

# ADMISSION DOCUMENT

& Circular Convening a General Meeting  
**May 2018**



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should immediately consult an independent adviser who is authorised under FSMA and specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if you are not resident in the UK, from another authorised independent adviser. This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies and has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued share capital of the Company. This document does not constitute an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA, the Companies Act 2006 or otherwise. Accordingly, this document does not constitute a prospectus under the Prospectus Rules published by the FCA and has not been and will not be approved by or filed with the FCA or approved or filed with any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The definitions used in this document are at pages 11 to 14.

The Company, whose registered office appears on page 10, and the Directors, whose names appear on page 10, accept responsibility for the information contained in this document, including individual and collective responsibility for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure for the Company that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 4 June 2018. The rules of AIM are less demanding than those of the Official List. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document.

The whole of this document should be read. Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document that describes certain risks associated with an investment in the Company.

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# LoopUp Group plc

*(a company incorporated in England and Wales under the Companies Act 2006 with company number 09980752)*

## Proposed acquisition of Warwick Holdco Limited

Placing of 12,500,000 new Ordinary Shares at 400 pence per share

Admission of the Enlarged Share Capital to trading on AIM

and Notice of General Meeting

LEAD FINANCIAL ADVISER, NOMINATED ADVISER AND JOINT BOOKRUNNER

**Panmure Gordon**

AND COMPANY

Panmure Gordon (UK) Limited

FINANCIAL ADVISER AND JOINT BOOKRUNNER

**Numis**

Numis Securities Limited

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## Share capital immediately following Admission

	<i>Issued and fully paid Number</i>	<i>Amount</i>
Ordinary Shares of 0.5 pence each	54,731,963	£273,659.82

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Panmure Gordon, which is regulated by the FCA, is acting as financial adviser, nominated adviser and joint bookrunner to the Company and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. Panmure Gordon has not authorised the contents of any part of this document for the purposes of FSMA. The responsibilities of Panmure Gordon as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director, Shareholder or any other person in respect of a decision to subscribe for Ordinary Shares. Panmure Gordon is not making any representation or warranty, express or implied, as to the contents of this document. No liability whatsoever is accepted by Panmure Gordon for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are responsible, or for the omission of any information from this document.

Numis, which is regulated by the FCA, is acting as joint bookrunner to the Company and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or

any transaction or arrangement referred to herein. Numis has not authorised the contents of any part of this document for the purposes of FSMA. Numis is not making any representation or warranty, express or implied, as to the contents of this document. No liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are responsible, or for the omission of any information from this document.

The securities referenced herein have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, into or within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The securities are being offered and sold (i) outside the United States in “offshore transactions” in reliance on Regulation S under the US Securities Act (“**Regulation S**”); and (ii) within the United States solely to a limited number of “qualified institutional buyers”, as defined in rule 144A under the US Securities Act (“**QIBs**”) in reliance on an exemption from the registration requirements of the US Securities Act provided by Section 4(a)(2) thereof. There will be no public offer of the securities in the United States.

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

Neither the Company nor the Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

## IMPORTANT INFORMATION

### General

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment. Prospective Shareholders should read the whole of this document and pay particular attention to the risk factors set out in Part II of this document.

Potential investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Enlarged Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

If you are in any doubt about the contents of this document, you should consult a person authorised under FSMA, who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if you are not resident in the UK, from another authorised independent adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses, which may result therefrom.

Potential Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential Shareholders must rely upon their own advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Potential investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and their personal circumstances.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

### Forward-Looking Statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline", "aims", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements include matters which are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Enlarged Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Enlarged Group's markets.

By their nature forward-looking statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment and the risk factors set out in Part II of this document.

These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any

change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

### **Market and Financial Information**

The data, statistics and information and other statements in this document regarding the markets in which the Enlarged Group operates, or its position therein, are based on the Company's records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

### **No Incorporation of Website Information**

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.

### **Presentation of Financial Information**

The financial information in this document relating to the Company and the MeetingZone Group has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The significant IFRS accounting policies applied in the financial information of the Company and the MeetingZone Group are applied consistently in the financial information in this document except as set out below.

Unless otherwise stated:

- (a) financial information relating to the Company has been extracted without material adjustment from the financial information incorporated by reference as set out in Section A of Part VI (*Historical Financial Information on LoopUp Group plc*) of this document, which includes the following:
  - i. the audited consolidated financial statements for LoopUp Limited (formerly Ring2 Communications Limited), acquired by the Company on 2 August 2016, prepared in accordance with IFRS as at and for the year ended 31 December 2015 contained in the Company's Admission Document published on 18 August 2016;
  - ii. the audited consolidated financial statements for the Company prepared in accordance with IFRS as at and for the year ended 31 December 2016;
  - iii. the audited consolidated financial statements for the Company prepared in accordance with IFRS as at and for the year ended 31 December 2017,all of which are incorporated by reference into this document; and
- (b) financial information relating to the MeetingZone Group, which unless otherwise stated, has been extracted without material adjustment from the financial information set out in Section B (*Historical Financial Information on the MeetingZone Group*) and Section C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI of this document.

### **Non-GAAP Financial Measures**

The Directors assess the underlying performance of the LoopUp Group, the MeetingZone Group and the Enlarged Group using alternative performance measures which, in the opinion of the Directors, present a more meaningful assessment of the underlying performance of the businesses. These measures are detailed below:

- (a) **LoopUp Group**
  - (i) Adjusted Revenue and Adjusted Gross Profit have been presented, reflecting the elimination of the effect of the BT technology licensing line of business discontinued in November 2016.
  - (ii) Adjusted EBITDA approximates the underlying operating cash flows and has been presented as operating profit stated before:
    - depreciation;
    - amortisation of intangible fixed assets;

- impairment of intangible fixed assets; and
  - excluding the effect of the BT technology licensing line of business discontinued in November 2016.
- (iii) In the case of the years ended 31 December 2016 and 31 December 2015, Adjusted Operating Profit/(Loss) and Adjusted Profit/Loss have been stated excluding the effect of the BT technology licensing line of business discontinued in November 2016.
- (b) **MeetingZone Group**
- (i) Adjusted EBITDA approximates the underlying operating cash flows and is defined as operating profit stated before:
- depreciation;
  - amortisation of intangible fixed assets;
  - monitoring fees and loan note interest related to the MeetingZone Group's private equity ownership structure prior to the Acquisition; and
  - other costs considered by the Board to be exceptional, either by virtue of their size or incidence, including restructuring and reorganisation costs incurred in integrating acquired businesses and business restructuring in response to changes in market conditions and closure of businesses.
- (ii) Adjusted Operating Profit is defined as operating profit stated before:
- monitoring fees and loan note interest related to the MeetingZone Group's private equity ownership structure prior to the Acquisition; and
  - other costs considered by the Board to be exceptional, either by virtue of their size or incidence, including restructuring and reorganisation costs incurred in integrating acquired businesses and business restructuring in response to changes in market conditions and closure of businesses.

It is important to note that alternative performance measures are not defined under IFRS and, therefore, are defined as "non-GAAP" measures. The alternative performance measures used may not be directly comparable to similarly titled measures reported by other companies. They are not intended to be a substitute for, or be superior to, GAAP measurements of performance.

This document contains certain financial measures that are not defined or recognised under IFRS, including the above items. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the LoopUp Group's, the MeetingZone Group's or the Enlarged Group's performance with that of other companies and should not be considered in isolation or as a substitute for revenue, gross profit, operating profit or any other measure as an indicator of operating performance, or as an alternative as a measure of liquidity and you should not consider such items as an alternative to the historical financial results or other indicators of the LoopUp Group's, the MeetingZone Group's or the Enlarged Group's performance defined under IFRS. Even though the non-GAAP earnings measures are used by management to assess ongoing operating performance and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the results of the LoopUp Group, the MeetingZone Group or the Enlarged Group as reported under IFRS.

## **Rounding**

Various figures and percentages, including financial data, in this document have been rounded. As a result of this rounding, the totals of the data presented in this document may vary slightly from the actual arithmetical totals of such data.

## **Interpretation**

Certain terms used in this document including certain capitalised terms, certain technical terms and other terms, are defined on page 11 to 14 of this document.

All times referred to in this document are, unless otherwise stated, references to London time.



All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated.

All prices quoted for the Company's shares are closing prices as provided by the London Stock Exchange. All London Stock Exchange-quoted share prices are expressed in pounds sterling.

### **Market, Economic and Industry Data**

Market, economic and industry data used throughout this document are derived from various industry and other independent sources. Where third-party information has been used in this document, the Company confirms that such information has been accurately reproduced and, so far as it is aware, has been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Currency Presentation**

Unless otherwise indicated, all references in this document to "**pounds**", "**pounds sterling**", "**£**", "**pence**" or "**p**" are to the lawful currency of the United Kingdom, all references to "**\$**", "**US\$**", "**USD**" or "**US Dollar(s)**" are to the lawful currency of the United States, all references to "**€**" or "**euros**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

### **Pro forma Financial Information**

Certain unaudited pro forma financial information in relation to the Enlarged Group is detailed in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

### **Notice to Prospective Investors in the United States**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offence.

The securities have not been and will not be registered under the US Securities Act of 1933, as amended. The securities are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act pursuant to registration or an exemption therefrom.

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## EXPECTED TIMETABLE FOR THE PLACING AND ADMISSION

Publication of this document	16 May 2018
Date of General Meeting	1 June 2018
Allotment and issue of the Placing Shares	4 June 2018
Expected date for settlement within CREST of the Placing Shares	4 June 2018
Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM	at or about 8.00 a.m. on 4 June 2018
Despatch of definitive share certificates for Placing Shares (where applicable)	4 June 2018

*Note: Each of the times and dates in the above timetable is subject to change. All times are London times unless otherwise stated.*

## PLACING STATISTICS

Placing Price	400 pence
Number of Existing Ordinary Shares	42,231,963
Number of Placing Shares to be issued by the Company	12,500,000
Number of Ordinary Shares in issue immediately following Admission	54,731,963
Percentage of Enlarged Share Capital represented by Placing Shares	22.8%
Gross proceeds of the Placing receivable by the Company	£50.0 million
Net proceeds of the Placing receivable by the Company	£46.0 million
Market capitalisation of the Company at the Placing Price immediately following Admission	£218.9 million
TIDM	LOOP
ISIN	GB00BYQP6S60
SEDOL	BYQP6S6
Website	<a href="http://www.loopup.com">www.loopup.com</a>

## DIRECTORS, OFFICERS AND ADVISERS

<b>Directors</b>	Lady Barbara Singer Judge CBE Stephen ("Steve") Graham Flavell Thomas Michael ("Michael") Hughes MBE Simon Peter Healey Nicolas ("Nico") Robert Goulet Wright Barmak Meftah Michael ("Mike") Eugene Reynolds
<b>Company Secretary</b>	Simon Peter Healey
<b>Registered Office and Principal Place of Business</b>	1st Floor, 78 Kingsland Road London E2 8DP
<b>Telephone number</b>	+44 (0)20 3655 0512
<b>Website</b>	<a href="http://www.loopup.com">www.loopup.com</a>
<b>Lead Financial Adviser, Nominated Adviser and Joint Bookrunner</b>	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
<b>Financial Adviser and Joint Bookrunner</b>	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
<b>Reporting Accountant and Auditor</b>	Grant Thornton UK LLP Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
<b>Legal Counsel to the Company</b>	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
<b>US Counsel to the Company</b>	Proskauer Rose LLP 110 Bishopsgate London EC2N 4AY
<b>Legal Counsel to the Joint Bookrunners</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Financial Public Relations Adviser to the Company</b>	FTI Consulting LLP 200 Aldersgate Aldersgate Street London EC1A 4HD
<b>Registrars</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA

## DEFINITIONS

<b>“Acquisition”</b>	the proposed acquisition of the entire issued share capital of Warwick Holdco
<b>“Acquisition Agreements”</b>	together, the Share Purchase Agreement, the Management Warranty Deed, the synthetic tax deed and the warranty and indemnity insurance policy
<b>“Admission”</b>	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies and AIM Rules for Nominated Advisers, as appropriate
<b>“AIM Rules for Companies”</b>	the rules for AIM companies published by the London Stock Exchange
<b>“AIM Rules for Nominated Advisers”</b>	the rules for nominated advisers to AIM companies published by the London Stock Exchange
<b>“Articles”</b>	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part IX ( <i>Additional Information</i> ) of this document
<b>“Bank of Ireland”</b>	The Governor and Company of the Bank of Ireland
<b>“CAGR”</b>	compound annual growth rate
<b>“Companies Act”</b>	the Companies Act 2006 (as amended)
<b>“Company”</b>	LoopUp Group plc
<b>“Completion of the Acquisition”</b>	the completion of the Acquisition in accordance with the terms of the Share Purchase Agreement
<b>“Corporate Governance Guidelines”</b>	the corporate governance guidelines for small and mid-size quoted companies published by the QCA in April 2018
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001(as amended) and (ii) any applicable rules made under those regulations for the time being in force
<b>“CRM”</b>	Customer Relationship Management
<b>“Directors” or “Board”</b>	the directors of the Company, whose names are set out on page 10 of this document
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation
<b>“EIS”</b>	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
<b>“Employees”</b>	employees of the Group
<b>“Enlarged Group”</b>	the Group as enlarged by the Acquisition
<b>“Enlarged Share Capital”</b>	the Ordinary Shares in issue immediately following the Placing and Admission
<b>“Euroclear UK &amp; Ireland”</b>	Euroclear UK & Ireland Limited

<b>“Executive Directors”</b>	the executive directors of the Company as at the date of this document, namely Steve Flavell, Michael Hughes MBE and Simon Healey
<b>“Existing Ordinary Shares”</b>	the 42,231,963 Ordinary Shares in issue as of the date of this document
<b>“Existing Shareholders”</b>	the holders of the Existing Ordinary Shares
<b>“Facilities Agreement”</b>	the agreement dated 16 May 2018 relating to the RCF and Term Loan further details of which are set out at paragraph 6 of Part V ( <i>Information on the Acquisition, the Enlarged Group and the Placing</i> ) of this document
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“FY2015”</b>	financial year ended 31 December 2015
<b>“FY2016”</b>	financial year ended 31 December 2016
<b>“FY2017”</b>	financial year ended 31 December 2017
<b>“GAAP”</b>	generally accepted accounting principles
<b>“General Meeting”</b>	the general meeting of the Company to be held in connection with the Acquisition and the Placing, notice of which is set out at the end of this document
<b>“Grant Thornton”</b>	Grant Thornton UK LLP
<b>“GRDF Capitalisation Agreement”</b>	the agreement dated 17 August 2016 further details of which are set out at paragraph 11.4 of Part IX ( <i>Additional Information</i> ) of this document
<b>“Group” or “LoopUp Group”</b>	the Company and its subsidiaries prior to the Acquisition
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“IPO”</b>	the admission to trading on AIM of the Ordinary Shares in the capital of the Company, which took place on 24 August 2016
<b>“IPO Placing”</b>	the placing of 8,500,000 Ordinary Shares at 100 pence per share in August 2016
<b>“IPO Placing Agreement”</b>	the agreement dated 18 August 2016 between the Company, the Directors and Panmure Gordon relating to the IPO Placing
<b>“ISIN”</b>	international security identification number
<b>“Joint Bookrunners”</b>	Panmure Gordon and Numis
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“LoopUp”</b>	the SaaS solution for remote meetings supplied by the Group, or, where applicable, the relevant company within the Group
<b>“LoopUp Limited”</b>	LoopUp Limited, a company incorporated in England and Wales (registered number 04677393) with its registered address at 1st Floor, 78 Kingsland Road, London, E2 8DP
<b>“LoopUp Revenue”</b>	the Group’s revenue adjusted to exclude the BT licensing line of business which was discontinued in November 2016
<b>“Management Concert Party”</b>	Michael Hughes MBE, Steve Flavell, Abdulkareem Siddiq, Robert Hughes, Simon Healey, Marcus Greensit and Alex Breen who the Takeover Panel consider to be acting in concert

