LOOPUP GROUP PLC

("LoopUp Group" or the "Group")

Interim results for the six months ended 30 June 2016

LoopUp Group plc (AIM: LOOP), a global software-as-a-service ("SaaS") provider of remote meetings, today announces its unaudited interim results for the six months ended 30 June 2016.

Financial Highlights

£'000	Six months to 30 June 2016 (unaudited)	Six months to 30 June 2015 (unaudited)	Year-on-year growth
LoopUp Revenue[1]	**5,998**	**4,358**	**38%**
Total revenue	**6,382**	**4,809**	**33%**
Gross profit	**4,803**	**3,600**	**33%**
Gross margin (%)	**75.3%**	**74.9%**	
EBITDA[2]	**1,271**	**509**	**150%**
Operating profit / (loss)	**520**	**(212)**	
Diluted earnings per share (pence)	**0.2**	**(2.6)**	

1) *LoopUp Revenue is revenue from the LoopUp product and associated value-added add-on capabilities, and so excludes discontinuing BT technology licensing revenue (since 2008)*

2) *Earnings before interest, taxation, depreciation and amortisation.*

Operational Highlights

- 38% growth in LoopUp Revenue (FY2015: 36%, FY2014: 37%)
- Continued increase in new customer engagement with differentiated features of the LoopUp product. For example, new H1 2016 users joined 72% of their meetings by having LoopUp call out to them rather than the traditional method of 'dialing in' (FY2015: 55%)
- Continued investment in new business acquisition 'Pods' to an average of six Pods in the period, with each Pod generating new annual recurring revenue growth at an annualised rate of £482,000 (FY2015: £440,000)
- ISO 27001 certification across the Group in information security management

Post-period Highlights

- Successful placing of £8.5 million of new equity and admission to AIM in August 2016
- £2.7 million of net cash immediately after IPO
- Lady Barbara Judge CBE appointed non-executive chairman at IPO

Steve Flavell, Co-CEO of LoopUp Group, commented,

"We are very pleased to report strong performance in our first set of interim results as a public company. The 38% growth in LoopUp Revenue has exceeded FY2014 and FY2015 growth rates, gross margins have improved, the business was profitable at an operating level, and all key underlying business metrics have remained positive.

Our successful IPO on the AIM market of the London Stock Exchange in August was a major milestone for the Group. It has significantly strengthened our balance sheet and enables us to pursue our growth strategies to expand our proven distribution model, introduce inbound digital marketing, *and continue to innovate our product that we believe offers a best-in-class remote meeting experience for business professionals.*

The second half has started encouragingly with some major new customer wins that are ready to roll out. While second half profitability will be moderated by planned investments in growth, we remain confident in meeting full year revenue and profit expectations as well as our ability to deliver future growth."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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About LoopUp Group plc

LoopUp Group is a global software-as-a-service provider of remote meetings. Streamlined and intuitive, LoopUp is designed to eliminate the common frustrations associated with conference calls and deliver a premium remote meeting experience for mainstream business users along with the quality, security, and reliability expected by global enterprises.

LoopUp helps over 2,000 enterprises worldwide to achieve a less painful, more secure and more productive remote meeting experience. The Group is headquartered in London, with offices in San Francisco, New York, Boston, Hong Kong and Barbados, and is listed on the AIM market of the London Stock Exchange (LOOP). For further information, please consult the LoopUp Group website: www.loopup.com.

Note:

LoopUp Group plc was incorporated on 1 February 2016. The company acquired the share capital of the trading entity, Ring2 Communications Limited, on 2 August 2016. Therefore, at 30 June 2016, LoopUp Group plc had no trading activity to report, nor had formed a group including Ring2 Communications Limited. These consolidated interim financial statements ('the results'), including the comparative financials for six months ended 30 June 2015, represent the trading results of Ring2 Communications Limited (a company with the same registered address as the LoopUp Group and the registered number 4677393) and its subsidiaries.

Chief Executive Officers' Business Review

Financial Review

LoopUp Revenue in H1 2016 was £6.0 million out of the Group's total £6.4 million, a 38% increase on £4.36 million in H1 2015. LoopUp Revenue has now grown quarter-on-quarter for the last 18 consecutive quarters (seasonally adjusted). The other £0.4 million of revenue in the period was from a non-strategic licensing contract with BT (since 2008), which is now set to discontinue in November 2016, five months later than originally anticipated; therefore, this other revenue for FY2016 will exceed expectations set at IPO.

