |
| – Sales & Marketing, office and overheads | |

– Platform build

To the extent that further funds are raised via the non-underwritten Open Offer, these will be used for general working capital purposes.

4. Information on the Placing

The Company has conditionally raised £4.5 million (£4.2 million net of expenses) by way of a placing of 1,800,000 Placing Shares at the Issue Price with existing and new institutional investors. The Placing Shares will represent approximately 21.4 per cent. of the Enlarged Issued Share Capital of the Company. The Issue Price represents a discount of • per cent. to the Closing Price of • pence per Ordinary Share as at 20 March 2014 (being the latest practicable date prior to the publication of the Circular). The Placing Shares are not subject to claw back and are not part of the Open Offer. The Placing has not been underwritten by N+1 Singer.

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which N+1 Singer has agreed, in accordance with the terms of the Placing Agreement, to use its reasonable endeavours to place the Placing Shares with existing and new institutional investors.

The Placing is conditional, *inter alia*, on:

- the passing of the Resolutions;
- the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 9 April 2014 (or such later time and/or date, being no later than 8.00 a.m. on 30 April 2014 as the Company and N+1 Singer may agree).

The Placing is not conditional upon the level of applications made to subscribe under the Open Offer.

The Placing Agreement contains customary warranties given by the Company to N+1 Singer as to matters relating to the Group and its business and a customary indemnity given by the Company to N+1 Singer in respect of liabilities arising out of or in connection with the Placing. N+1 Singer is entitled to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where the warranties are found not to be true or accurate or are misleading in any respect or the occurrence of certain *force majeure* events.

If any of the conditions are not satisfied or waived (where capable of waiver), the Placing Shares will not be issued and all monies received from investors in respect of the Placing Shares will be returned to them (at the investors' risk and without interest) as soon as possible thereafter.

The Placing Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after the admission of the Placing Shares in respect of Ordinary Shares and will otherwise rank on admission of the Placing Shares *pari passu* in all respects with the existing Ordinary Shares. The Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on LSE AIM. On the assumption that, *inter alia*, the Resolutions are passed, it is expected that admission of the Placing Shares will become effective on or around 9 April 2014.

5. Information on the Open Offer

The Directors recognise the importance of shareholder pre-emption rights and consequently the Company is proposing to raise up to approximately £0.5 million (before expenses) pursuant to the Open Offer. The proposed Issue Price of 250 pence per Open Offer Share is the same price as the price at which the Placing Shares are being issued.

The Open Offer is not underwritten. The Issue is not conditional upon the level of applications made to subscribe under the Open Offer. Accordingly, if no applications to subscribe under the Open Offer are received, the total amount that the Company would raise via the Issue would be reduced to £4.5 million (before expenses).

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 32 Existing Ordinary Shares

and so on in proportion for any other number of Existing Ordinary Shares then held. Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Qualifying Shareholder's Entitlement.

The Open Offer is subject to the satisfaction of the following conditions on or before 9 April 2014 (or such later date being not later than 8.00 a.m. on 30 April 2014, as the Company may decide):

- (i) the Placing being unconditional in all respects; and
- (ii) Admission becoming effective by 8.00 a.m. on 9 April 2014, (or such later time or date not being later than 8.00 a.m. on 30 April 2014 as the Company may decide).

In the event that the conditions of the Open Offer are not satisfied or waived, the Open Offer will not proceed and the Open Offer Shares will not be issued and all the monies received by the Receiving Agent will be returned to the applicant (without interest) as soon as possible thereafter.

Excess Applications

The Open Offer is structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such Excess Applications where Qualifying Shareholders have taken up their full basic entitlement. To the extent that applications are received in respect of an aggregate of more than 200,499 Open Offer Shares, Excess Applications from Qualifying Shareholders will be scaled back *pro rata* to their existing shareholdings as at the Record Date. However, Excess Applications will be rejected if and to the extent that acceptance would result in a Qualifying Shareholder, together with those acting in concert with him/her for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Issued Share Capital immediately following Admission.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 9 April 2014. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 7 of Part II of the Circular.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part II of the Circular.

CREST Instructions

An application has been made for the Open Offer Entitlements of Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 24 March 2014. The Open Offer Excess Entitlements will also be enabled for settlement in CREST on 24 March 2014. Applications through the CREST system will only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Shareholder you will have received a personalised Application Form which gives details of your Open Offer Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying personalised Application Form in accordance with the procedure for application set out in paragraph 3.1 of Part II of the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Asset Services; Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 7 April 2014.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlement representing your Basic Entitlement and Excess Open Offer Entitlement. You should refer to the procedure for application set out in paragraph 3.2 of Part II of the Circular. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 7 April 2014.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 7 April 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have an Open Offer Entitlement credited to your stock account in CREST in respect of such entitlement. If you have any questions relating to this announcement or the Circular, and the completion and return of the Application form, please contact Capita Asset Services on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

6. Effect of the Issue

Upon Admission, and assuming full take up of the Issue and no further exercise of options under the Company's share option schemes, the Enlarged Issued Share Capital is expected to be 8,416,486 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 23.8 per cent. of the Company's Enlarged Issued Share Capital.