<b>“Management Warranty Deed”</b>	the deed of warranty entered into in connection with the Acquisition, further details of which are set out in paragraph 1.3 of Part VIII ( <i>Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement</i> ) and paragraph 11.1.2 of Part IX ( <i>Additional Information</i> ) of this document
<b>“Material Adverse Change”</b>	means any material adverse change in, or affecting, the condition (financial, operational, legal or otherwise) or the earnings, management, business affairs, solvency, credit rating or prospects of the Company, Warwick Holdco or of the Enlarged Group (taken as a whole), whether or not arising in the ordinary course of business
<b>“MeetingZone”</b>	Warwick Holdco or, where applicable, the relevant company within the MeetingZone Group
<b>“MeetingZone Group”</b>	Warwick Holdco and its subsidiaries
<b>“Nominated Adviser” or “Panmure Gordon”</b>	Panmure Gordon (UK) Limited
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting set out at the end of this document
<b>“Numis”</b>	Numis Securities Limited
<b>“Official List”</b>	the Official List of the UK Listing Authority
<b>“Options”</b>	rights to acquire new Ordinary Shares as described in paragraph 6 of Part IX ( <i>Additional Information</i> ) of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.5 pence each in the share capital of the Company
<b>“Pimco 2711”</b>	Pimco 2711 Limited, a company incorporated in England and Wales (registered number 06423143) and having its registered office at 1st Floor Kingsland Road, London, E2 8DP, which is a wholly owned subsidiary of LoopUp Limited
<b>“Placees”</b>	those persons who have agreed to subscribe for the Placing Shares
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 16 May 2018 between the Company, Panmure Gordon and Numis relating to the Placing
<b>“Placing Price”</b>	400 pence per Placing Share
<b>“Placing Shares”</b>	12,500,000 new Ordinary Shares
<b>“Pounds Sterling”, “pence” or “£”</b>	lawful currency of the United Kingdom
<b>“Proposals”</b>	the Acquisition, the Placing and Admission
<b>“Prospectus Rules”</b>	the prospectus rules of the Financial Conduct Authority made under Part VI of the FSMA
<b>“QCA”</b>	the Quoted Companies Alliance
<b>“QIBs”</b>	qualified institutional buyers as defined in Rule 144A under the US Securities Act
<b>“R&amp;D”</b>	Research and development
<b>“RCF”</b>	the revolving credit facility provided pursuant to the Facilities Agreement, further details of which are set out at paragraph 6 of Part V ( <i>Information on the Acquisition, the Enlarged Group and the Placing</i> ) of this document

<b>“Register”</b>	register of members of the Company
<b>“Regulation S”</b>	Regulation S under the US Securities Act
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>“Scott Concert Party”</b>	Andrew Scott, his wife Rhonda Scott, JIM Nominees Limited and SFT Capital Limited, who are considered to be acting in concert
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Share Purchase Agreement”</b>	the share purchase agreement entered into in connection with the Acquisition, further details of which are set out in paragraph 1.2 of Part VIII ( <i>Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement</i> ) and paragraph 11.1.1 of Part IX ( <i>Additional Information</i> ) of this document
<b>“subsidiary”</b>	as defined in section 1159 of the Companies Act
<b>“Synthetic Tax Deed”</b>	the synthetic tax deed entered into in connection with the Acquisition, further details of which are set out in paragraph 1.4 of Part VIII ( <i>Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement</i> ) and paragraph 11.1.3 of Part IX ( <i>Additional Information</i> ) of this document
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers published by the Takeover Panel
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“Term Loan”</b>	the term loan provided pursuant to the Facilities Agreement, further details of which are set out at paragraph 6 of Part V ( <i>Information on the Acquisition, the Enlarged Group and the Placing</i> ) of this document
<b>“TIDM”</b>	tradable investment display mnemonic
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Listing Authority”</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List
<b>“US dollar” or “\$”</b>	lawful currency of the United States
<b>“US Securities Act”</b>	the US Securities Act of 1933 (as amended)
<b>“VAT”</b>	value added tax
<b>“Warwick Holdco”</b>	Warwick Holdco Limited, a company incorporated in England and Wales (registered number 07706694)



## PART I

### LETTER FROM THE CHAIRMAN

#### LOOPUP GROUP PLC

*(incorporated in England and Wales under the Companies Act 2006 with registered number 09980752)*

##### *Directors*

Lady Barbara Judge CBE *(Independent Non-executive Chairman)*  
Steve Flavell *(co-Chief Executive Officer)*  
Michael Hughes MBE *(co-Chief Executive Officer)*  
Simon Healey *(Chief Financial Officer)*  
Nico Goulet *(Non-executive Director)*  
Barmak Meftah *(Independent Non-executive Director)*  
Mike Reynolds *(Independent Non-executive Director)*

##### *Registered office*

1st Floor  
78 Kingsland Road  
London  
E2 8DP

16 May 2018

Dear Shareholder,

**Proposed Acquisition of Warwick Holdco Limited**  
**Placing of 12,500,000 new Ordinary Shares at 400 pence per share**  
**Admission of the Enlarged Share Capital to trading on AIM**  
**and**  
**Notice of General Meeting**

#### **1. Introduction**

On 16 May 2018, the Company announced that it had conditionally agreed to acquire the entire issued share capital of Warwick Holdco on a debt-free and cash-free basis, for a consideration of approximately £61.4 million to be paid in cash (the "Acquisition"). Warwick Holdco is the holding company of the MeetingZone Group. In the unaudited pro forma 12 months ended 31 December 2017, the MeetingZone Group reported revenue of £22.5 million and Adjusted EBITDA of £5.0 million<sup>1</sup>. The MeetingZone Group is headquartered in the UK and provides conferencing services.

The consideration will be funded as to £17.0 million by a new term loan from Bank of Ireland and £50.0 million by a placing of 12,500,000 new Ordinary Shares at 400 pence per share, which will also fund the expenses of implementing the Proposals and provide additional working capital for the Company. In addition to the Term Loan, the Enlarged Group will have access to a £3.0 million revolving credit facility, also provided by Bank of Ireland, which will not initially be drawn. Further details of the Term Loan and the RCF are set out in paragraph 6 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document.

The Acquisition constitutes a reverse takeover under the AIM Rules for Companies. The Acquisition is therefore subject to the approval of Shareholders at the General Meeting of the Company to be held at Panmure Gordon (UK) Limited at One New Change, London, EC4M 9AF at 11.00 a.m. on 1 June 2018. Details of the other resolutions to be proposed at the General Meeting can be found at paragraph 10 of this Part I (*Letter from the Chairman*). Shareholders holding a total of 23,902,423 Ordinary Shares, representing 56.6% of the Existing Ordinary Shares, have provided the Company with irrevocable undertakings to vote in favour of the Resolutions to be proposed at the General Meeting.

This document, which comprises an Admission Document for the purposes of the AIM Rules, sets out the background to, and reasons for, the Acquisition, and explains why the Directors consider the Acquisition to be in the best interests of the Company and its Shareholders as a whole. The Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

#### **2. Background to the Acquisition**

The Company's mission is to transition mainstream conference callers away from 'dialing in' with phone numbers and access codes to a better, more productive remote meeting experience, with the long-term goal to take a meaningful share of the global market for professional, day-to-day remote meetings.

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<sup>1</sup> Further details on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

The Group's differentiated product strategy, aided by its new business acquisition 'Pods' structure, has a consistent track record of translating into strong and efficient revenue and profit growth. LoopUp Revenue has grown at a CAGR of 37.2% over the last four financial years to 31 December 2017. Nevertheless, the Group remains a relatively small player with its revenue for the financial year to 31 December 2017 being £17.5 million in a market of approximately £5.1 billion.

The Directors believe that, in addition to continued organic growth, the opportunity for the Company to scale faster through inorganic growth represented in this case by the Acquisition, is attractive.

### 3. Information on the MeetingZone Group

The MeetingZone Group is a UK-headquartered conferencing services provider with approximately 6,000 customers worldwide and operations in the UK, Germany, Sweden and North America. The MeetingZone Group sells its own standalone audio conferencing services, resells Cisco's WebEx and Spark collaboration services, and also offers a value-added audio services product for Microsoft Skype for Business. In the 12 months to 31 December 2017, the revenue mix from these three lines of business was 68.0%, 21.0% and 11.0%, respectively.

In the unaudited pro forma 12 months ended 31 December 2017, the MeetingZone Group grew to revenue of £22.5 million, gross profit of £15.0 million and Adjusted EBITDA of £5.0 million<sup>2</sup>.

Further details on the MeetingZone Group are set out in Part IV (*Information on the MeetingZone Group*) of this document.

### 4. Summary financial information on LoopUp and MeetingZone

The table below sets out selected historical consolidated financial information relating to the Group and the MeetingZone Group, which has been extracted without material adjustment from (i) the audited consolidated accounts and financial statements of the Group for the financial year ended 31 December 2017 (the "**2017 Accounts**") and (ii) the unaudited consolidated accounts and financial statements of the MeetingZone Group for the unaudited pro forma 12 months ended 31 December 2017.

Investors should not rely solely on the summarised information and should read the full text of this document.

	<i>The LoopUp Group for the financial year ended 31 December 2017<sup>(1)</sup></i>	<i>MeetingZone Group for the 12 months ended 31 December 2017<sup>(2)</sup></i>
	<i>£'000</i>	<i>£'000</i>
Total revenue	17,465	22,462
Gross profit	13,389	15,019
<i>Gross profit margin</i>	<i>76.7%</i>	<i>66.9%</i>
Adjusted EBITDA	3,463	4,982
<i>Adjusted EBITDA margin</i>	<i>19.8%</i>	<i>22.2%</i>
Operating profit	732	3,478
<i>Operating profit margin</i>	<i>4.2%</i>	<i>15.5%</i>

#### Notes

- (1) The financial information for LoopUp Group plc has been extracted without material adjustment from the audited Annual Report & Accounts 2017 which are incorporated by reference in Section A of Part VI (*Historical Financial Information on LoopUp Group Plc*) of this document.
- (2) The financial information for the MeetingZone Group has been extracted without material adjustment from the unaudited interim financial information contained in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

The historical financial information on the Group is incorporated by reference into this document, the details of which are set out in Section A of Part VI (*Historical Financial Information on LoopUp Group plc*) of this document.

The historical financial information on the MeetingZone Group is set out in Section B of Part VI (*Historical Financial Information on the MeetingZone Group*) of this document and unaudited interim financial information on the MeetingZone Group is set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document.

<sup>2</sup> Further details on MeetingZone Group's unaudited interim financial information for the pro forma 12 months ended 31 December 2017 are set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

The notice of annual general meeting of the Company containing a resolution to approve the 2017 Accounts, will be sent to Shareholders shortly after the date of this document.

## **5. Reasons for the Acquisition and its financial effects**

The Directors consider the Acquisition to be in the best interests of the Company and its Shareholders as a whole for the following key reasons:

### ***A significant increase in scale to drive earnings***

The acquisition of the MeetingZone Group will bring a material increase in scale to the Group. If the Acquisition were to have occurred on 1 January 2017, on an unaudited pro forma basis (excluding any synergies) for the 12 months to 31 December 2017: the revenue of the Enlarged Group would have been £39.9 million, a 129% increase compared to the Group on a standalone basis; the Adjusted EBITDA of the Enlarged Group would have been £8.4 million, a 144% increase compared to the Group on a standalone basis; and the profit after tax of the Enlarged Group would have been £5.3 million, a 164% increase compared to the Group on a standalone basis. Following the Acquisition, development spend on the LoopUp product will be spread across a considerably larger revenue base.

The unaudited pro forma financial information for the Enlarged Group is set out in Part VII (*Unaudited pro forma financial information for the Enlarged Group*) of this document.

The core operational opportunity provided by the Acquisition is to transition the MeetingZone Group's core audio conferencing business to the LoopUp product platform (the "**Transition**"). LoopUp product revenue has benefited from consistently low customer churn with a loss rate of between just 5% and 6% in each of the Group's last three financial years. Furthermore, the LoopUp product guides its users to value-added pay-as-you-go capabilities, such as screen sharing, which drives net revenue growth (rather than net erosion) in its established customer base (5.4% net growth in the financial year to 31 December 2017).

The Directors believe that this greater scale will also leverage the established "network effect" in the LoopUp product: approximately 30% of the Group's new business is driven by non-customer guests on LoopUp meetings, existing customer referrals, previous LoopUp users now at new companies, and non-marketing driven inbound approaches to the Group.

Furthermore, the Acquisition will bring complementary expertise and revenue streams in both the provision of larger 'event' conference calls and the resale of WebEx. These products target a complementary market to those currently pursued by LoopUp and will increase the Enlarged Group's share of a typical enterprise customer's 'total conferencing wallet'.

### ***Release cost synergies and further reinvest in accelerated organic growth***

The Directors expect that the Acquisition will provide the Enlarged Group with the opportunity to generate attractive cost savings driven by the Transition, the reduction of duplicated overhead costs, and its greater purchasing power. Such savings are expected to be approximately £0.5 million in the financial year to 31 December 2018 and at least £2.8 million from the first financial year of ownership to 31 December 2019 (the "**Synergies**"). In order to realise the Synergies, there will be associated one-off costs of approximately £1.0 million in aggregate across the financial years to 31 December 2018 and 31 December 2019.

The Directors plan to further reinvest in the business in order to drive accelerated organic growth with initiatives including faster expansion of new business acquisition 'Pods' (assisted by MeetingZone's established presence and customer base in both Germany and Sweden), associated strengthening of its global operations, and investment in the LoopUp product roadmap, targeting top line growth for the Enlarged Group of over 20% by 2020. Such additional investments are expected to be approximately £1.5 million, £3.0 million and £2.4 million in the financial years to 31 December 2018, 31 December 2019 and 31 December 2020, respectively (the "**Growth Investments**").

### ***Material earnings enhancement***

Taking into account the Transition, expected Synergies, Growth Investments and prospects of the Enlarged Group, the Directors expect that the Acquisition will be materially enhancing to the adjusted basic earnings<sup>3</sup> per share in the first full financial year of ownership to 31 December 2019.

### ***Free float and liquidity***

The issue of new equity to finance the Acquisition will materially increase the Enlarged Group's free float, which in turn may drive greater liquidity in the Ordinary Shares.