The Group maintained strong gross margins in the period at 75.3% (H1 2015: 74.9%). EBITDA grew by 150% to £1.3 million (H1 2015: £0.5 million), and the Group was profitable at an operating level. Operating cash losses after development expenses were £0.4 million (H1 2015: £0.7 million loss).

The successful admission to AIM in August 2016 marked a major and exciting milestone for the Group. The listing and £8.5 million placing of new equity provide an important catalyst for our continued growth and considerably strengthen the Group's balance sheet, leaving the Group with approximately £2.7 million of net cash immediately after the IPO.

The outlook is for continued growth, although second half profitability will be moderated as planned by the Group's investments in growth.

Business Review

During the period, the Group continued its strong revenue growth, further expanded its distribution engine through its established graduate recruitment program, closed a strong pipeline of customer wins for rollout in the second half, achieved ISO 27001 certification across the Group in information security management, and continued to deliver on its product roadmap.

The Group's strong growth performance in the period was underpinned by continued positive business metrics:

New customer engagement with LoopUp product differentiation

End user engagement with the premium and differentiated aspects of LoopUp continued to improve during the period. For example, new H1 2016-cohort users (LoopUp meeting hosts) joined 72% of their meetings by having LoopUp call out to them rather than using the traditional method of 'dialing in' with access codes (FY2015-cohort: 55%). Additionally, 76% of new H1 2016-cohort became active users of LoopUp's unique Microsoft Outlook add-in and/or the LoopUp mobile applications to schedule, join and control their remote meetings (FY2015-cohort: 64%).

Continued efficiency of new business acquisition

Since 2013, the Group has developed its own team-based 'Pods' organisational structure for its new business acquisition activities. During the H1 2016 period, there were an average of six Pods – two in London, two in San Francisco, one in New York and one in Boston. A typical Pod comprises a mix of business development (three), sales (two) and account management (one) members. Bonus payments are made solely on each Pod's – rather than individual – performance, exclusively based on recurring revenue growth. During the period, the Group delivered new recurring revenue growth at an annualised rate of £482,000[1] per Pod (FY2015-cohort: £440,000) and acquired a total of 209 new

[1] Group calculation based on typical 'Pod' team and metrics

billing customers. The Directors believe that this Pod structure is an important driver of the Group's efficient growth metrics and that the associated recruiting methodology, focus on process and team-based incentivisation scheme form a highly scalable and repeatable template for future growth.

Continued growth in established customer base

Taking into account all losses, shrinkages and growth in customers that are at least one year old, LoopUp Revenue has continued to exhibit 'net negative churn' in the period by actually net growing at a rate of 1.8% per annum rather than eroding (FY2015: 6.7%).

The Group's revenue base remained well diversified in the period, with the largest single customer representing just 2.9% of total LoopUp Revenue (FY2015-cohort: 3.6%). The top 100 customers accounted for 59% of LoopUp Revenue, the top 250 account for 78%, the top 500 account for 91%, and the top 750 account for 96%. The Group generated 42% of LoopUp Revenue in the United Kingdom, 44% in the United States, 12% from continental Europe and 2% from the rest of world. The Directors believe that the Group's established revenue base in the United States is an important foundation for future growth as this geographic market accounts for over 59% of global demand, and that inbound revenue from continental Europe presents an effective foothold for more proactive targeting and expansion in due course.

Strategy and Uses of IPO Funds

As outlined at our IPO, funds raised will be allocated to driving continued growth by: (i) increasing the number of proven new business acquisition Pods; (ii) introducing inbound digital marketing and an online LoopUp account fulfilment capability; and (iii) further enhancing the product to deliver a premium, best-in-class remote meeting experience that scales operationally in line with the Group's growth ambitions.

In the short time since the IPO, the Group has already started delivering on this strategy. In particular, the Group has:

- Completed development of a new version of its product experience on browsers, replacing all remaining Flash technology with HTML5 technology and updating the user interface, set for customer launch in H2 2016;
- Completed an online fulfilment capability, which enables target market prospects to try out LoopUp ahead of an enterprise level engagement;
- Recruited 12 new graduate Pod members in H2 2016; and
- Recruited four members of a new marketing team in H2 2016, including a new VP Marketing, Katherine Nellums, to drive LoopUp awareness and inbound lead generation.

Current Trading and Outlook

The Group has continued to see strong demand for the LoopUp product from customers during the third quarter. While general market seasonality of the second half is approximately 4% lower than the first half, the Group's positive outlook for the second half is supported by a strong pipeline of closed contracts yet to roll out. In particular, two contracts are rolling out that have the potential to become the Group's largest customers over time. Furthermore, as a material exporter – 58% of total revenue in H1 2016 – exchange rate movements since the EU Referendum in June 2016 should also positively impact non-sterling revenue in the second half.