The New Ordinary Shares 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 Admission.

Following the issue of the New Ordinary Shares pursuant to the Placing and the Open Offer, assuming full take up of the Open Offer and no further exercise of options under the Company's share option schemes, Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of approximately 23.8 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of approximately 21.4 per cent. to his interest in the Company.

7. Irrevocable commitments from Directors and Intentions of the Directors in relation to the Open Offer

The Directors who in aggregate hold 1,406,686 Existing Ordinary Shares, representing approximately 21.9 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

Members of the Concert Party comprising Mark Seemann, Graham Ward and Jason Kendall intend to participate in the Open Offer but not the Placing and have provided the Company with certain assurances as provided in paragraph 10 of Part I of the circular. The non-Concert Party Directors comprising Simon Cleaver and Paul Williams intend to participate in the Open Offer but not the Placing.

The Directors are not subscribing for shares pursuant to the Placing.

Directors' Shareholdings pre and post Issue

	<i>Number of Ordinary Shares held pre-Issue</i>	<i>Percentage of issued share capital pre-Issue (per cent.)</i>	<i>Number of Ordinary Shares estimated to be held post-Issue</i>	<i>Estimated percentage of Enlarged Issued Share Capital post Issue (per cent.)**</i>
Simon Cleaver	298,553	4.65	307,634	3.66
Mark Seemann	869,553	13.55	875,553	10.40
Graham Ward	206,795	3.22	206,795	2.46
Paul Williams	32,004	0.50	33,002	0.39
Andrew Jones*	16,396	0.26	16,907	0.20
Jason Kendall*	482,214	7.52	497,246	5.91

*Directors of Synety Limited.

** Calculated on the assumption that the Open Offer is fully subscribed.

8. Current Trading and Outlook

The Group also announced today its audited final results for the year ended 31 December 2013. An extract of the Company's audited income statement is as follows:

<i>£'000</i>	<i>Unaudited 6 months to 30 June 2013</i>	<i>Audited year ended 31 December 2013</i>	<i>Audited year ended 31 December 2012</i>
Revenue	194	547	76
Gross Profit/(loss)	130	374	29
Operating loss before non-recurring items	(1,350)	(3,041)	(1,326)
Net (loss) after non-recurring items and tax	(1,314)	(3,583)	(1,706)
Net cash outflow from operating activities	(1,104)	(2,224)	(2,389)
Cash and cash equivalents	1,550	2,300	2,704
Average monthly cash burn	(186)	(193)*	n/a
Total equity attributable to shareholders	2,623	2,371	3,824

* Excluding cash-flows from financing activities

In the Company's trading update that was released on 7 January 2014, it indicated that "sales" of its CloudCall telephony software solution exceeded market expectations. "Sales" should have been referred to as "orders received". Consequently, the Company's revenue performance for the year ended 31 December 2013 of £547,000 was broadly in line with market expectations.

In addition, the Company also announced today the following key performance indicators for the year ended 31 December 2013 and for January and February 2014:

	<i>Unaudited 2 months to 28 February 2014</i>	<i>Audited year ended 31 December 2013</i>	<i>Audited year ended 31 December 2012</i>

No. of users	3,571	2,678	564
Average new users per month	447	224	55
No. of licenses**	7,212	5,160	794
Average users per customer	11.6	10.1	5.8
Annualised recurring revenue (ARR)	£1,165,000	£871,000	£149,000
RRPU* (all)	£24.66	£24.10	£22.80

*RRPU = Recurring Revenue Per User

**The Synety Group plc audited accounts for the period to 31 December 2012 included the figure of 628 seats for KPI reporting. The Directors have replaced seats with "Licenses" as one of the KPI measures going forward. Licenses are calculated slightly differently to "Seats". "Seats" remains the single measure which will determine the level of performance for the company's management incentive scheme and resultant contingent consideration calculations.

The Board is encouraged by current trading and believes that the added investment that the Placing will provide will further enhance the Group's longer term growth prospects, which the Board remains optimistic about.