<sup>3</sup> Adjusted for those items excluded from Adjusted EBITDA and, in addition, any other items below operating profit which relate to the MeetingZone Group's existing capital structure.

## **6. Sources of financing for the Acquisition**

### **Banking facility**

The MeetingZone Group has existing credit facilities, which will be repaid in full on completion of the Acquisition. The Acquisition will be funded in part by the Term Loan of £17.0 million. The Company will also have access to a RCF of £3.0 million. Both the Term Loan and the RCF (should it be drawn down) will accrue interest at 2.50% above LIBOR. The Term Loan's maturity date is April 2023.

### **Placing**

The Group has conditionally raised £50.0 million through the Placing which, together with the Term Loan, will be used to fund the Acquisition, the expenses of implementing the Proposals and to provide additional working capital for the Company. Further details of the Placing are set out in paragraph 2 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) and paragraph 11.5 of Part IX (*Additional Information*) of this document.

## **7. Summary of the principal terms of the Acquisition**

On a debt-free and cash-free basis, the consideration for the Acquisition will be approximately £61.4 million to be paid in cash. The consideration will be satisfied through the drawdown of the Term Loan from Bank of Ireland, with the balance raised from a placing of new Ordinary Shares at 400 pence per share.

Further details of the Acquisition are set out in paragraph 1 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.

## **8. Strategy and future prospects of the Enlarged Group**

The Directors believe that the Enlarged Group is well positioned to pursue its strategy to deliver on a successful and timely transition of the MeetingZone Group's audio conferencing customers to the LoopUp product platform and so realise the strategic and cost synergy benefits of the Acquisition, and to accelerate its organic growth through four primary strategic pillars: faster expansion of proven LoopUp Pods, continued product development and innovation, investment in inbound marketing, and investment in management and operations as the Enlarged Group scales.

Further details of the strategy of the Enlarged Group are set out in paragraph 2 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document.

## **9. Directors and Senior Management**

The Company's Board of Directors will remain unchanged after the Acquisition. The brief biographies of the Directors and senior management of the Enlarged Group are set out in paragraph 8 of Part IX (*Additional Information*) of this document. Paragraph 7 of Part IX (*Additional Information*) of this document sets out further details of current and past directorships and certain other important information regarding the Directors.

## **10. General Meeting**

At the end of this document, you will find the notice convening the General Meeting, which is to be held at 11.00 a.m. on 1 June 2018 at Panmure Gordon (UK) Limited at One New Change, London, EC4M 9AF. A summary of the action you should take is set out in paragraph 12 of this Letter from the Chairman and in the Form of Proxy that accompanies this document.

The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, in each case as set out in full in the Notice of General Meeting.

**Resolution 1** will be proposed as an ordinary resolution and seeks to approve the Acquisition.

**Resolution 2** is conditional upon the passing of Resolution 1 and will be proposed as an ordinary resolution to authorise the Directors to allot the Placing Shares up to a maximum nominal amount of £62,500.00 (representing 22.8% of the Enlarged Share Capital).

**Resolution 3** will be proposed as a special resolution and is conditional upon the passing of Resolutions 1 and 2 and seeks to empower the Directors to disapply statutory pre-emption rights to allot the Placing Shares up to a maximum nominal amount of £62,500.00 (representing 22.8% of the Enlarged Share Capital).

#### **11. Action to be taken**

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, as soon as possible but in any event not later than 11.00 a.m. on 30 May 2018. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you so wish.

#### **12. Recommendation**

**The Directors consider that the terms of the Acquisition are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions necessary to approve and implement the Acquisition and the Placing as they have irrevocably undertaken to do so in respect of their entire beneficial holdings amounting to, in aggregate, 5,062,092 Existing Ordinary Shares, representing approximately 12.0% of the existing issued share capital.**

Yours faithfully,

**Lady Barbara Judge CBE**  
*Non-executive Chairman*



## PART II

### RISK FACTORS

*Any investment in, or the holding of, Ordinary Shares is subject to a number of risks. The Shareholders and prospective investors should consider carefully the factors and risks associated with any investment in the Company and, following Completion, the Enlarged Group's business and the sectors in which it operates, together with all other information contained in this document and all of the information incorporated by reference into this document, including, in particular, the risk factors described below.*

*A number of factors affect the operating results, financial condition and prospects of each of the LoopUp Group and the MeetingZone Group and, following Completion, will affect the Enlarged Group. The risks described below are based on information known at the date of this document and are not an exhaustive list or explanation of all risks which investors may face when acquiring Ordinary Shares and should be used for guidance only. Additional risks and uncertainties, which are currently unknown to the Company and the Directors or that the Company and the Directors do not currently consider to be material, may materially affect the business of the LoopUp Group, the MeetingZone Group and/or the Enlarged Group and could have material adverse effects on the business, financial condition, results of operations and prospects of the LoopUp Group and/or the Enlarged Group. If any, or a combination, of the following risks actually materialise, the business, results of operations, financial conditions, share price and prospects of the LoopUp Group and, following the Acquisition, the Enlarged Group could be materially and adversely affected and Shareholders may lose all or part of their investment.*

*Shareholders and prospective investors should review this document carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers before acquiring any Ordinary Shares.*

#### **1. RISKS RELATING TO THE BUSINESS AND SECTOR IN WHICH THE LOOPUP GROUP AND, FOLLOWING THE ACQUISITION, THE ENLARGED GROUP OPERATES**

##### **1.1. *The value of an investment in the Company is dependent, inter alia, upon the Enlarged Group achieving the aims set out in this document***

Although the Enlarged Group has a clearly defined strategy, there can be no guarantee that its objectives will be achieved or that the Enlarged Group will achieve the level of success that the Directors expect or that certain successes might not cannibalise previous successes. Furthermore, the Enlarged Group may decide to change aspects of its strategy described in this document. The Enlarged Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Directors cannot currently foresee, such as unanticipated market forces, costs and expenses or technological factors. Should it be unsuccessful in implementing its strategy or should it take longer than expected to implement, the future financial results of the Enlarged Group could be negatively impacted.

##### **1.2. *It may be difficult to retain the intellectual property the Enlarged Group requires and/or avoid loss for infringing the intellectual property of third parties***

The Enlarged Group's technology includes software and other code and content ("**Software**"). Some of the Software has been developed internally by the LoopUp Group and the MeetingZone Group, and will be owned by the Enlarged Group. In addition, some of the Software has been developed by third parties who have licensed rights in the software to the Enlarged Group or provided access under free and open source licence. It is not at all uncommon for a company's technology to comprise both owned and licensed code. This nevertheless means that the Enlarged Group's continuing right to use such Software is dependent on the relevant licensors continuing to licence the Software to the Enlarged Group. Again, as is usual, such licences may be terminated by the licensors as a result of a breach of their terms by the Enlarged Group. Any failure by the Enlarged Group to comply with the terms of the licences granted to it could therefore result in such licences being terminated and the Enlarged Group no longer being entitled to continue to use the Software in question. In addition, use outside of the terms of any relevant licence could expose the Enlarged Group to legal action for infringement of the rights of the licensor(s). Further, and in any event, the Enlarged Group may not have adequate measures in place to ensure that its use of third party software complies with all of the terms under which such software has been licensed to the Enlarged Group.

The Enlarged Group also holds patents. These may or may not give an advantage over the Enlarged Group's competitors. If competitors file patent applications that are also claimed by the Enlarged

Group, the Enlarged Group may have to participate in interference or opposition proceedings to determine the priority of invention. An adverse outcome could subject the Enlarged Group to significant liabilities and require the Enlarged Group to either to cease to use a technology or to pay licence fees. The Enlarged Group could incur substantial costs in any litigation or other proceedings relating to patent rights, even if resolved in the Enlarged Group's favour. Some of the Enlarged Group's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Enlarged Group. In addition, uncertainties relating to patent or other intellectual property litigation could have a material adverse effect on the Enlarged Group's ability to market a product or raise additional funds.

The Enlarged Group is dependent on maintaining the proprietary rights in its software and other technology. The Enlarged Group is reliant on copyright laws, trade mark laws, laws of confidentiality and contractual provisions covering intellectual property ownership and licensing.

Any failure by the Enlarged Group to protect and/or enforce its intellectual property rights may result in another party being able to copy or otherwise obtain and use its technology and/or content without authorisation. There may not be adequate protection for the intellectual property in every country in which the Enlarged Group sells its products and policing unauthorised use of proprietary information is difficult and expensive. Due to the Enlarged Group's size and limited cash resources, it has historically taken only limited action to protect its key intellectual property and it may not be able to detect and prevent infringement of its intellectual property. Should a third party successfully demonstrate priority over any of these rights, it could inhibit the Enlarged Group from selling products in certain territories.

The steps which the Group has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Enlarged Group's intellectual property could have a negative impact on the Enlarged Group's business and its operating results.

Furthermore, the Enlarged Group may need to take legal action to enforce its intellectual property or to determine the validity or scope of the proprietary rights of others.

Competitors of the Enlarged Group may seek to bring actions against the Enlarged Group for alleged third party infringements. Competitors may independently develop technologies substantially equivalent or superior to the Enlarged Group's own technology which the Enlarged Group is unable to defend. The Enlarged Group's products may be sold in countries where there is less protection of intellectual property rights than under European or US law and enforcement of the Enlarged Group's intellectual property rights may be ineffective. The Enlarged Group could be liable to customers if its intellectual property rights infringed a third party's rights and its customers suffered losses. Litigation relating to the Enlarged Group's intellectual property, whether instigated by the Enlarged Group to protect its rights or arising out of alleged infringement of third party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Enlarged Group's rights.

1.3. ***The Enlarged Group's main competitors are providers of remote meetings and conference calls, which in many cases are significantly larger enterprises with greater financial and marketing resources***

The sector in which the Enlarged Group operates is very competitive and there can be no certainty that the Enlarged Group will be able to achieve the market penetration it seeks. There can be no guarantee that the Enlarged Group's current competitors or new entrants to the market will not bring superior technologies, products or services to the market or equivalent products at a lower price which may have an adverse effect on the Enlarged Group's business. Such companies may also have greater financial and marketing resources than the Enlarged Group. Even if the Enlarged Group is able to compete successfully, it may be forced to make changes in one or more of its products or services in order to respond to changes in customers' needs which may impact negatively on the Enlarged Group's financial performance.

1.4. ***The Enlarged Group's customers may cease to use or reduce their use of the Enlarged Group's products and there are low barriers to existing contracts.***

Were a material number of customers to cease to use or materially reduce their use of the Enlarged Group's products then this could materially and adversely affect the Enlarged Group's business.



1.5. ***The Enlarged Group's future development and prospects depends to a significant degree on the experience, performance and continued service of its senior management team including the Directors.***

The loss of one or more of the Enlarged Group's key employees could adversely affect the Enlarged Group's business, prospects, financial condition and results of operations.

The calibre and performance of the MeetingZone Group's key employees will be important to the success of the MeetingZone Group's contribution to the Enlarged Group going forward. There can be no assurance that the Acquisition will not result in the unplanned departure of key employees of the MeetingZone Group.

The Enlarged Group has invested in its management team at all levels. The Directors also believe that the senior management team, including MeetingZone Group's senior management, is appropriately structured for the Enlarged Group's size and is not overly dependent upon any particular individual. The Enlarged Group has also entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Retention of these services or the identification of suitable replacements, however, cannot be guaranteed. The loss of the services of any of the Directors or other members of the senior management team, including the MeetingZone Group's senior management team, and the costs of recruiting replacements may have a material adverse effect on the Enlarged Group and its commercial and financial performance and reduce the value of an investment in the Ordinary Shares.

1.6. ***Difficulties in the ability to recruit and retain skilled personnel may have a detrimental effect upon the trading performance of the Enlarged Group***

The Directors believe that the Enlarged Group has the appropriate incentivisation structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Enlarged Group. However, any difficulties encountered in hiring appropriate employees and the failure to do so, or a change in market conditions that renders current incentivisation structures lacking, may have a detrimental effect upon the trading performance of the Enlarged Group. The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed.

1.7. ***There may be a delay in reporting if the Enlarged Group's systems and controls which allows it to produce accurate and timely financial statements and to monitor and manage risks fail***

If any of these systems or controls were to fail the Enlarged Group may be unable to produce financial statements accurately or on a timely basis or expose the Enlarged Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Enlarged Group has in place could adversely affect the price of Ordinary Shares.

1.8. ***Parties with whom the Enlarged Group trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent***

This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Enlarged Group trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Enlarged Group.

1.9. ***Exchange rate fluctuations could have a material adverse effect on the Enlarged Group's revenue, profitability or the price competitiveness of its products and services***

There can be no guarantee that the Enlarged Group would be able to compensate or hedge against such adverse effects and therefore negative exchange rate effects could have a material adverse effect on the Enlarged Group's business and prospects, and its financial performance.

1.10. ***The jurisdictions in which the Enlarged Group operates, have wide ranging regulatory laws in place, to which the Enlarged Group is subject***

The Company has developed a risk management and compliance practice in conjunction with its advisers as well as discussions with many of the regulators in the jurisdictions in which it operates, in particular regarding tax, data protection and communications regulations.

The Directors believe that regulators in many jurisdictions are in the process of assessing and developing regulatory frameworks to address the regulation of certain services provided by the Enlarged Group and others, in particular, 'over-the-top' SaaS services such as those of the Enlarged Group, which often do not sit well within existing regulatory categories. Therefore the regulatory treatment of the Enlarged Group's services may be uncertain in certain jurisdictions and may change, and/or the Company's assumptions about such treatment may prove inaccurate. While most

regulatory authorities are willing to allow a period of time for companies to become compliant, particularly if they have given the matter in issue serious consideration, the requirement to comply with and adopt any new regulations, or enforcement of existing regulations, may have an adverse impact on the Enlarged Group's business.

The Enlarged Group processes employee personal data and customer personal data (including name, address, usage data (traffic data) and, through third parties, bank and/or credit card details) as part of its business and therefore must comply with strict data protection and privacy laws in the EU and certain other jurisdictions in which the Enlarged Group operates. Those laws restrict the Enlarged Group's ability to collect, use and delete personal information. The Enlarged Group is exposed to the risk that personal data could in the future be wrongfully accessed and/or used, whether by employees, customers or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulation. If the Enlarged Group or any of the third party service providers on which it relies fails to process and/or transfer customer information and payment details online in a secure manner or if theft or loss of employee personal data or customer personal data were to occur, the Enlarged Group could face liability under data protection laws as well as legal liability under its arrangements with its customers and/or employees. This could also result in the loss of the goodwill of its customers and deter new customers. Each of these factors could harm the Enlarged Group's business reputation and have a material adverse effect on the Enlarged Group's prospects, business, financial condition or results of operations.

**1.11. *There may be tax risks associated with the business of the Enlarged Group***

The Enlarged Group's practice on the taxability of its services has been informed by its own research and discussions with regulators as well as the Enlarged Group's advisers in what are believed to be the relevant jurisdictions. The Company believes that the taxation of cloud, SaaS and over-the-top services such as those of the Enlarged Group, particularly in the United States is currently in a state of uncertainty. Accordingly it is possible that the Enlarged Group's practice could be challenged by the relevant authorities in any jurisdiction which may have an adverse impact on the Enlarged Group's results or business.

