

6<sup>th</sup> September 2013

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

### Trading Update

At the Company’s General Meeting to be held at 12pm today, Simon Cleaver, Executive Chairman, will present the following trading update.

#### Highlights

- 30% Increase in recurring revenue in 2 months
- Growth expected to continue at a faster pace
- Further CRM integrations expected

In the 6 months since we provided a trading update at the time of the Company’s 2012 preliminary results statement, we have begun to see a much clearer, and very exciting picture emerging of market demand and potential for CloudCall.

We predominantly operate an indirect go-to-market strategy with integrated CRM partners providing sales leads from their current and prospective customers. When initially contacting these CRM companies we often find that they are already conscious of the need to provide some form of integrated telecoms solution for their customers as this feature is regularly requested.

We therefore frequently find that we are ‘pushing at an open door’, with CRM companies enthusiastic to integrate. Typically it takes around two months for them to carry out the integration work.

Since Synety started to approach CRM companies late last year, 15 are now integrated and live (see partner companies below), plus there are a substantial number that are either currently integrating or planning to do so as soon as they have programming resource available – we will make further announcements as these go live.

#### Integrated Partner CRM Companies

Bullhorn CRM	GoldMine CRM	Now We Comply
CallPro CRM	Intrabench	Sage CRM
DealerWeb	Lunar CRM	Sales Angel
Engaged CRM	Microsoft Dynamics CRM	Salesforce.com
Gmail	Microsoft Outlook	Sugar CRM

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 - this is an exciting ‘land grab’ opportunity.

## Trading since 30 June

In addition to one one-off revenues from set-up fees and hardware sales, Synety has two recurring income streams.

- Monthly Software Subscription (Licence rental fees) – recurring subscription fees for the use of the CloudCall Service
- Telco Income – Synety is a telecoms carrier as well as a software company, we charge for any calls they make thorough our platform either as an inclusive call package or on a PAYG (pay as you go) per minute basis

Below are our standard KPIs published in our interims showing the position at the end of June and updated to the end of August. They demonstrate a 30% growth in recurring revenue and a clear acceleration in customer acquisition during this two month period. This is as a direct result of the increased number of CRM partners that are now integrated. We are particularly pleased by the early result we are seeing from the Salesforce.com integration, where we have 14 live customers even though we only joined the partner program in mid-July.

The Board expects to see sales activity increasing still further as our existing partner relationships mature and new partners integrate.

### Key Performance Indicators - Increase in last 2 months

	Unaudited 30 June 2013	Unaudited 31 August 2013	
No of Customers	169	200	18%
No of Users	1,336	1,691	27%
No of Licences <sup>(1)</sup>	2,149	2,643	23%
Average Users Per Customer	7.9	8.5	7%
Annualised Recurring Revenue	£376,000	£490,324	30%
Total RRPV <sup>(2)</sup>	£24.17	£24.27	0%
Software Subscriptions (Licences) RRPV	£14.10	£14.19	1%
Telco RRPV	£10.07	£10.08	0%
Telco RGPPV <sup>(3)</sup>	£6.27	£6.61	5%

<sup>(1)</sup> Licences = End Users may have one or more 'Licences' depending upon product purchased and any upsell

<sup>(2)</sup> RRPV = Recurring Revenue per User

<sup>(3)</sup> RGPPV = Recurring Gross Profit per User

The KPI's also demonstrate an increase in average customer size (Average Users per Customer) which is a trend we expect to continue. Not only are we seeing CRM partners starting to introduce their larger customers as their confidence grows, but CloudCall Contact Centre - which provides advanced features that are usually only available from dedicated call centre solutions - is attracting interest from larger organisations.

Simon Cleaver added:

“There is every indication, as I have reported before, that we have a product offering that is capable of extensive rollout. Consequently, we have considerable confidence in both the short and longer term prospects for the Company.”

**Further information**

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