9. City Code and mandatory offer provisions

Under Rule 9 of the City Code, any person who acquires an interest (as such term is defined in the City Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30 per cent or more of the voting rights in a company which is subject to the City Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent of the voting rights but does not hold shares carrying more than 50 per cent of the voting rights of such a company, a general offer will normally be required if any further interest in shares are acquired by any such person. These limits apply to the entire concert party as well as the total beneficial holdings of individual members. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

The members of the Concert Party are deemed to be acting in concert for the purposes of the City Code. They have an interest in Ordinary Shares which in aggregate carry not less than 30 per cent of the voting rights of the Company but do not hold more than 50 per cent of the voting rights of the Company. The intention of the members of the Concert Party (other than graham Ward who does not intend to participate in the Issue) is to participate pro rata to their existing shareholdings in the Open Offer and not the Placing and to avoid having to seek a waiver from the application of Rule 9 of the City Code from the Takeover Panel the members of the Concert Party have undertaken with the Company not to participate in the Excess Application Facility.

Additionally, in circumstances where it is apparent that the Application Form for each member of the Concert Party for their respective Basic Entitlements in full would result in a breach of the Rule 9 threshold, each member of the Concert Party have agreed that the Company will scale back any such application made by each member of the Concert Party to such a level that it would no longer result in a breach of a Rule 9 threshold on completion of the Issue.

10. 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, together with the approval to increase the Company's general authority to allot New Ordinary Shares in view of the enlarged share capital of the Company following the proposed Issue.

A notice convening the General Meeting, which is to be held at 11.00 a.m. at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG on 8 April 2014, is set out at the end of the Circular. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1 which is an ordinary resolution, to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £402,100.40, being equal to 2,010,502 Ordinary Shares (i.e. the number of new Ordinary Shares to be issued in connection with the Issue);
- Resolution 2 which is a special resolution and is conditional on the passing of resolution 1, to dis-apply pre-emption rights and authorise the Directors to issue and allot the 2,010,502 Ordinary Shares referred to in Resolution 1, pursuant to the Issue;
- Resolution 3 which is an ordinary resolution and conditional on the passing of resolutions 1 and 2 to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £505,589,40, being equal to 2,527,947 Ordinary Shares and replaces the authority granted at the general meeting on 6 September 2013; and
- Resolution 4 which is a special resolution and is conditional on the passing of resolutions 1, 2 and 3, to generally authorise the Directors to issue and allot the 1,263,974 new Ordinary Shares referred to in Resolution 3 on a non-pre-emptive basis and replaces the authority granted at the general meeting on 6 September 2013;

The authorities to be granted pursuant to resolutions 1 and 2 shall expire on the earlier of the date and the next annual general meeting of the Company and 30 November 2014 (unless renewed varied or revoked by the Company prior to or on that date) and shall be in addition to any Directors' authorities to allot relevant securities and disapply statutory pre-emption rights granted by resolutions 3 and 4.

The authorities to be granted pursuant to resolutions 3 and 4 shall expire on at the end of the annual general meeting of the Company to be held in 2014 or, if earlier, 30 November 2014 and shall be in addition to the authorities granted by resolutions 1 and 2.

The authorities in resolutions 3 and 4, if passed, would give the Board flexibility to raise funds on an expedited basis to take advantage of potential fundraising opportunities which may arise. The Board has no present intention of exercising these authorities (other than in connection with the issue of options) and the Board will only exercise these authorities when it is satisfied that it is in the Company's interests to do so.

11. Recommendation

The Board believes that the Placing and Open Offer and therefore the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings amounting, in aggregate, to 1,406,686 Ordinary Shares and representing approximately 21.9 per cent. of the Company's current issued share capital.

12. Expected timetable of principal events

Record Date	Close of business on 19 March 2014
Announcement of the Placing and Open Offer, publication of the Circular, the Application Form and Form of Proxy	21 March 2014
Expected ex-entitlement date for the Open Offer	8.00 a.m. on 21 March 2014
Basic Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	24 March 2014
Recommended latest time and date for requesting withdrawal of Basic Entitlements from CREST	4.30 p.m. on 1 April 2014
Latest time and date for depositing Basic Entitlements into CREST	3.00 p.m. on 2 April 2014
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 3 April 2014
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	11.00 a.m. on 4 April 2014
Latest time and date for acceptance of the Open Offer and receipt of completed Non-CREST Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (if appropriate)	11.00 a.m. on 7 April 2014
Announcement of result of Open Offer	8 April 2014
General Meeting	11a.m. on 8 April 2014
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 9 April 2014
New Ordinary Shares credited to CREST members' accounts	9 April 2014
Despatch of definitive share certificates for New Ordinary Shares in certificated form	17 April 2014

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) the Form of Proxy and the Application Form unless the context requires otherwise:

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM" or "LSE AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"Application Form"	the personalised application form on which Qualifying non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
"Basic Entitlement"	the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of 1 Open Offer Share for every 32 Existing Ordinary Shares held and registered in their names on the Record Date
"Board" or "Directors"	the directors of the Company whose names are set out on page 7 of the Circular
"Business Day"	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
Capita Asset Services	A trading name of Capita Registrars Limited
"certificated" or certificated form"	"in a share or other security not held in uncertificated form (that is, not in CREST)
"CRM"	customer relationship management
"City Code"	the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time
"Closing Price"	the closing middle market quotation of an Ordinary Share as derived from the AIM section of the Daily Official List of the London Stock Exchange
"Company"	Synety Group plc, a company incorporated in England and Wales with registered number 5509873
"Concert Party"	Mark Seemann, Graham Ward and Jason Kendall
"CREST"	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
"Enlarged Issued Share Capital"	the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares
"Euroclear"	Euroclear UK & Ireland, the Operator (as defined in the CREST Regulations) of CREST
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Entitlements in accordance with the terms and conditions of the Open Offer

"Excess Entitlement"	Open Offer	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement (in addition to the Basic Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling down according to the Directors' absolute discretion
"Excess Shares"		Open Offer Shares which may be applied for by Qualifying Shareholders under the Excess Application Facility
"Existing Ordinary Shares"		the Ordinary Shares in issue as at the Record Date
"Financial Authority" or "FCA"	Conduct	the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA
"Form of Proxy"		the enclosed form of proxy for use by Shareholders in connection with the General Meeting
"FSMA"		the Financial Services and Markets Act 2000 (as amended)
"General Meeting"		the general meeting of the Company convened for 11.00 a.m. on 8 April 2014 at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG, notice of which is set out at the end of this document
"Group" or "Synety Group"		the Company and its subsidiary undertakings
"Issue"		together, the Placing and Open Offer
"Issue Price"		250 pence per New Ordinary Share
"London Stock Exchange"		London Stock Exchange plc
"N+1 Singer"		N+1 Singer Advisory and/or N+1 Singer CM as the context shall require
"N+1 Singer Advisory"		Nplus1 Singer Advisory LLP, the Company's nominated adviser which is incorporated as a limited liability partnership in England and Wales with registered number OC364131
"N+1 Singer CM"		Nplus1 Singer Capital Markets Limited, the Company's broker which is a company incorporated in England and Wales with registration number 05792780
"New Ordinary Shares"		the new Ordinary Shares to be issued pursuant to the Placing and the Open Offer
"Notice" or "Notice of General Meeting"	of	the notice of the General Meeting set out at the end of this document
"Open Offer"		the conditional offer made by the Company to Qualifying Shareholders inviting them to subscribe for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Qualifying non-CREST Shareholders, in the Application Form
"Open Offer Entitlements"		an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 1 Open Offer Share for every 32 Existing Ordinary Shares held by the Qualifying Shareholder at the Record Date
"Open Offer Shares"		up to 200,499 new Ordinary Shares which are the subject of the Open Offer
"Ordinary Shares"		ordinary shares of 20 pence each in the share capital of the Company

"Overseas Shareholders"	a Shareholder with a registered address outside of the UK
"PBX"	a Private Branch Exchange or switchboard
"Placing"	the proposed placing by N+1 Singer on behalf of the Company of the Placing Shares pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement between the Company and N+1 Singer dated 21 March 2014 relating to the Placing
"Placing Shares"	the 1,800,000 New Ordinary Shares conditionally placed pursuant to the Placing with investors that will be allotted subject to, inter alia, the passing of the Resolutions and Admission
"Qualifying Shareholders"	CREST Qualifying Shareholders whose Existing Ordinary Shares are held in uncertificated form
"Qualifying Shareholders"	non-CREST Qualifying Shareholders whose Existing Ordinary Shares are held in certificated form
"Qualifying Shareholders"	Shareholders whose Existing Ordinary Shares are on the register of members of the Company on the Record Date with the exclusion of (subject to exceptions) persons with a registered address or located or resident in the Restricted Jurisdictions
"Record Date"	5.00 p.m. on 19 March 2014
"Registrar" or "Receiving Agent"	Capita Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Restricted Jurisdiction"	each and any of Australia, Canada, Japan, the Republic of South Africa, New Zealand and the United States
"Shareholders"	holders of Ordinary Shares
"Takeover Panel"	the Panel on Takeovers and Mergers in the UK
"uncertificated" or "in uncertificated form"	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"United States" or "US"	the United States of America
"£", "pounds sterling" or "pence"	UK pounds sterling, the lawful currency of the United Kingdom

