

10 January 2017

CloudCall Group plc
("CloudCall", the "Company" or "the Group")

Trading Update

- *Total revenues up by circa 50%*
- *Recurring revenue up 63% year on year*
- *Strategy to focus on key CRM partners is delivering results*
- *Increased levels of recurring revenue underpins the Board's confidence for 2017*

CloudCall (AIM: CALL), a leading cloud-based software business that integrates voice communications into Customer Relationship Management (CRM) platforms, is pleased to announce the following trading update for the year ended 31 December 2016, confirming the Group's results will be in line with expectations.

As a result of CloudCall's strategy to focus on key CRM channel partners in order to accelerate product penetration, the Company is pleased to announce that it expects to report revenue growth in 2016 of circa 50% over the prior year to approximately £4.9 million, at circa 78% gross margin.

Recurring revenue in the second half of 2016 increased 30% against H1 2016, which had already seen a 25% increase on H2 2015, resulting in a total recurring revenue growth of 63% for the full year.

The Group continues to make good progress with Bullhorn, a key CRM partner, and is seeing increased traction with Bullhorn's end users.

There has been a continued reduction in the rate of churn, which is now at record low levels and customer feedback on CloudCall's products and service levels remains consistently positive¹, with numerous larger customers expanding their CloudCall usage to further departments and offices. This reduction in churn rate, strong H2 growth and the fact that circa 85% of the Company's revenues are now recurring or repeating, provides good earnings visibility and underpins the Board's confidence in the Group's outlook for 2017.

At 31 December 2016 the Company had a cash balance of approximately £3.2 million.

Simon Cleaver, CEO of CloudCall, commented:

"The strategy of focussing on key partners and mid-market customers is clearly delivering results and we are seeing significant growth in sales activity as our relationship with Bullhorn and other key partners strengthens.

"It's also encouraging to see that the work we undertook early in the year to improve our overall customer experience is now delivering results. The increasing levels of customer satisfaction can be evidenced by a reduction in churn rate, the excellent reviews customers are leaving on the Salesforce.com app exchange - which improves lead flow from Salesforce.com - and the growing number of customers adding additional users and services.

"The combined effect of these factors resulted in a marked increase in recurring revenue and sales to both new and existing customers in the latter part of 2016 which provides a very solid base for 2017."

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About CloudCall Group Plc

CloudCall is a software and unified communications business that has developed and provides a suite of cloud-based software and telephony products and services. CloudCall's products and services are aimed at enabling organisations to manage their voice communications more effectively.

The CloudCall suite of products allows companies to fully integrate their telephony systems into their existing customer relationship management (CRM) software, enabling calls to be made, recorded, logged and categorised from within the CRM system with detailed activity reports capable of being easily generated.

As at 30 June 2016, CloudCall had approximately 750 customers, equating to approximately 13,300 users. The Company will update its customer and user numbers when it publishes full accounts later in the year.

¹ – To see CloudCall's Salesforce.com reviews, please visit: www.cloudcall.com/reviews