Any change in the Enlarged Group's tax status or in taxation legislation in the UK or elsewhere could affect the Enlarged Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current UK law and practice, which is subject to change. The taxation of an investment in the Enlarged Group depends on the individual circumstances of investors.

The above information is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company. Any person who is in any doubt as to their taxation position should consult their professional taxation advisers. The attention of potential investors is drawn to paragraph 14 of Part IX (*Additional Information*) of this document. The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Company may change. The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on investors' individual circumstances. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, its ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning taxation of the Company and its Shareholders are based on current UK tax law and practice which is subject to change. Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined, their personal circumstances and the financial resources available to them.

**1.12. *There are a number of legal risks associated with the business of the Enlarged Group***

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for intellectual property rights, an inability to enforce foreign judgments relating to contracts entered into by the Enlarged Group that are governed by laws other than those of England and Wales, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks may be limited.

## **2. RISKS RELATING TO THE ACQUISITION AND PLACING**

### **2.1. *Completion of the Acquisition is subject to a number of conditions being fulfilled***

As described in Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*), completion of the Acquisition is subject to a number of conditions that may not be satisfied or waived (the “**Conditions**”). Completion of the Acquisition is conditional amongst other things upon the Placing Agreement becoming unconditional and Admission.

There is no guarantee that the Conditions will be satisfied in the necessary time frame (or waived, if applicable) and the Acquisition may therefore be delayed (or not complete at all). Delay in completing the Acquisition will prolong the period of uncertainty for the LoopUp Group and may result in the accrual of additional costs to the LoopUp Group’s business without any of the additional benefits of the Acquisition having been achieved. In addition, the LoopUp Group’s management and employees would have spent time in connection with the Acquisition, which could otherwise have been spent more productively in connection with the other activities of the Group. Therefore, the aggregate consequences of a failure to satisfy the Conditions could result in a material adverse effect on the business financial results and financial conditions of the LoopUp Group.

### **2.2. *Completion of the Placing is subject to a number of conditions being fulfilled***

The Placing will not proceed if the applicable conditions, including the required Shareholder approvals and satisfaction or waiver of the Conditions, are not met. A significant proportion of the proceeds of the Placing are intended to be used to fund the Acquisition.

In the event that the Conditions are not satisfied in accordance with the Share Purchase Agreement the Acquisition will automatically terminate.

### **2.3. *The Enlarged Group may not perform in line with expectations, prior to and after the Acquisition, and may result in a write-down or impairment***

Until completion of the Acquisition, the Company will not own or run the MeetingZone Group and it is possible that there could be an adverse event affecting the MeetingZone Group which would not give rise to a right of the Company to terminate the Acquisition. In such an event, the value of the MeetingZone Group may be less than anticipated by the Company.

Upon completion of the Acquisition, a significant portion of the difference between the purchase price, MeetingZone’s net assets at that date and the allocation of costs of the combination to the assets acquired and the liabilities assumed, will be recorded as goodwill. In addition, other intangible assets will be recorded as a result of the purchase price allocation. While the Directors believe the combination of the Group with the MeetingZone Group is strategically and financially compelling, economic, regulatory, competitive, contractual or other factors may result in the businesses meeting with unexpected difficulties. If any of these factors result in the value of MeetingZone proving to be less than the consideration paid by the Company, accounting rules would require that the Enlarged Group reduces the carrying value and recognises an impairment charge, which would reduce the Enlarged Group’s reported assets and statutory earnings in the year that the impairment charge is recognised.

### **2.4. *Material facts or circumstances may not be revealed in the due diligence process in relation to the Acquisition***

The Company has conducted such due diligence as it deems practicable and appropriate in the context of the Acquisition. The objective of the due diligence process is to identify material issues which might affect the decision to proceed with the Acquisition or the consideration payable for the MeetingZone Group. Whilst conducting due diligence and assessing the Acquisition, the Company has relied on publicly available information and information provided by the management of the MeetingZone Group and its advisors.

There can be no assurance that the due diligence undertaken with respect to the Acquisition has revealed all relevant facts that may be necessary to evaluate the MeetingZone Group, including the determination of the price that the Company has agreed to pay, or to formulate a business strategy for the Enlarged Group. As part of the due diligence process, the Company has also made subjective judgments regarding the results of operations, financial condition and prospects of the MeetingZone Group. If the due diligence investigation has failed to identify correctly material issues and liabilities that may be present in the MeetingZone Group, or if the Company has concluded such material risks are commercially acceptable relative to the opportunity, the Company may subsequently incur substantial liabilities (including tax losses). In addition, following the Acquisition, the Company may be subject to significant, previously undisclosed liabilities or technical difficulties of the MeetingZone

Group that were not identified during due diligence and which could have a material adverse effect on the Enlarged Group's financial condition and results of operations.

**2.5. *The Enlarged Group may experience operational difficulties in integrating the MeetingZone Group into the Group***

The Group and the MeetingZone Group currently operate and, until completion of the Acquisition, will continue to operate as separate and independent businesses. The Acquisition will lead to the incorporation of the MeetingZone Group into the Group and the success of the Enlarged Group will depend, in part, on the success of that integration and the ability of the Enlarged Group to realise the anticipated benefits from combining the two businesses.

The integration process is likely to present administrative, managerial and financial challenges, some of which may not be identified until after the process is underway. Unforeseen difficulties, costs, liabilities, losses or delays could adversely affect the business of the Enlarged Group and the realisation of the benefits of the Acquisition.

Potential difficulties in the integration process include:

- co-ordinating services and operations;
- consolidating and integrating procedures, systems, facilities, accounting functions, compensation structures and other policies;
- the physical relocation of employees of the Enlarged Group;
- integrating the management teams and retaining and incentivising key employees in the Enlarged Group;
- operating and integrating different technology platforms and systems;
- replacement of certain arrangements and harmonisation of these activities within the Enlarged Group;
- disruption to the ongoing businesses of the LoopUp Group and the MeetingZone Group; and
- the management teams of the Enlarged Group being distracted from the running of the Enlarged Group by the integration process.

The failure of, or any delays or difficulties encountered in connection with, the integration process may adversely affect the financial position of the Enlarged Group, and ultimately the trading price of the Ordinary Shares.

**2.6. *The Enlarged Group may not realise, or it may take the Enlarged Group longer to realise, the expected benefits of the Acquisition***

The Enlarged Group may fail to achieve certain or any of the anticipated benefits that the Company expects to realise as a result of the Acquisition, or it may take longer than expected to realise those benefits. If the anticipated benefits, such as the anticipated financial returns or the opportunity for market share growth, are not achieved, or take longer than expected to be realised, this could have a material adverse impact on the Enlarged Group's business, financial condition, results of operations and prospects.

There is a risk that synergies from the Acquisition and the perceived benefits arising from the Acquisition, may fail to materialise, or that they may be materially lower than have been estimated. In addition, the costs of funding the process necessary to achieve these synergies and benefits may exceed expectations. Further details of the expected synergy and benefits are set out in paragraph 2 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document. Such eventualities may have a material adverse effect on the financial position of the Enlarged Group.

The Acquisition and any uncertainty pending its completion or thereafter could cause disruptions to the businesses of the Enlarged Group. These uncertainties may materially and adversely affect the Enlarged Group's business and its operations and could cause customers, distributors, other business partners and other parties that have business relationships with the Enlarged Group to defer the consummation of other transactions or other decisions concerning the Enlarged Group's business, or to seek to change existing business relationships with the Enlarged Group. Any such issues may adversely affect the financial position of the Enlarged Group, and ultimately the trading price of the Ordinary Shares.

**2.7. *The Acquisition and integration costs may be greater than anticipated***

The Company expects to incur a number of costs in relation to the Acquisition, including the cost of integrating the MeetingZone Group into the Enlarged Group in order to combine the operations of the LoopUp Group and the MeetingZone Group successfully. The actual costs of the integration process may exceed those estimated and there may be further additional and/or unforeseen expenses incurred in connection with the Acquisition.

In addition, the Company will incur legal, accounting, financial adviser, sponsor and other transaction fees and costs relating to the Acquisition. Some of these costs will be payable regardless of whether the Acquisition completes.

While the Company believes that the integration and Acquisition costs will be more than offset by the realisation of the benefits resulting from the Acquisition, this net benefit may not be realised in the short term or at all (particularly if the Acquisition does not proceed) or may be less than anticipated. This could affect the business, financial condition, results of operations and prospects of the Company and, following completion of the Acquisition, the Enlarged Group.

**2.8. *The Acquisition may impact the LoopUp Group's and the MeetingZone Group's relationship with their existing partners and/or other commercial partners, including risk of termination of existing MeetingZone Group contracts***

It is possible that the Acquisition may be negatively interpreted by the LoopUp Group's and/or the MeetingZone Group's existing commercial partners. If, as a result of the Acquisition, a significant number of the LoopUp Group's and/or the MeetingZone Group's existing commercial partners ceased doing, or materially reduced their, business with the Enlarged Group, there could be a material adverse impact on the Enlarged Group's business, financial condition, results of operations and prospects.

Commercial partners who are not supportive of the Acquisition may choose to exercise certain rights in their contracts with the MeetingZone Group or which otherwise arise by operation of law (for example, any rights to terminate in the event of a change of control or to enforce any obligations for the Enlarged Group which may relate to exclusivity undertakings in particular businesses or markets), which may result in adverse consequences for the Enlarged Group.

**2.9. *Management attention may be diverted from the business of the LoopUp Group by the Acquisition and the Placing***

The Acquisition has required, and will continue to require, substantial amounts of both time and focus from the LoopUp Group's and the MeetingZone Group's management teams, which could adversely affect their ability to operate each respective business effectively and efficiently. The Enlarged Group's management will also be required to devote significant attention and resources to integrating the two businesses. There is a risk that the challenges associated with managing the Acquisition and the subsequent integration of the LoopUp Group and the MeetingZone Group, will result in management distraction and that consequently the underlying businesses will not perform in line with expectations.

**2.10. *The Enlarged Group will have debt financing***

Following completion of the Acquisition, the Enlarged Group will have further indebtedness due to the satisfaction of the MeetingZone Group's indebtedness and the Acquisition.

The increased financial indebtedness of the Enlarged Group, as well as covenants in the Enlarged Group's financing, may result in operational constraints for the Enlarged Group going forward, which may adversely affect the business, financial condition, results of operations and prospects of the Enlarged Group.

In certain limited circumstances, the Acquisition, Placing and Admission will have completed, but the Term Loan may not be available to be drawn down by the Enlarged Group. In such circumstances, the Company will still be under an obligation to re-pay the indebtedness of the MeetingZone Group to its bankers.

**3. RISKS RELATING TO THE ORDINARY SHARES**

**3.1. *There are a number of risks associated with an investment on AIM (including liquidity risk and fluctuation in the value of the securities)***

Whilst the Company is applying for Admission, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller companies and may not provide the liquidity normally associated with the



Official List or other exchanges. The future success of AIM and the liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may be, or may become, relatively illiquid, particularly given the lock-in arrangements and orderly market arrangements described in paragraph 9 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document and therefore the Ordinary Shares may be or may become difficult to sell.

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or in response to various factors and events, including the Enlarged Group's performance generally, variations or anticipated changes in the Enlarged Group's interim or full year operating results, market conditions in the sector, the industries of customers and the economy as a whole, business developments of the Enlarged Group and/or its competitors, significant purchases or sales of Ordinary Shares or trading volumes in the Ordinary Shares, sales by Directors or substantial shareholders, legislative or regulatory changes, and general economic, political or regulatory conditions and other factors outside the control of the Enlarged Group.

Potential investors should be aware that the value of securities and the income from them can go down as well as up, and investors may realise less than, or lose all of, their investment. The market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group and an investment in a security which is traded on AIM might be less realisable and generally carries a higher risk than a security quoted on the Official List. The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Enlarged Group and others of which are extraneous.

**3.2. *On Admission, there will be a limited number of Shareholders in the Enlarged Group and therefore it is possible that an active trading market may not develop***

Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

**3.3. *The Placing Price per Ordinary Share has been determined by the Company, and may not relate to the Enlarged Group's net asset value, net worth or any established criteria or value***

There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

**3.4. *Market perception of the Enlarged Group may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise***

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the Lock-in Agreements and Orderly Marketing Agreements, details of which are set out in paragraph 11.9 of Part IX (*Additional Information*) of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

**3.5. *It is possible that the Enlarged Group will need or choose to raise extra capital in the future to finance the development of new products or enhancements, to develop fully the Enlarged Group's business, to take advantage of acquisition opportunities or respond to new competitive pressures***

If the Enlarged Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

**3.6. *The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange***

If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

3.7. ***There can be no assurance as to the level of future dividends, if any***

The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors and will depend upon, among others, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws and generally accepted accounting practice.



## PART III

### INFORMATION ON THE LOOPUP GROUP

#### 1. Overview

The LoopUp Group is a software-as-a-service (“SaaS”) provider of premium remote business meetings. Streamlined and intuitive, the Group’s mission is to transition mainstream business users away from the common frustrations associated with dial-in conference calls to a better, more productive remote meeting experience. Founded in 2003, the Group is headquartered in Shoreditch, London and has offices in San Francisco, New York, Boston, Sydney, Hong Kong and Barbados, employing a total of 116 people. In FY2017, the Group achieved revenue of £17.5 million, gross profit of £13.4 million, and Adjusted EBITDA of £3.5 million.

Conference calls now account for over half of all enterprise communication<sup>1</sup>, with the market size for outsourced services amounting to 193 billion minutes by volume and £5.1 billion by value in 2016<sup>2</sup>. However, it is a technology sector where software has struggled to take hold, with the majority of business users continuing to ‘dial in’ to conference calls with phone numbers and access codes. This is in spite of the commonly-perceived frustrations with dial-in conferencing – issues tracking down numbers and codes, not knowing who has joined the meeting or who is speaking, and distracting background noise to name just a few – all of which combine to waste a considerable amount of time. Additionally, there are significant security vulnerabilities associated with typical ‘dial in’ conference call facilities, stemming from the lack of certainty as to who is present on the meeting.

The Directors believe that a differentiated and contrarian approach to software design is required to move the mainstream majority of business users away from basic dial-in in this unusually live, risk-averse use case for learning a piece of software. LoopUp does not overwhelm users with features and the Directors believe that ‘less is more’ when it comes to remote meetings software. LoopUp’s minimalist interface is designed to guide users through an intuitive and prescriptive flow, with no training required, and to deliver a reliable, high quality experience on every call, in terms of both audio quality and visual context. New users switching to LoopUp are now foregoing dial-in 75% of the time<sup>3</sup>. Instead, LoopUp calls out to them on a phone of their choice and then naturally guides them to a helpful visual interface where they can see who is on the meeting and who is speaking.

The Group operates and delivers its SaaS solution from four data centres in London, Chicago, Hong Kong and Sydney, and holds three patents for technology elements within the product which the Directors believe provide material competitive defensibility. Global customer service is provided round-the-clock from teams based in London, San Francisco and Hong Kong.

