

7<sup>th</sup> January 2013

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

**Trading update for the year ended 31 December 2013**

**Rapid and accelerating sales growth**

- Recurring Revenue up approx. six fold
- Number of Users up approx. five fold
- Number of Active licences up approx. six fold
- Trading expectations met or exceeded

The Group is delighted to report significant growth for the period ending 31<sup>st</sup> Dec 2013, with sales of its CloudCall telephony software solution exceeding market expectations.

Numbers of CloudCall users have nearly quintupled, and the number of licences issued has risen six-fold. The Annualised Recurring Revenue is up by nearly the same multiple to £850,000.

The Board are particularly pleased by the acceleration in growth in the last six months of the year and believe that these numbers not only validate the strategy, but are starting to clearly demonstrate the growing market demand and huge potential for CloudCall and Synety.

**Key Performance Indicators.**

	<b>Audited 31 December 2012</b>	<b>Unaudited 30 June 2013</b>	<b>Unaudited 31 December 2013</b>	<b>Annual Growth</b>
<b>No of Users</b>	564	1,336	<b>2,678</b>	<b>375%</b>
<b>No of Licences *</b>	794	2,149	<b>5,145</b>	<b>548%</b>
<b>Average Users Per Customer</b>	5.8	7.9	<b>10.80</b>	<b>86%</b>
<b>Annualised Recurring Revenue</b>	£149,000	£376,000	<b>£850,000</b>	<b>470%</b>
<b>Recurring Revenue per User</b>	£22.80	£24.17	<b>£24.10</b>	<b>6%</b>

\* A User may have multiple 'Licences' depending upon products purchased or any upsells

In addition to the rapid sales growth, the board are very encouraged by the continuing increase in average customer size. A trend which is expected to continue as both the products and the company matures.

Synety, predominantly operates an indirect go-to-market model with integrated CRM partners providing sales leads from their current and prospective customers. Since starting to approach CRM

companies 14 months ago, 18 are now integrated and live plus there are a substantial number that are either currently integrating or planning to do so.

#### **Partner Companies**

ACT!	Gmail	NetSuite
Bullhorn CRM	GoldMine CRM	Now We Comply
CallPro CRM	Intrabench	Prism CRM
DealerWeb	Lunar CRM	Sage CRM
Durell CRM	Microsoft Dynamics CRM	Salesforce.com
Engaged CRM	Microsoft Outlook	Symvoli

Since CloudCall's easily addressable market is defined as the number of integrated CRM companies end users, this increase in CRM partners should lead to a further growth in customer acquisition in 2014 as these partnerships continue to develop and new partners integrate. The Board believes that as the percentage of CRM companies offering CloudCall's functionality to their customers increases, so will the pressure on other CRM platforms to do the same. To-date we have experienced little competition from companies offering a competing product set and so expect to see CRM companies continuing to integrate with CloudCall. Thus, as we have observed previously, this remains an exciting 'land grab' opportunity.

Simon Cleaver, Synety's Executive Chairman added:

"We have a compelling offer for both CRM companies and their end-user customers and have a clear first mover advantage. We are also beginning to see local demand in the USA, the world's biggest CRM market.

I strongly believe that these numbers robustly illustrate the markets appetite for CloudCall and our team's ability to deliver. We anticipate growing sales very strongly again this year. All the Board are very excited and remain confident of our prospects for creating a scale player in this emerging market."

- Ends -

#### **Further information**

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