While the Group was profitable in the period at an operating level, the investments in growth that the Group has planned will, by design, moderate profitability in the second half. However, the Group remains confident of meeting market expectations for full year revenue and profitability.

Unaudited consolidated income statement for the six months to 30 June 2016

£'000	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
LoopUp Revenue	**5,998**	**4,358**	**9,204**
Discontinued licensing revenue	384	451	901
Total revenue	**6,382**	**4,809**	**10,105**
Cost of sales	(1,579)	(1,209)	(2,580)
Gross profit	**4,803**	**3,600**	**7,525**
Administrative expenses	(3,532)	(3,091)	(6,505)
EBITDA	**1,271**	**509**	**1,020**
Depreciation	(107)	(96)	(206)
Amortisation	(644)	(625)	(1,251)
Other operating income	-	-	84
Operating profit / (loss)	**520**	**(212)**	**(353)**
Finance costs	(448)	(407)	(733)
Profit / (loss) before tax	**72**	**(619)**	**(1,086)**
Income tax	-	-	506
Profit / (loss) for the period	**72**	**(619)**	**(580)**
Earnings / (loss) per share – Note 4			
Basic	0.3 pence	(2.6) pence	(2.4) pence
Diluted	0.2 pence	(2.6) pence	(2.4) pence

All activities of the Group in the current and prior periods are classed as continuing. All of the profit for the period is attributable to the shareholders of LoopUp Group plc.

Statement of comprehensive income for the six months to 30 June 2016

£'000	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
Profit / (loss) for the period	72	(619)	(580)
Currency translation gain / (loss)	(878)	48	(363)
Total comprehensive loss for the period	**(806)**	**(571)**	**(943)**

Unaudited consolidated balance sheet at 30 June 2016
(before debt conversion and new funds raised at IPO in August 2016)

£'000	30 June 2016	30 June 2015	31 December 2015
Assets			
Non-current assets			
Property, plant and equipment	428	303	342
Intangible assets	3,616	2,731	3,030
Total non-current assets	**4,044**	**3,034**	**3,372**
Current assets			
Trade and other receivables	2,795	1,878	2,096
Cash and cash equivalents	1,086	296	402
Current tax	-	-	483
Total current assets	**3,881**	**2,174**	**2,981**
Total assets	**7,925**	**5,208**	**6,353**
Liabilities			
Trade and other payables	(1,284)	(918)	(1,177)
Accruals and deferred income	(582)	(753)	(487)
Borrowings	(5,110)	(597)	(2,206)
Total current liabilities	**(6,976)**	**(2,268)**	**(3,870)**
Net current liabilities	**(3,095)**	**(94)**	**(889)**
Non-current liabilities			
Borrowings	(4,811)	(5,681)	(5,539)
Total non-current liabilities	**(4,811)**	**(5,681)**	**(5,539)**
Total liabilities	**(11,787)**	**(7,949)**	**(9,409)**
Net liabilities	**(3,862)**	**(2,741)**	**(3,056)**
Equity			
Share capital	139	117	139
Share premium	12,691	12,656	12,691
Foreign currency translation reserve	(1,477)	(188)	(599)
Retained loss	(15,215)	(15,326)	(15,287)
Deficit attributable to equity owners of parent	**(3,862)**	**(2,741)**	**(3,056)**

Unaudited consolidated statement of changes in equity at 30 June 2016

£'000	Share capital	Share premium	Foreign currency translation reserve	Retained loss	Deficit attributable to equity owners of parent
Balance at 1 January 2015	**117**	**12,656**	**(236)**	**(14,707)**	**(2,170)**
Loss and total comprehensive income	-	-	48	(619)	(571)
Balance at 30 June 2015	**117**	**12,656**	**(188)**	**(15,326)**	**(2,741)**
Profit and total comprehensive income	-	-	(411)	39	(372)
Proceeds from share issue	22	35	-	-	57
Balance at 31 December 2015	**139**	**12,691**	**(599)**	**(15,287)**	**(3,056)**
Profit and total comprehensive income	-	-	(878)	72	(806)
Balance at 30 June 2016	**139**	**12,691**	**(1,477)**	**(15,215)**	**(3,862)**