The LoopUp Group has approximately 2,200 enterprise customers, including companies such as Travelex, Allied World, National Geographic, Kia Motors, Planet Hollywood, Subaru, LateRooms.com, Preferred Hotels Group, Permira and Kleinwort Hambros. The Group benefits from a diverse customer base with the largest single customer representing just 3.6% of total revenue in FY2017. In FY2017, the Group generated 37% of its revenue from the UK, 51% from the US, 10% from continental Europe and 2% from the rest of world. The Directors believe that the Group’s established revenue base in the US is an important foundation for future growth as this geographic market accounts for approximately 56.4% of global demand<sup>4</sup>.

Over the last five years, the Group has developed its own team-based ‘Pods’ organisational structure for its new business acquisition activities. The Directors believe that this Pods 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. In FY2017, every £1.00 invested in Pods yielded £0.98 of new first-year revenue or £0.75 of new first-year gross margin, which then goes on to recur. The Group maintained a low gross revenue churn rate of 5% in FY2017 (FY2016: 5% and FY2015: 6%), which while maintained, implies a circa 20-year expected lifetime over which this annual gross margin would recur.

The Directors continue to see strong demand for the LoopUp product and believe that the Group’s highly differentiated product and competitive strategy in this large market, combined with its efficient new business unit economics, make for an exciting and confident outlook in terms of the Group’s ability to deliver further growth.

1 Source: Wainhouse Research, “Enterprise communications: Keys to A Successful Transition Whitepaper” (22 June 2017).

2 Source: Wainhouse Research, “2017 Worldwide Audio Conferencing Services Market Sizing” and “2017 Worldwide Personal Web-based Conferencing Services Market Sizing”.

3 Source: LoopUp product usage for 2016 and 2017 new user cohorts.

4 Source: Wainhouse Research, “2017 North American Audio Conferencing Service Provider Market Forecast & Provider Reviews”.

## **2. History and Background**

The Group was founded and incorporated as Ring2 Communications Limited in 2003 by Steve Flavell and Michael Hughes, current co-CEOs of the Group. Steve and Michael met at Stanford Graduate School of Business in the mid-1990s.

The business was transatlantic from the outset. Michael, based in San Francisco, focused on building the Group's initial product with a core technical group of former colleagues in Silicon Valley, including Abdulkareem Siddiq, Chief Architect. Meanwhile, Steve, based in London, focused on securing the Group's initial angel investment and finding early proof-of-concept customers via the founders' largely UK-based professional network.

The Group's initial product – the Ring2 Call Controller – enabled users to initiate a phone call by simply highlighting any phone number on their computer and double-tapping the 'Control' key. The product achieved reasonable early market success with revenue of approximately £119,000 in the nine-month period from April to December 2005. However, while working on this product, the founders observed the adjacent market opportunity in conferencing and determined that the Group's technology could be leveraged to greater impact in that space.

In 2006, the Group entered the remote meetings market, trading as Ring2 Conferencing, and hired Alex Breen, current Executive Vice President of Product. At launch, the product was positioned as a conference calling service with enhanced visibility, security and control from a BlackBerry application, which the Directors believe was the first of its kind in the industry. The product sold from the outset and revenue grew at a CAGR of 163% over the next three-year period from 2006 to 2009. The Group found a natural market fit in professional services companies, where early BlackBerry adoption was high.

In 2008, the Group won a major licensing deal with British Telecommunications plc for its conference management and application technology. While licensing has not proved to be the optimal long-term business model for the Group, the Directors believe that the deal nevertheless brought significant credibility to the Group's general sales activities and drove early professionalisation of the Group's information security systems and processes. This now discontinued licensing line of business brought total revenue of approximately £4.5 million into the business over its lifetime.

In mid-2008, the Group sought investment from new venture capital sources, with strong top-line growth at the heart of its investment case. However, the Directors believe that the credit crunch led many venture capital firms to retain funds for existing portfolio companies, and so the Group raised funds in 2009 from existing Shareholders with a clear mandate to drive the business to profitability given the challenging financial market conditions.

By 2010, the Group had achieved operating profitability, albeit with slowed top-line growth at a CAGR of 25% over the 2009 to 2012 period. The Directors believe this was a key period during which the Group learned a great deal about the economics and efficiency drivers in the business, priming it for the next phase of growth.

On the back of Shareholder debt investment in mid-2011, the Group hired Simon Healey, current Chief Financial Officer, from Zipcar, and opened a sales office in Boston (US) and an operations office in Hong Kong. In 2012, the Group rebranded to trade as 'LoopUp', by which time the product had evolved into a SaaS audio and web remote meetings solution with differentiation across Microsoft Outlook and all mainstream mobile and web browser platforms. Also, in 2012, the Group opened an office in Barbados to support its regional Caribbean partnership with Cable & Wireless Communications, and re-hired Marcus Greensit, current Chief Operating Officer, with a mandate alongside Steve Flavell to scale the Group's customer acquisition and retention activities.

In 2013, the Group introduced the highly successful 'Pods' sales structure, which led LoopUp Revenue growth to accelerate to a CAGR of 36.7% from FY2013 to FY2015. In 2015, the Group hired KJ Nouri as Vice President of Engineering, opened a New York sales office, and was recognised with several awards including Tech City's Future Fifty, the Inc. 5000 in the US, and Red Herring Top 100 North America.

In August 2016, the Group achieved a successful placing of £8.5 million of new equity and was admitted to trading on the AIM market of the London Stock Exchange, appointing Lady Barbara Judge CBE as Non-executive Chairman. Since IPO, the Group has continued its strong and consistent top line growth, with 39% year-on-year growth in FY2016 (31% on a constant currency basis) and 36% year-on-year growth in FY2017 (33.5% on a constant currency basis). In March 2018, the Group announced its expansion into the Australian market with the opening of a new commercial office in Sydney.

### 3. Key Strengths

#### ***Large market, rife with dissatisfaction***

The Group operates in the market for outsourced conferencing services, worth £5.1 billion by value in 2016 and 193 billion minutes by volume. A recent survey of 1,000 frequent conference callers suggests that approximately 61% of people<sup>5</sup> (68% in larger enterprises<sup>6</sup>) are still 'dialing in' to conference calls with phone numbers and access codes, experiencing common frustrations such as tracking down dial-in numbers and access codes, not knowing who has joined the meeting and who is speaking, dealing with distracting background noise, and difficulties sharing documents and presentations. The survey suggests that 15 minutes are wasted on a typical conference call due to these frustrations, approximately a third of the time people spend on conference calls.

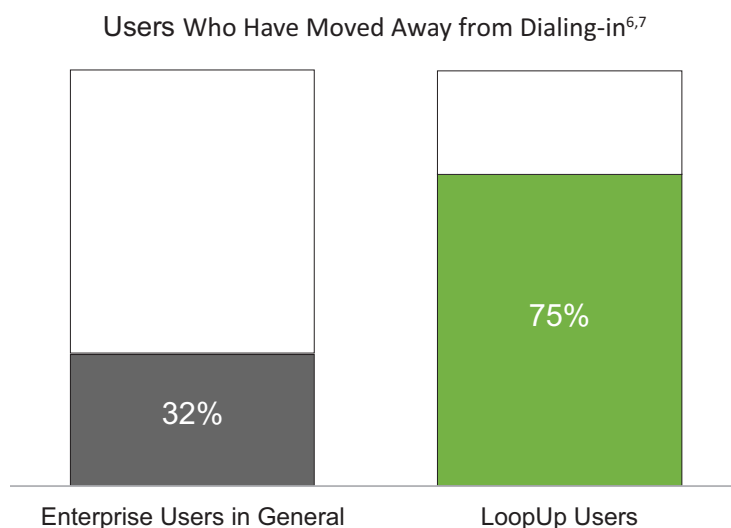
The Directors believe that there is significant opportunity for the Group to take advantage of this large, dissatisfied market, by transitioning the majority away from dial-in to a better meeting experience, and that the Group's track record of customer growth and product engagement demonstrates the market's readiness and appetite for a better approach.

#### ***Proven, patented product***

LoopUp is designed to entice its users to stop dialling in to conferencing calls. Instead, LoopUp calls out to them on a phone of their choice, and having done so, then naturally guides them to the LoopUp visual interface, which is designed to deliver enhanced context of the meeting and a more productive and more secure experience for users. The Group emphasises a simple, prescriptive flow through the product, rather than overwhelming users with lots of options and specialist features. As a result, more users benefit from richer, more visual collaboration without compromising on the quality, security and reliability expected by global blue-chip enterprises. The Group holds three patents for technology elements within the product.

The Group's customer base of approximately 2,200 enterprises has engaged strongly with LoopUp's differentiated capabilities. For example, new users in 2016 and 2017 joined 75% of their meetings by having LoopUp call out to them<sup>7</sup> rather than using the traditional method of dialing in with access codes. Furthermore, 78% of that same new user cohort are active users of LoopUp's unique Microsoft Outlook add-in and/or mobile applications to schedule, join and control their remote meetings.

LoopUp has won numerous awards, including Frost & Sullivan's 2017 North American Conferencing Services 'Enabling Technology Leadership' Award, for understanding and addressing demand from conferencing services end-users, creating a sustainable and differentiated competitive position, and earning customer loyalty. LoopUp's overall score was 95%, ten percentage points above its nearest competitor.



#### ***Predictable and efficient growth***

LoopUp Revenue has grown consistently year-on-year since entry into the conferencing market in 2006. Constant currency LoopUp Revenue year-on-year growth rates have been 30.8%, 30.8% and 33.5% in FY2015, FY2016 and FY2017 respectively, with like-for-like gross margins improving from 72.0% to 76.7% over that same period.

<sup>5</sup> Source: 2017 Sapio survey of 1,000 conference callers.

<sup>6</sup> Source: 2017 Sapio survey of 1,000 conference callers. Respondents are deemed 'enterprise' in companies with >1,000 employees (n = 520).

<sup>7</sup> Source: LoopUp product usage for 2016 and 2017 new user cohorts.

Not only has growth been consistent, it has also been highly capital efficient. In FY2017, every £1.00 invested in the Group's team-based 'Pods' structure yielded £0.98 of new first-year revenue in FY2017, or £0.75 of new first-year gross margin. The Group maintained a low gross revenue churn rate of 5% in FY2017 (FY2016: 5% and FY2015: 6%) which, while maintained, implies a circa 20-year expected lifetime over which this annual gross margin would recur, although the Directors acknowledge that such a metric is subject to fast-moving influences in the world of software technology.

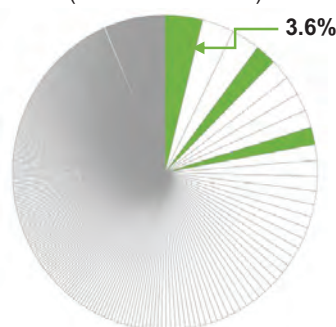
Furthermore, including all losses and shrinkages, but also taking into account increases in pay-as-you-go usage, revenue from LoopUp's established customer base<sup>8</sup> grew in net value by 5.3% in FY2017, resulting in 'negative net churn'.

### ***Diversified and international customer base***

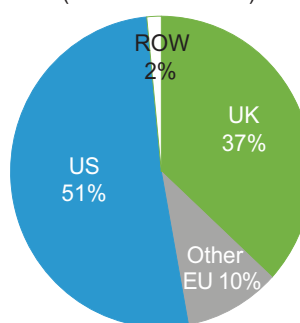
The Group benefits from a diverse revenue base with the largest single customer representing just 3.6% of total revenue in FY2017. The top 100 customers accounted for 62% of total revenue, the top 250 accounted for 80%, the top 500 accounted for 91%, and the top 750 accounted for 96%. Several customers acquired during FY2016 have developed into major revenue contributors during FY2017, including the Group's 1st, 4th and 9th largest accounts.

In FY2017, the Group generated 37% of its revenue from the United Kingdom, 51% from the United States, 10% from continental Europe and 2% from the rest of the 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 approximately 56% of global demand<sup>9</sup>, and that opportunistically acquired revenue in continental Europe presents an effective foothold for more proactive targeting and expansion in due course.

LoopUp Revenue Concentration  
(% of FY2017 total)



LoopUp Revenue by Billing Currency  
(% of FY2017 total)



### ***Experienced executive team and culture conducive to future scalability***

The Group's executive team has been with the business for an average of ten years, and the original core technical team that started with the business in 2003 all still work with the Group. The Directors believe that the resulting trust, respect and passion for the Group's mission among the senior team permeates into the wider organisation.

The Directors and senior management team have considerable experience in the software and technology industry, as well as in managing high growth and public companies. The Directors believe that, while product differentiation is the primary driver of the Group's market success, its policies and philosophy relating to recruitment, business process and team-based incentivisation are also important drivers of the efficiency and future scalability of the Group's growth.

The Group is ISO 27001 certified on a global basis for its information security and risk management across its people, processes and IT systems.

### ***Opportunities for future growth and profitability***

Notwithstanding the step increase in inorganic growth through the acquisition of the MeetingZone Group, the Directors believe that a major opportunity for organic growth exists by increasing the number of new business acquisition Pods, which have demonstrated consistent and efficient performance since their introduction in 2013. The Enlarged Group plans to do so in existing core LoopUp markets of the UK, the US and now Australia, new geographic markets added by the MeetingZone Group, specifically Germany and Sweden, as well as other carefully selected geographies in due course.

<sup>8</sup> Excluding customers in their first two years with the LoopUp Group.

<sup>9</sup> Source: Wainhouse Research, "2017 North American Audio Conferencing Service Provider Market Forecast & Provider Reviews".

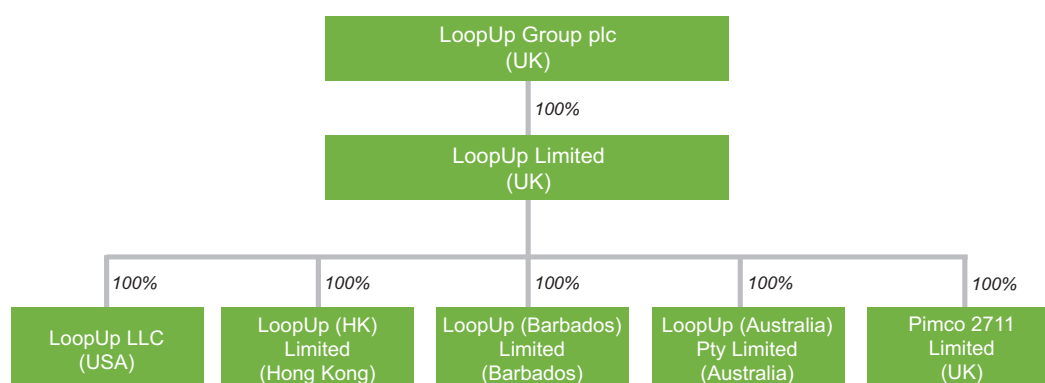
In addition, the Directors note that the Group has achieved its growth metrics to date with minimal investment in inbound lead generation and that business development to date has been driven by word-of-mouth, customer referrals and targeted outbound reach. The Directors therefore believe another opportunity is to introduce inbound marketing to increase brand awareness and engage decision-makers and end users.

