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17 July 2018

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

Trading update for the six months ended 30 June 2018

- *Revenue up 31% vs H1 2017* with recurring revenue up 37%*
- *Users up 34% vs H1 2017 to 27,000*
- *H1 2018 – best half to date for new orders*
- *Launched integrated messaging services to sit alongside existing telephony products*
- *Available cash resource is expected to be in the range of £4.8m to £4.9m*

CloudCall (AIM: CALL), a leading cloud-based software business that integrates communications technology with Customer Relationship Management (CRM) platforms, announces the following trading update for the six months ended 30 June 2018:

The Company is pleased to report robust trading and growth, with revenues for the period expected to be £4.1 million, an increase of 31% against H1 2017*, and recurring revenues up by 37% compared to the same period.

During the half, the Company continued to see growing demand for its products and services from both new and existing customers. Net new users climbed at an average rate of 580 per month, taking the total number of users at the end of the period to 27,000, an increase of 34% against H1 2017.

As previously announced, in May, the Company launched its Unified Communications Service ("UCS"), which provides CRM integrated internal and external messaging capabilities that can be operated alongside the existing telephony from a single interface.

After a successful beta trial, UCS for Bullhorn was released in June. Early indications of uptake have been very encouraging with nearly 70% of our existing Bullhorn customers approached so far either signing-up, booking live product demonstrations or requesting product trials which it is hoped will eventually feed through into higher recurring revenues per user.

The Company's strategy to focus on key CRM partnerships in the recruitment and staffing sector continues to work well and drive growth. Significant investment has been made to develop new business sales and marketing capabilities, and several recent joiners recruited with specific sector experience will be dedicated to selling to this sector. Furthermore, to be closer to where a sizeable portion of that market is centred, the Company has recently opened a small London sales office.

Whilst it took slightly longer than anticipated to recruit and train this initial 9 sector specialist sales staff, they have now all completed their training and are building pipeline and beginning to close new business. The Board expects to see their contribution starting to show through in user and revenue growth by the time it delivers its full year trading statement early in the new year.

The Board intends to continue investing in sales and marketing, with a small sales team being assembled in readiness for the release of UCS for Microsoft Dynamics which is expected to be available

by Q4 2018. After initial assessment of demand, a decision will then be taken regarding how quickly to grow that team.

Looking beyond its current success with Bullhorn and the recruitment and staffing sector, and notwithstanding plans already in progress to capitalise on the expected sizeable opportunity that will be presented by its new Microsoft Dynamics offering, the Company also plans to expand its addressable market further and accelerate growth in 2019 and beyond by starting to integrate additional relevant CRM partners with full UCS functionality later in 2018.

The Company has effective available cash of £4.9 million made up by cash at bank of £3m (including an R&D tax credit of £0.6m received on 4 July 2018) and the undrawn Barclays' revolving credit facility of £1.9 million.

The solid start to 2018 combined with the enhancements to our product range and the recently expanded sales and marketing functions underpins the Board's confidence for a strong finish to 2018 translating into a strong start to 2019.

Simon Cleaver, CEO of CloudCall, commented:

"The first half of this year has played out largely as we expected it to. Solid and consistent growth in our sales numbers has continued, whilst we put the foundations in place that we expect to underpin further growth by making excellent progress with ongoing investments in our new integrated Unified Communications service and the expansion of our sales teams with high calibre, sector experienced staff.

In the last few weeks we've begun receiving orders for the new UCS for Bullhorn products from our new sales people, which leads me to believe we'll see a strong finish to 2018. The nature of any recurring revenue business means this current activity will only have limited effect on current year revenues, but it should provide an excellent springboard for 2019."

** Revenues are calculated under new IFRS 15 revenue recognition guidelines. As previously reported, impact to the Group's revenues as a result of the new policy is immaterial (<£100k). Revenue growth % is reported after restatement of the prior year figures.*

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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 communications products and services. CloudCall's products and services

are aimed at enabling organisations to leverage their customer data to enable more effective communications.

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

At the end of June 2018, the Company had approximately 140 staff based predominantly in Leicester and London (UK), Boston (US) and Minsk (BY), with 27,000 end-users relying on CloudCall technology to power their daily communications.