Unaudited consolidated cash flow statement for the six months to 30 June 2016

£'000	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
Net cash flow from operating activities			
Profit / (loss) before tax	72	(619)	(1,086)
Non-cash adjustments			
Depreciation	107	96	206
Amortisation	644	625	1,251
Working capital adjustments			
Increase in trade and other receivables	(699)	(292)	(510)
Increase / (decrease) in trade and other payables	202	(28)	769
Tax received	483	327	344
Cash generated from operations	**809**	**109**	**974**
Cash flows from investing activities			
Purchase of property, plant and equipment	(193)	(91)	(221)
Addition of intangible assets	(1,230)	(817)	(1,742)
Net cash used in investing activities	**(1,423)**	**(908)**	**(1,963)**
Cash flows from financing activities			
Proceeds of borrowings	778	1,046	1,704
Decrease in bank overdraft	-	-	(64)
Proceeds from share issues	-	-	57
Interest and finance fees paid	(7)	-	(14)
Finance leases paid	-	(9)	(25)
Net cash generated by financing activities	**771**	**1,037**	**1,658**
Net increase in cash and cash equivalents	**157**	**238**	**669**
Cash and cash equivalents brought forward	402	96	96
Effect of foreign exchange rate changes	527	(38)	(363)
Cash and cash equivalents carried forward	**1,086**	**296**	**402**

Notes to the financial information for the six months ended 30 June 2016

1. General information

LoopUp Group plc (AIM: "LOOP", "LoopUp Group", or the "Group") is a global software-as-a-service ("SaaS") provider of remote meetings. It is a public limited company which is quoted on AIM (a market of the London Stock Exchange). The Group's registered address is 1st Floor, 78 Kingsland Road, London, E2 8DP and the Group's registered number is 09980752.

2. Basis of preparation and significant accounting policies

LoopUp Group plc was incorporated on 1 February 2016. The company acquired the share capital of the trading entity, Ring2 Communications Limited, on 2 August 2016. Therefore, at 30 June 2016, LoopUp Group plc had no trading activity to report, nor had formed a group including Ring2 Communications Limited. These consolidated interim financial statements ('the results'), including the comparative financials for six months ended 30 June 2015 represent the trading results of Ring2 Communications Limited (a company with the same registered address as the LoopUp Group and the registered number 4677393) and its subsidiaries.

These consolidated interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (September 2016). This results announcement does not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The balance sheet at 31 December 2015 has been derived from the full Group accounts published in the Annual Report and Accounts 2015, which has been delivered to the Registrar of Companies and on which the report of the independent auditors was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

The results have been prepared in accordance with the accounting policies set out in the Group's 31 December 2015 statutory accounts, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union ("EU"). No changes to accounting policies are expected for the year ending 31 December 2016.

These unaudited interim results have been prepared on a going concern basis. Notwithstanding net liabilities of £3,862,000 at 30 June 2016, the successful placing of £8.5 million of new equity and AIM admission in August 2016, and the resulting £2.7 million of net cash available following admission, the Directors have a reasonable expectation that the Group has adequate resources to continue operations for the next twelve months.

The results for the six months ended 30 June 2016 were approved by the Board on 29 September 2016. A copy of these interim results will be available on the Group's web site www.loopup.com from 30 September 2016.

The principal risks and uncertainties faced by the Group have not changed from those set out in the IPO Admission Document.

3. Segmental analysis

The geographic segmentation of LoopUp Revenue is as follows:

	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
United Kingdom	2,529	1,741	3,759
Rest of European Union	718	446	1,001
United States	2,635	2,044	4,171
Rest of world	116	127	273
Total	5,998	4,358	9,204

4. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year excluding those held in treasury:

	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
Profit / (loss) attributable to equity holders (£'000)	72	(619)	(580)
Weighted average number of ordinary shares in issue ('000)	27,740	23,461	23,855
Basic earnings / (loss) per share (pence)	**0.3**	**(2.6)**	**(2.4)**

The diluted earnings per share has been calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of shares in issue during the year, adjusted for potentially dilutive shares that are not anti-dilutive.

For the 12 months to 31 December 2015 and the six months to 30 June 2015 the weighted average number of shares used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per share and would not be dilutive under IAS 33.

	Six months to 30 June 2016	Six months to 30 June 2015	12 months to 31 December 2015
Weighted average number of ordinary shares in issue ('000)	27,740	23,461	23,855
Adjustments for share options ('000)	4,423	-	-
Weighted average number of potential ordinary shares in issue ('000)	32,163	23,461	23,855
Diluted earnings per share (pence)	**0.2**	**(2.6)**	**(2.4)**

5. Dividends

The directors did not recommend the payment of a dividend for the years ended 31 December 2015 or 2014.