#### 4. Business Description

##### **Corporate structure**

The Company was incorporated in 2016 as a new holding company for the Group. LoopUp Limited, a wholly owned subsidiary of the Company, is the principal operating company and is based in London with 44 employees at the start of April 2018. LoopUp Limited has the following wholly owned subsidiaries:

- LoopUp LLC – US operating company incorporated in Nevada with offices in San Francisco (46 employees), New York (11 employees) and Boston (12 employees)
- LoopUp Australia Pty Ltd – Australian operating company incorporated in New South Wales with an office in Sydney and eight employees
- LoopUp (HK) Limited – Hong Kong operating company with an office and one employee
- LoopUp (Barbados) Limited – Barbados operating company with an office and one employee
- PIMCO 2711 Limited – UK company (effectively dormant)



On completion of the Acquisition, LoopUp Limited will acquire Warwick Holdco and its subsidiaries.

##### **Competitive strategy and positioning**

As discussed in greater detail in paragraph 5 of this Part III (*Information on the LoopUp Group*), the Company takes a contrarian competitive positioning as a software company. Far from the established norm of seeking to delight early adopters with feature rich technology, the Group is resolutely focused on its mission to entice the mainstream majority away from dialing in. This mandate necessitates a different approach to software design. LoopUp does not overwhelm users with features and believes that 'less is more' when it comes to remote meetings software. The minimalist interface is designed to guide users through an intuitive and prescriptive flow, with no training required, and to deliver a reliable, high quality experience on every call, in terms of both audio quality and visual context.

Users switching to LoopUp are now foregoing dial-in 75% of the time<sup>10</sup>. Instead, LoopUp calls out to those users on a phone of their choice and then naturally guides them to a helpful visual interface where they can see 'who just joined' and 'who's speaking.' Finally, software is being used by the majority of a mainstream user base during their remote meetings, delivering a premium meeting experience they can count on.

Examples of customer and analyst feedback that reflect this brand experience include:

"LoopUp stands out above other remote meeting and UCaaS providers. Its business strategy defies in many ways the 'conventional wisdom' in the industry."  
*Raúl Castañón-Martínez, Senior Analyst, 451 Research*

"LoopUp has done to conferencing what Nest did to thermostats. It's conferencing reimaged – exactly how you wanted it to be, without knowing what you wanted."  
*Robin Murray, Partner, Adams Street Partners, Inc.*

<sup>10</sup> Source: LoopUp product usage for 2016 and 2017 user cohorts



“LoopUp has changed our organisation’s mind on conference calls – it is simple to use yet slick, stable with fantastic customer service.”

*Michael Walsh, Global Markets COO, Allied World Assurance Company*

“LoopUp has far exceeded my expectations – a global service that is convenient, quick and intuitive. This has made conferencing a whole lot easier for all users.”

*Ian Stewart, Telecommunications Specialist, Travelex*

“LoopUp’s ease-of-use approach to the conferencing market offers significant efficiency improvements over many of their competitors, resulting in a substantial ROI for adopting organisations. Simplicity and ease-of-use ensure that end-users are more likely to take advantage of the conferencing platform and that the usage of LoopUp’s features quickly becomes second nature.”

*Frost & Sullivan<sup>11</sup>*

## **Product**

LoopUp is a SaaS solution for important, day-to-day remote meetings. The product aims to deliver a premium experience to mainstream business professionals by enticing them away from just dialing in to audio-only conference calls with phone numbers and access codes, and instead guiding them towards intuitive software that provides enhanced visual context to the meeting. LoopUp is designed to eliminate common frustrations associated with dial-in conference calls and facilitate more productive and more secure remote meetings. LoopUp guides users through a simple, considered and prescriptive flow, rather than overwhelming users with specialist features. The flow is designed not to require any end user training. In parallel, LoopUp strives for consistently high voice quality expected by demanding enterprises.

For hosts, a typical LoopUp meeting involves:

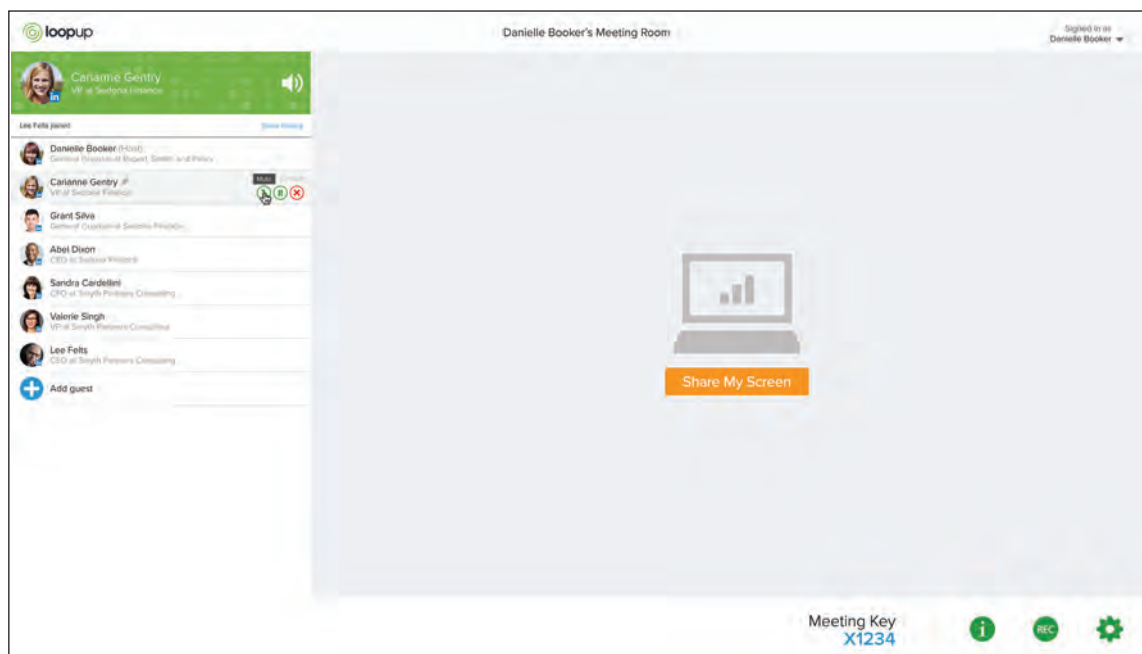
- ability to create a meeting invite directly from Microsoft Outlook;
- a ‘call start alert’ to the host’s desktop and mobile/tablet devices as soon as their first invited guest joins the meeting;
- the call start alert guides the host to a real-time readout of all their guests on the meeting, with integration into public LinkedIn profiles;
- when the host is ready to join, LoopUp calls out to them on the phone of their choice, rather than requiring them to dial in with phone numbers and access codes;
- ability to identify who is speaking at any given moment;
- ability to identify who has distracting background noise and mute their line;
- ability to suppress background noise (such as traffic) even for those guests who are speaking;
- for larger meetings, ability to put all guests on mute, or indeed have all guests join in muted mode;
- ability to record the meeting (combined audio and visual), either by default or on demand;
- ability to share their screen with guests (perhaps a presentation or other document) on demand during any meeting, with a single click of a button;
- ability to allow other guests to share their screen at the host’s discretion; and
- ability, following the call, to assign call to a specific project or billing code.

For guests, a typical LoopUp meeting involves:

- clicking a link in the meeting invite (they can still dial in if they really need to or prefer);
- entering their name and phone number (which is remembered for future use) and LoopUp immediately calls out to them; and
- they are then naturally guided to the same meeting visibility as the host, but without the host’s control rights.

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<sup>11</sup> Source: Frost & Sullivan, Best Practices Research, “2017 North American Conferencing Services Enabling Technology Leadership Award”.



LoopUp is designed for enterprise use, as remote meetings are a mission-critical business tool for many companies. Quality and reliability are prioritised in design and operational choices. There are dedicated tools for account administrators to manage the overall enterprise account, including capabilities such as support for single sign-on (SSO), adding and removing users, and monthly invoice data that is analysed by user, call, geography, office, billing code and which can be integrated into other corporate systems. Similarly, there are dedicated tools for personal assistants, which enable them to prepare and send invites directly from Outlook on behalf of one or more other LoopUp account holders.

LoopUp has won numerous awards including Frost & Sullivan's 2017 North American Conferencing Services 'Enabling Technology Leadership' Award, for understanding and addressing demand from conferencing services end-users, creating a sustainable and differentiated competitive position, and earning customer loyalty. LoopUp's overall score was 95%, ten percentage points above its nearest competitor.

### **Customers and revenue model**

The Group has a customer base of approximately 2,200 enterprises, including Travelex, Allied World, National Geographic, Kia Motors, Planet Hollywood, Subaru, LateRooms.com, Preferred Hotels Group, Permira and Kleinwort Hambros, with a geographic distribution by FY2017 revenue of 37% UK, 51% US, 10% rest of Europe and 2% rest of world.

The Group targets two main customer types:

- Mid-to-large enterprises across a broad range of sectors; and
- Small-to-medium companies specifically in professional services verticals such as finance, law, PR and consulting.

LoopUp is offered on both a pay-as-you-go and monthly subscription licence basis. The predominant pay-as-you-go model (over 99% of total revenue) charges companies based on their usage for meetings hosted, per minute per guest, paid for by the host's enterprise account and invoiced on post-paid 30-day terms. The pay-as-you-go model is preferred in the market and by the Group, as the Directors believe it is well aligned with the Group's product-differentiated value proposition.

### **Distribution**

The Group operates its own 'Pods' organisational structure for its new business acquisition activities. In FY2017, the Group had an average of eight Pods, three in London, two in San Francisco, two 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 on each Pod's – rather than individual – performance, solely based on new recurring revenue growth.



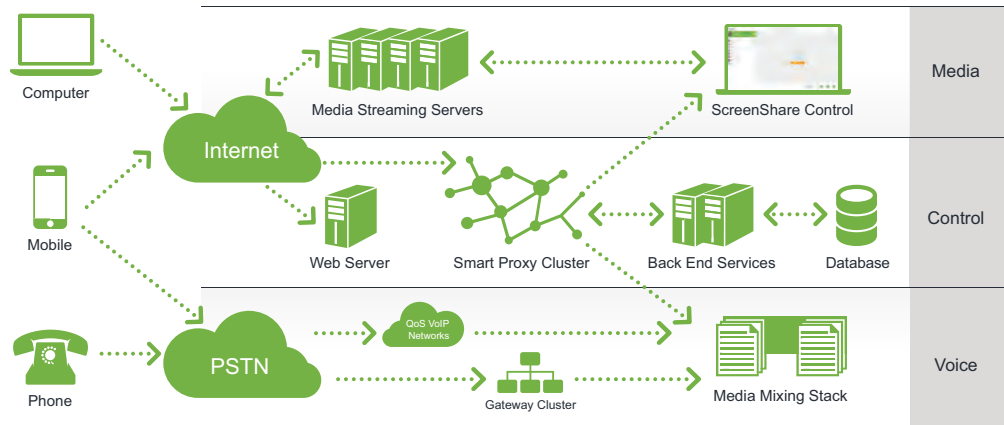
The Directors believe that this structure contributes to the superior growth efficiency metrics described in the Key Strengths (see paragraph 3 above). Business development Pod members are incentivised only to seek qualified opportunities with genuine target market revenue potential. Similarly, sales Pod members are incentivised only to close accounts with genuine target market revenue potential.

All but two of the Group’s 54 Pod members were hired via new graduate recruitment channels and, as such, the Company expects there to be a good and cost-effective supply of future recruits for further Pod scaling. All Pods work to highly consistent, proven and efficient methods and processes, tightly integrated into the Group’s CRM platform, Salesforce.com. In FY2017, each Pod delivered on average £472,000 of new annual recurring revenue (or £362,000 of new annual recurring gross margin) at an average fully-loaded non-recurring cost of £483,000.

During 2018, the Group intends to introduce inbound lead generation marketing, which the Directors believe should further enhance growth and efficiency metrics in due course.

**Technology and intellectual property**

Core to the LoopUp technology and architecture is the separation of the mixing of media streams (voice and data) from the control and management of those media streams. This separation allows the most fit-for-purpose devices and user interfaces (for example, mobile, tablet and web browser apps) to be used for multi-party visibility and control, and also means that any interruption on the control side of the system (for example, loss of data connection on a smartphone) has no associated impact on the core voice conversation of the meeting.



LoopUp’s media mixing, control and management systems are hosted in the Group’s data centres, and also handle service layers including: the provisioning and authentication of users; the rating and billing of sessions; the management of user details; and, meeting preferences together with various other web services for the management of accounts.

The Group holds three patents for technology elements within the product. One patented component of the LoopUp technology is the proprietary ‘smart proxy’ server architecture and custom protocols that facilitate highly responsive and data-optimised communications between LoopUp control systems and end user mobile devices. This technology enables effective use of the LoopUp mobile and tablet applications even in limited bandwidth environments and without having a materially detrimental impact on device battery life.

Another patented component is the notification engine that alerts a meeting host to their desktop, smartphone and tablet as soon as their first guest joins the meeting. This protected intellectual property is central to the LoopUp philosophy of ‘guiding’ users toward helpful capabilities just when they are most likely to need them. Not only does the notification provide a timely reminder to the host that their meeting is starting, but it also guides the host – with one click – into LoopUp’s web or mobile control application, where that host benefits from seeing who has joined and has helpful controls over the meeting.

Key licensed and outsourced components of LoopUp are:

- licensed media mixing software (the modern equivalent of a specialist switch for multi-party sessions) licensed from Alcatel-Lucent Enterprise (France); and
- outsourced capabilities for LoopUp screen sharing sessions from ScreenLeap (US).

The details of agreements for the licensed and outsourced components of LoopUp are set out in paragraphs 11.10 and 11.11 of Part XI (*Additional Information*) of this document.

## Product development

The Group's product development work is based out of its San Francisco office and includes five product staff and 19 engineering/quality assurance staff. The Group also works with an engineering outsourcing company in Indonesia, PT Errai Pasifik, which is owned and managed by a former Group employee from San Francisco since 2003.

Product development activities are organised into the following three teams: a platform team, features team and service layers team (for example provisioning, rating, and billing tools). The roadmap of the features team has three primary branches:

- 1) adding features to LoopUp, such as video, but very carefully and in such a way so as not to compromise the core intuitive, prescriptive flow of the product;
- 2) integrating and 'playing well' with other tools that are generally considered best-in-class in their own respective fields of enterprise collaboration, for example Slack in channelised chat; and
- 3) augmenting the role of, and access to, 'meeting artefacts' – *i.e.* the content discussed during LoopUp meetings – such that both hosts and (at the host's discretion) their guests can leverage that content after the meeting into their own document management and project management tools and workflows.

