

15 January 2019

**CloudCall Group plc**  
(“CloudCall”, the “Company” or the “Group”)

**Trading update for the year ended 31 December 2018**

**INVESTMENTS DRIVING ACCELERATION IN REVENUES AND USER GROWTH**

- *Record orders taken in Q4 2018*
- *End-users up 34% year-on-year*
- *Recurring Revenue up 34% year-on-year*
- *Total Revenue up 29% year-on-year*
- *US revenues up 52% year-on-year*
- *End-user growth accelerates through H2 2018, with 724 average monthly net new users added in the half (673 in Q3, 775 in Q4)*
- *New messaging services launched in H1 2018 well received by customers and prospects with good early adoption in evidence*
- *Growing partner eco-system*

CloudCall (AIM: CALL), a leading cloud-based software business that integrates communications technology into Customer Relationship Management (‘CRM’) platforms, announces the following trading update for the year ended 31 December 2018. The Group is pleased to confirm that revenues, cash position and losses before tax are all expected to be in-line with market expectations, subject to year-end financial close and audit procedures.

User numbers have grown 34% to just over 31,300, representing an average net user growth of 650 per month over the year. Following the investments made early in the period, the predicted acceleration in growth can clearly be seen later in the year with the rate of monthly net users growing from 580 in H1 to 724 for H2. Even more encouragingly, deeper analysis shows acceleration across H2 with Q4 having a monthly net user growth rate of 775, up from 673 in Q3.

Recurring revenue also grew 34% over the prior year and accelerated half-on-half. The average recurring revenue per user (ARPU) remained relatively static over the period at £28 per user per month.

Total revenues for the year, which are in-line with market expectations, followed a similar accelerating pattern. Whilst there was an overall increase of 29% from 2017, there was considerable acceleration in growth in the second half of the year – with H2 growing at 19% over the preceding 6-month period, whilst H1 2018 grew at 8% compared to 2H 2017. In November, annualised revenues broke through £10m, and particularly encouraging is the revenue growth being seen in the US at 52% year-on-year. The Company is also pleased to note that customer retention rates have continued to improve throughout 2018.

At 31 December 2018, the Group had available cash reserves of £2.75m, made up of £0.9m of its own cash and an undrawn facility of £1.85m. Cash reserves decreased by approximately £1.5m in H2 2018, compared to £2.5m in H1 2018, and the Company is already well advanced in preparations for its 2018 R&D tax credit claim which is expected to bring in an additional £0.75m in mid-2019.

Following its equity fundraise completed in November 2017, 2018 has seen the Company make significant investments in its platform architecture, product and services, and sales and marketing capabilities. Due to the nature of Software-as-a Service (“SaaS”) businesses, these investments were not expected to be contributory to revenue growth in 2018, but in the latter stages of 2018, the Company was very pleased to see that projected impact starting to come through in the form of a growing order book which will contribute toward a strong start to 2019.

2018 also saw the Group launch its messaging services, which together with the existing voice service has enabled CloudCall to become a true ‘unified communications’ provider capable of delivering significantly more functionality to its customers. 2018 also saw the Company greatly enhance its integration with Microsoft Dynamics 365, which, supported by an attractive partner programme, is expected to deliver further growth opportunities in 2019 and beyond.

As was the case in 2017, 2018 saw the Company continue to deepen its relationship with its largest partner, Bullhorn. Bullhorn themselves have grown significantly in 2018, and look set for further strong growth in 2019. CloudCall remains in a strong position to benefit from that growth, and with Bullhorn themselves keen to drive more revenue growth from their key partners, the Company is very excited about the joint sales and marketing initiatives planned or already in progress.

**Simon Cleaver, Chief Executive Officer of CloudCall, commented:**

*“2018 has been a standout year for CloudCall in terms of new product innovation and investment in our platform, and our sales and marketing capabilities.*

*As with most SaaS businesses, there is always a lag between making these investments and the resulting revenue growth, so I am delighted that we are now starting to see tangible acceleration in customer orders and user growth. As we exit 2018, I still strongly believe that the investments we have made will be most impactful in 2019 and should underpin further acceleration.*

*Overall, I am delighted with what the Company has achieved in 2018. As we enter 2019, we have a significantly improved product, a platform that stands ready to scale more easily, a mutually beneficial partnership programme and a growing partner eco-system. Furthermore, we have an excellent team of skilled people in place that are very excited about what the future holds.*

*As a Board, we look forward to 2019 with confidence.”*

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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 customer relationship management (“CRM”) software, enabling communications to be made, recorded, logged and categorised from within the CRM system with detailed activity reporting and powerful business intelligence capable of being easily generated.

At the end of December 2018, the Company had approximately 150 staff based predominantly in Leicester and London (UK), Boston (US) and Minsk (BY), with just over 31,000 end-users relying on CloudCall technology to power their daily communications.