## Operations

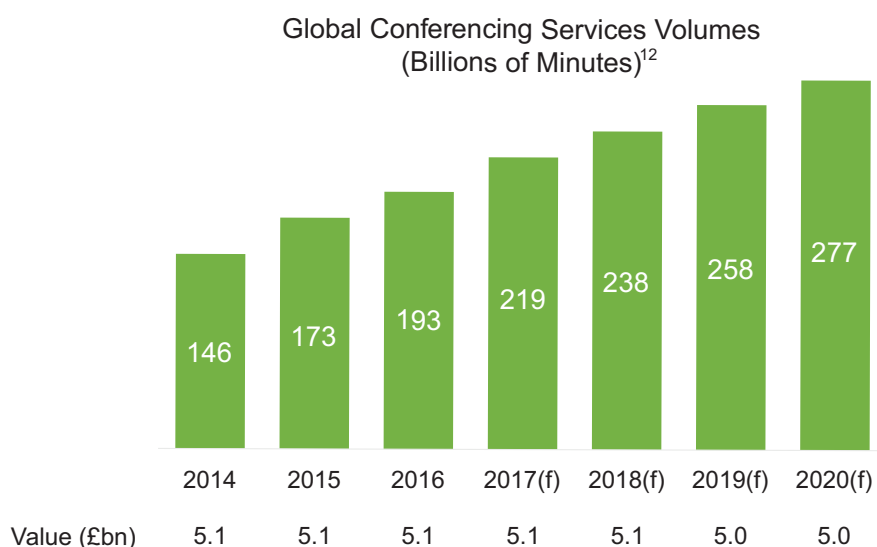
LoopUp is delivered from strategically-located regional data centres in London, Chicago, Hong Kong and Sydney. Each data centre is co-located with industry-leading hosting partners – Equinix and Level 3 – and interconnects with multiple tier-1 telephony and data service providers for service quality and business continuity. The Group's telephony suppliers include Colt, Verizon, Daisy, CenturyLink, Level 3 and PCCW Global.

The Group's customer success team comprises customer support staff and major account managers. Customer support is operated entirely in-house from three regional support centres in London, San Francisco and Hong Kong, and "follows the sun" to facilitate "365 x 24" coverage. The team is managed and trained as a single operational unit with live cases actively handed over between geographies three times per day for premium customer service. The major account management team is split between London, San Francisco and Boston.

## 5. The Industry

### Market size and geographic segmentation

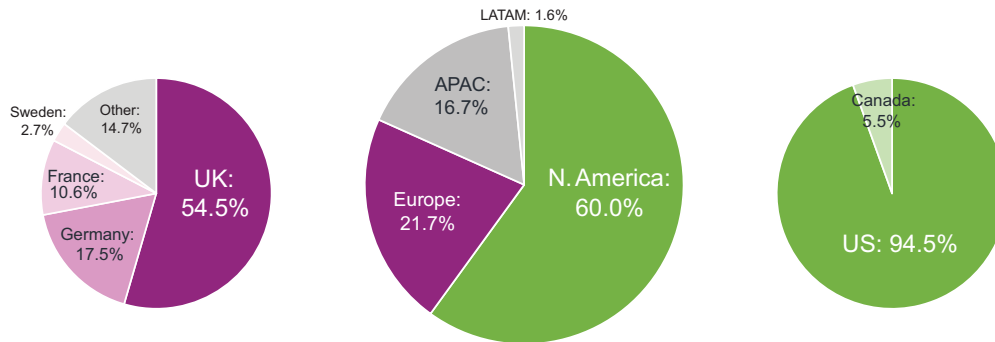
The Group operates in the market for outsourced conferencing services which had a volume of 193 billion minutes in 2016 and is forecast to grow by 9.5% per annum through to 2020. The market value in 2016 was £5.1 billion and is forecast to remain essentially stable at that level through to 2020.



Geographically, North America accounts for 60.0% of the global market, Europe 21.7%, Asia Pacific 16.7% and Latin America 1.6%. More specifically, the United States accounts for 94.5% of the North American market (and so 56.4% of the global market), and the United Kingdom accounts for 54.5% of the European market.

<sup>12</sup> Source: Wainhouse Research, "2017 Worldwide Audio Conferencing Services Market Sizing" and "2017 Worldwide Personal Web-based Conferencing Services Market Sizing".

Market Size by Geography (% of 2016 Value)<sup>13</sup>



### Market opportunity

A survey conducted in 2017 by Sapio Research found that 61% of frequent conference callers (and 68% in larger enterprises<sup>14</sup>) are still choosing to 'dial in' to conference calls with phone numbers and access codes, rather than using any software to drive a better meeting experience.

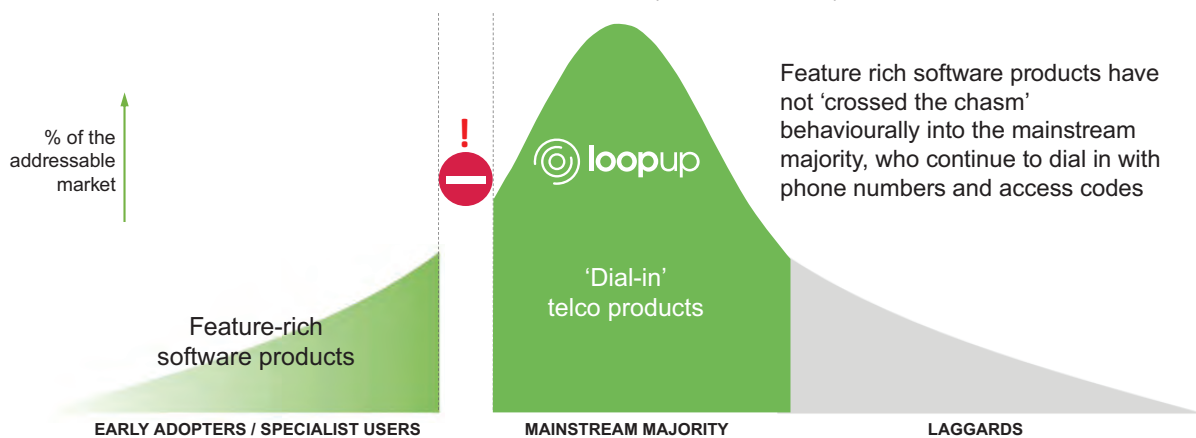
This persistence with 'dial-in' seems to fly in the face of the all too common time-wasting frustrations associated with the activity: "That access code isn't recognised." "Who just joined?" "Who is it with all the background noise?" Survey respondents thought that 15 minutes were wasted on a typical call getting the meeting started and dealing with distractions. That represents more than a third of the time spent on conference calls. A YouTube sketch published by Tripp and Tyler titled, 'A Conference Call in Real Life,' parodied these frustrations. The video went viral and has received over 15 million views to date (<http://bit.ly/27GMnZn>).

The security connotations of dial-in conferencing are arguably more concerning still. Over half of the respondents considered it quite normal not to know exactly who is on their conference calls. With the experience clearly so far from perfect, why do the majority persist with dial-in rather than embracing software alternatives that might offer a better experience?

The answer, the Directors believe, lies in the way people tend to adopt software. For most, this tends to be a process of trial and error over time. As host of a remote meeting, however, you are live in the "hot seat" with multiple guests. The situation simply is not conducive to trial-and-error-based learning. The last thing you want is for anything to go wrong, and while dial-in may well be a poor experience, at least people are used to it. Everyone can dial a phone number and enter an access code.

Plenty of software companies have introduced feature-rich products to try and improve the user experience and indeed, they have had some success with tech-savvy early adopters and specialist user groups, such as IT and Training teams. But, none has 'crossed the chasm' into the mainstream majority, where feature richness can be intimidating rather than impressive in this risk-averse usage situation. The majority continue to play it safe with dial-in; their meeting experience remains poor; and IT decision-makers remain frustrated by the meagre adoption of 'better' options.

Competitive Landscape (ILLUSTRATIVE)



<sup>13</sup> Source: Wainhouse Research "2017 Worldwide Audio Conferencing Services Market Sizing" and "2017 Worldwide Personal Web-based Conferencing Services Market Sizing".

<sup>14</sup> Source: 2017 Sapio survey of 1,000 conference callers, Respondents are deemed 'enterprise' in companies with >1,000 employees (n=520).

The Directors believe that there is significant opportunity in the conference calling market for a product that goes against the conventional wisdom of designing software that 'delights early adopters'.

LoopUp is designed specifically for the mainstream majority and specifically not for early adopters. LoopUp does not overwhelm users with features and believes that 'less is more' when it comes to remote meetings software design. The minimalist interface is designed to guide users through an intuitive and prescriptive flow, with no training required. The Directors believe this is essential factor behind the Group's success in enticing mainstream majority professionals away from dial-in.

## 6. Current Trading and Prospects

The Group's trading in the period since 31 December 2017 has been encouraging and in line with Directors' expectations.

The Company continues to see strong demand for the LoopUp product from target market enterprises, specifically mid-to-large enterprises and professional services firms. The Directors believe that the Group's highly differentiated positioning and competitive strategy in this large market, combined with its efficient new business unit economics, make for an exciting outlook, and the Group remains confident in its ability to deliver further growth.

In March 2018, the Group announced its commercial expansion into the AUD\$275 million<sup>15</sup> Australian market with the formal opening of its Sydney office. The Group has relocated five established members of its UK and US Pods to Sydney, who will form the basis of two initial Pods that will be augmented with local junior commercial hires. During the first half of financial year to 31 December 2018, it is intended that these two Pods will focus on building their pipelines to normalised Pod levels. Based on significant on-the-ground market testing, the Directors believe that the Australian market is highly conducive to the LoopUp product proposition, and expect growth and Pod performance to fall in line with normal UK and US pod levels thereafter.

## 7. Historical Trading

The following financial information relating to the Group has been extracted without material adjustment from the financial information incorporated by reference as set out in Section A of Part VI (*Historical Financial Information on LoopUp Group plc*) of this document and should be read in conjunction with the full text of this document and the financial information incorporated by reference. Investors should not rely solely on the summarised information.

	Year ended 31 December 2015 <sup>(1)</sup>	Year ended 31 December 2016 <sup>(1)</sup>	Year ended 31 December 2017 <sup>(1)</sup>
	£'000	£'000	£'000
Revenue	10,105	13,559	17,465
Adjusted revenue <sup>(2)</sup>	9,204	12,823	17,465
Adjusted revenue growth	36.3%	39.3%	36.2%
Gross profit	7,525	10,294	13,389
Adjusted gross profit <sup>(2)</sup>	6,624	9,558	13,389
Adjusted gross profit margin	72.0%	74.5%	76.7%
EBITDA	1,020	2,063	3,462
Adjusted EBITDA <sup>(2)</sup>	119	1,327	3,462
Adjusted EBITDA margin	1.3%	10.3%	19.8%
Operating (loss)/profit	(353)	398	732
Adjusted operating (loss)/profit <sup>(2)</sup>	(1,254)	(338)	732
Adjusted operating profit margin	(13.6%)	(2.6%)	4.2%
(Loss)/profit for the year	(580)	198	1,989
Adjusted (loss)/profit for the year <sup>(2)</sup>	(1,481)	(538)	1,989
Adjusted (loss)/profit margin	(16.1%)	(4.2%)	11.4%
Net cash generated by operations	974	3,293	3,953

15 Source: Wainhouse Research "2017 Asia Pacific Audio Conferencing Services Market Sizing" and "2017 Asia Pacific Personal Web-based Conferencing Services Market Sizing".

	<i>As at 31 December 2015<sup>(1)</sup></i>	<i>As at 31 December 2016<sup>(1)</sup></i>	<i>As at 31 December 2017<sup>(1)</sup></i>
Total assets	6,353	11,134	13,762
Net asset)/(liabilities)	(3,056)	7,706	10,455
Net cash/(debt)	(7,343)	2,241	2,902

**Notes**

- (1) The financial information for LoopUp Group plc has been extracted without material adjustment from the IFRS financial statements for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, which are incorporated by reference in Section A of Part VI (*Historical Financial Information on LoopUp Group plc*) of this document.
- (2) Adjusted to exclude discontinued technology licensing (BT) line of business. FY2017 numbers are unaffected as this line of business discontinued in November 2016.

## PART IV

### INFORMATION ON THE MEETINGZONE GROUP

#### 1. Overview

The MeetingZone Group is an independent conferencing and collaboration services provider, which sells its own standalone audio conferencing services, resells Cisco's WebEx and Spark collaboration services, and also offers value-added audio services based on Microsoft Skype for Business.

The MeetingZone Group is headquartered in the UK and is also directly present in North America, Germany and Sweden. The MeetingZone Group has approximately 6,000 customers worldwide, including major UK and NASDAQ 500 companies in the financial, retail, IT, pharmaceutical, business services and legal sectors. The MeetingZone Group has continuously invested in its business, including core organic growth in the UK, geographic expansion, a number of smaller acquisitions, and developing strong partnerships with Cisco and Microsoft.

The MeetingZone Group has a consistent track record of profitability and has grown each year since inception. In the unaudited pro forma 12 months ended 31 December 2017, the MeetingZone Group had revenue of £22.5 million, gross profit of £15.0 million and Adjusted EBITDA of £5.0 million<sup>1</sup>. The MeetingZone Group's business places a key focus on its technical expertise and quality service teams that retain and attract its diverse customer base.

The MeetingZone Group is led by co-founder and Chief Executive Officer, Steve Gandy, together with a strong and highly experienced management team, which includes Chief Financial Officer Nigel Birks, Chief Commercial Officer Patrick Jocelyn, Chief Technology Officer Steven Willert, Chief Operating Officer James Davidson, and Chief People Officer Jenny Barnes.

#### 2. History and Background

MeetingZone was founded in the UK in 2002 by Steve Gandy and Tim Duffy. Their aim was to automate the provisioning of audio conferencing services, creating a highly efficient and scalable platform based around the Metratch billing engine. Metratch provides real time rating and reporting for The MeetingZone Group's services, supporting post-call emails and automated payment collection services, and has integrated business intelligence reporting systems.

In its first nine years the MeetingZone Group grew rapidly, featuring in the Sunday Times Tech Track 100 for four consecutive years. From initial organic growth in the UK, the MeetingZone Group expanded geographically, launching in Germany in 2007 and North America in 2008. The MeetingZone Group also made a series of acquisitions of smaller conferencing service providers and resellers.

In 2011 Steve Gandy led a management buyout backed by GMT Communications Partners, a leading and long-established private equity firm focused on technology investments in Europe. The MeetingZone Group continued its geographic expansion, acquiring and integrating two Nordic businesses, UC AB and Confy AB, in June 2012.

Around 2012, the MeetingZone Group shifted its focus to the Unified Communications ("UC") market, namely its reselling partnership with Cisco (WebEx) and the development of a value-added voice capability for Microsoft Skype for Business. As part of its UC strategy, the MeetingZone Group acquired systems integrator, Atia Solutions in March 2013 to bolster its Microsoft capabilities and expertise. Alongside this, the business continued to develop its service provision infrastructure, opening a data centre in Hong Kong in 2014 and acquiring two small conferencing resellers, Ozone Conferencing and Penguin Conferencing in 2015 and 2017 respectively.

#### 3. Key Strengths

##### **Customer base**

The MeetingZone Group brings a high-quality customer base of over 6,000 organisations, including EasyJet, Countrywide, Debenhams, BDO, and the Crown Commercial Service. This customer base is diverse in its concentration with no single customer accounting for more than five percent of the MeetingZone Group's total revenue.

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<sup>1</sup> Further details on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VI (Unaudited Interim Financial Information on the MeetingZone Group) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (Unaudited Pro Forma Financial Information for the Enlarged Group) of this document.



***High quality service provider***

The MeetingZone Group has developed strong expertise in the sale, provision, training and support of conferencing and UC services. Its directors believe that their technical know-how and responsive customer service teams mean that they are highly regarded for their service excellence in the market.

***Large 'event' call capability***

The MeetingZone Group brings a long-established practice and expertise for larger, so-called 'event' conference calls, for scenarios such as quarterly public markets announcements, and for which the participant counts can sometimes run into the thousands.

***Expertise and key partnerships in UC***

The MeetingZone Group's product portfolio is enhanced by its strong partnerships with Cisco for the resale of WebEx and Spark, and Microsoft for the provision of value-added audio services based around Skype for Business. Close cooperation with, and advocacy from, these partners offers high credibility with customers and supports the sales process.

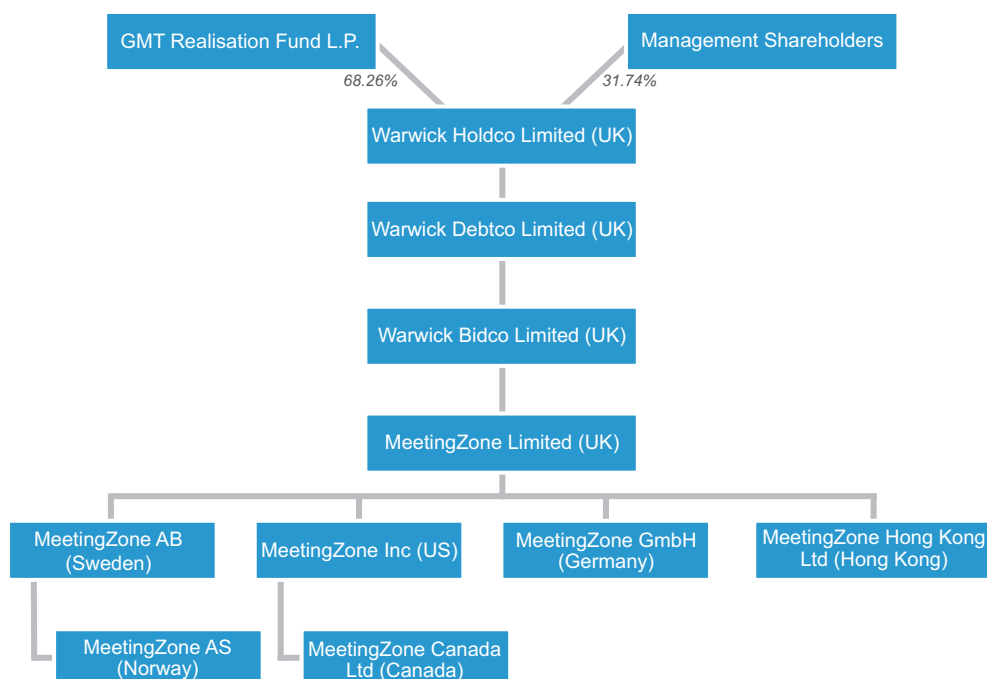
***Proven financial track record***

The MeetingZone Group has a track record of consistent year-on-year growth since its inception in 2002, with strong profitability at both the gross profit and EBITDA level.

**4. Business Description*****Corporate structure***

The current corporate structure consists of Warwick Holdco and nine subsidiary entities. A triple structure was implemented at the top of the group structure to accommodate the structural subordination of debt that will be eliminated on the Acquisition completing.

- MeetingZone Holdco Limited – UK
- MeetingZone Debtco Limited – UK
- MeetingZone Bidco Limited – UK
- MeetingZone Limited – UK operating company with headquarters in Thame (outside Oxford), currently moving to Cardiff, as well as offices in London and Milton Keynes, with 90 employees
- MeetingZone AB – Swedish operating company in Malmö, with six employees
- MeetingZone AS – Norwegian data centre and a data centre in Stockholm with MeetingZone AB (there are no staff based at data centres)
- MeetingZone Inc – US operating company with offices in Denver, with five employees. There is also a data centre in Boston (there are no staff based at data centres)
- MeetingZone Canada Ltd – Canada operating company with one employee working remotely
- MeetingZone GmbH – German operating company spread over two sites, with nine employees in Berlin and two in Munich
- MeetingZone Hong Kong – Hong Kong data centre (there are no staff based at data centres)



### **Brand and positioning**

The MeetingZone Group offers a range of conferencing and collaboration services that help business people connect effectively. Its own standalone audio conferencing services are differentiated and complemented by its expert services relating to resale of Cisco WebEx/Spark and provision of value-added voice services based around Microsoft Skype for Business.

The MeetingZone Group aims to work closely with its customers to provide a tailored package that suits their needs, and trains and supports its customers' teams to work with selected technologies to rethink the way they work, boost productivity and strengthen internal and external relationships, thereby maximising the associated investment.

Examples of customer feedback that reflect this positioning include:

"The training we received, coupled with the ease of use of MeetingZone's solutions, resulted in an extremely smooth migration path to the new service."

*Paul Munday – Technical Manager of Networks at Debenhams*

"For the conferencing and collaboration element, MeetingZone was a great fit – a small business culture with big business ability to execute."

*Daniel Blackman – Head of Infrastructure and Technology at McLaren*

"One of the biggest benefits of using the tool has been the improved collaboration across the Aesica Group; we aim to work faster by easing the pain of not travelling and increasing productivity."

*Bhavesh Kotecha – Corporate Services Director at Aesica*

"MeetingZone's biggest benefit to me is that I can set up an integrated audio and web conferencing session in seconds using the solution that best meets the requirement of my meeting"

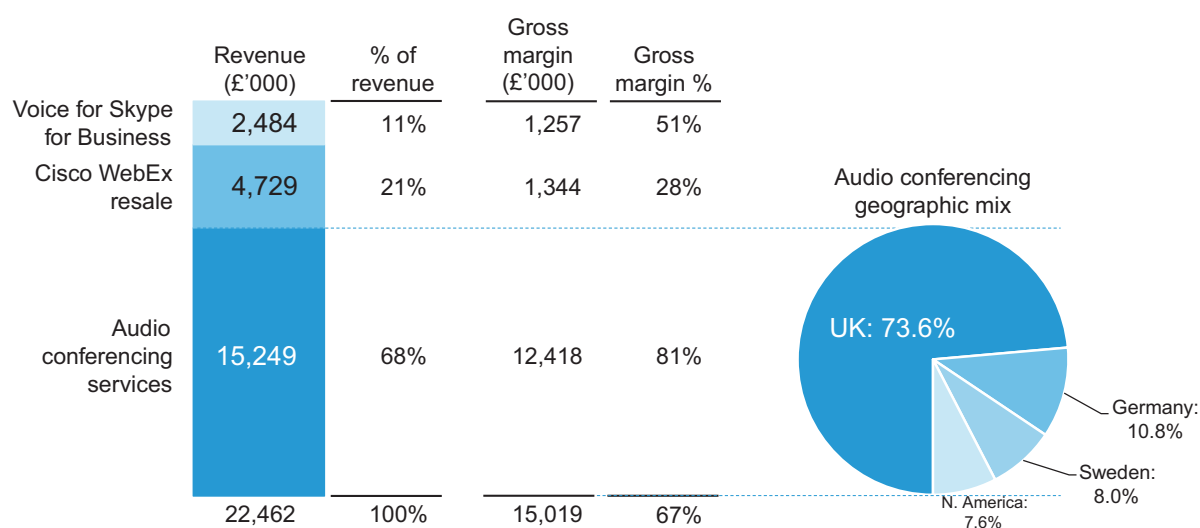
*Chris Foster – Flight Operations Manager at EasyJet*

### **Product offerings**

The MeetingZone Group focuses on providing a tailored package of products to suit customer needs, comprising its own standalone audio conferencing services, resale of Cisco WebEx/Spark, and value-add voice services for Microsoft Skype for Business representing 68%, 21% and 11% of revenue<sup>2</sup>, respectively.

<sup>2</sup> MeetingZone Group's unaudited revenue for the 12 months ended 31 December 2017 as calculated in Part VII (Unaudited Pro Forma Financial Information for the Enlarged Group) of this document.

## MeetingZone Business Segmentation (12 months to 31 December 2017<sup>3</sup>)



### **Provision of proprietary audio conferencing services**

In the 12 months ended 31 December 2017<sup>3</sup>, the MeetingZone Group's original line of business, the provision of proprietary audio conferencing services, still represented 68% of the MeetingZone Group's revenue and 83% of gross profit, and comprised of two essential parts:

- Day-to-day conference calls (approximately 90% of the segment revenue), which is highly aligned with the primary LoopUp use case; and
- 'Event' calls (approximately 10% of the segment revenue), which are generally larger calls such as quarterly public markets earnings calls and which are moderated by a trained MeetingZone operator.

This audio conferencing services segment operated at a gross margin of 81% in the 12 months ended 31 December 2017, with new business typically being driven by the MeetingZone Group's focus on mid-market and targeted SME segments. Geographically, 73.6% of the audio conferencing services segment's revenue was from the UK, 18.8% from other EU countries, and 7.6% from North America in the 12 months ended 31 December 2017<sup>3</sup>.

### **Resale of Cisco WebEx and Spark**

The MeetingZone Group is one of the fastest growing Cisco WebEx reseller partners in Europe and has one of the highest renewal rates (99% as at February 2016), with strong advocacy from within Cisco. This has stemmed from its longstanding expertise via its Cisco-certified trainers in reselling, implementing and supporting WebEx, as well as its early-adopter status in reselling Cisco Spark. At the end of financial year to 31 March 2017, first orders were taken for Cisco Spark Boards, which opens new revenue sources for 2018.

This segment operated at a gross margin of 28.4% in the 12 months ended 31 December 2017<sup>3</sup>, and grew to revenue of £4.7 million, an increase of 62% over the prior 12-month period.

### **Provision of value-added voice services for Microsoft Skype for Business**

The MeetingZone Group helps its customers plan, implement and operate value-added voice solutions over the top of Microsoft Skype for Business as a quality, secure and cost-effective service. The company is a Microsoft Gold Partner (communications and hosting) and was a Launch Partner for Microsoft Skype for Business and Cloud PBX.

The service is delivered operationally via a dedicated platform that hosts Microsoft Skype for Business and connects to customers through the MeetingZone Group's ISP capability and facilitates external voice calls using SIP connections from Telecoms operators such as Gamma Telecom. There is also the facility to connect with the MeetingZone Group's UK conference bridges. The primary route to market for the service is via a channel strategy with major UK Microsoft Licence Service Providers.

<sup>3</sup> Further information on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VII (Unaudited Interim Financial Information on the MeetingZone Group) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (Unaudited Pro Forma Financial Information for the Enlarged Group) of this document.

This segment operated at a gross margin of 50.6% in the 12 months ended 31 December 2017<sup>4</sup>, solely in the UK.

### **Customers and revenue model**

The MeetingZone Group focuses on the mid-market, from large SMEs to small enterprise customers. Sales teams are divided by industry verticals to provide deep sector knowledge and experience in the sales process. Examples of key customers include ARM, Department of Work & Pensions, PwC Nordics, Revlon in North America, EasyJet, Deloitte in Austria, and Giesecke & Devreint in Germany.

The audio conferencing and WebEx resale lines of the business go to market through direct sales and channel partners. The MeetingZone Group has strong channel relationships in the UK (approximately 15% of total revenue) with key partners including KCOM and Gamma Telecom, and in the Nordics (approximately 20% of total revenue) with key partners including Telenor and Tele2. The Microsoft Skype for Business practice primarily goes to market through Microsoft Licence Service Providers, including Softcat, Insight and CDW.

Revenue models are:

- pay-as-you-go pricing for audio conferencing services, on a per minute per guest basis, paid for by the host's enterprise account and invoiced post-paid, commonly on 30-day terms;
- seat licences for Cisco WebEx, generally on a per registered host per month basis, and typically on 12-month committed contract terms;
- pay-as-you-go WebEx minutes, overage on commitments and ancillary services; and
- seat licences for Skype for Business, on a per user per month basis, and typically on 36-month committed contract terms, with network connectivity and call charges for each Skype for Business deployment charged on contracted rates.

### **Operations and service delivery**

The MeetingZone Group is currently headquartered in Thame (near Oxford) in the UK, and has offices in London, Cardiff and Milton Keynes, as well as offices in the US (Denver, Colorado), Germany (Berlin and Munich) and Sweden (Malmo). The Thame office is currently being closed, with staff generally moving to Cardiff or London. As at 31 December 2017, there were 114 employees globally, with the following breakdown:

- MeetingZone Limited – UK with 90 employees
- MeetingZone AB – Sweden with six employees
- MeetingZone Inc – North America with seven employees
- MeetingZone GmbH – Germany with 11 employees

Quality of service delivery is a core element of the MeetingZone Group's business and value proposition. It takes responsibility for the delivery of service and the billing of direct and wholesale customers through its own systems. The platform consists of a number of key components:

- an audio conferencing bridge network (and necessary peripheral equipment) with data centres in Europe, North America and Asia Pacific, which interconnects with local tier-1 telecommunications carriers for a full range of international dial-in access numbers;
- integration of its proprietary audio capabilities (as above) into Cisco WebEx;
- a dedicated Microsoft Skype for Business hosting platform in the UK, data connectivity to customers through the MeetingZone Group's ISP capability, and a Network Operations Centre for end-to-end monitoring of customers' voice networks;
- integration of its proprietary audio capabilities into Microsoft Skype for Business; and
- provisioning, rating, billing and other operational support systems built around the Metratch billing system, which provides real-time rating and reporting for all MeetingZone Group services, also

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<sup>4</sup> Further information on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VII (Unaudited Interim Financial Information on the MeetingZone Group) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (Unaudited Pro Forma Financial Information for the Enlarged Group) of this document.

supporting post-call emails, automated payment collection services, and business intelligence reporting.

## 5. The Market

The MeetingZone Group operates in the same audio and web conferencing services market as the LoopUp Group (as described in paragraph 5 of Part III (*Information of the LoopUp Group*) of this document).

## 6. Current Trading and Prospects

Since the last reported financial period end to 31 December 2017, MeetingZone Group's trading has been in line with its management's expectations. In the three months to 31 March 2018, the historical strong revenue growth rate in MeetingZone's WebEx and Skype for Business products lines has continued (albeit at slightly reduced levels), more than compensating overall for the reduction in its audio business (which trended somewhat lower). Gross profit margins have continued to reflect the historic experience exhibited between the nine months ended 31 December 2016 and the nine months ended 31 December 2017 as set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*).

## 7. Historical Trading

The following financial information relating to the MeetingZone Group has been extracted without material adjustment from the financial information as set out in Sections B (*Historical Financial Information on the MeetingZone Group*) and C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

	Year ended 31 March 2015 £'000 Audited <sup>(1)</sup>	Year ended 31 March 2016 £'000 Audited <sup>(1)</sup>	Year ended 31 March 2017 £'000 Audited <sup>(1)</sup>	12 months ended 31 December 2017 £'000 Unaudited <sup>(2)</sup>
Total revenue	18,441	19,420	21,386	22,462
Revenue growth	—	5.3%	10.1%	n/a
Gross profit	13,614	13,907	15,068	15,019
Gross profit margin	73.8%	71.6%	70.5%	66.9%
Adjusted EBITDA	4,064	4,732	5,445	4,982
Adjusted EBITDA margin	22.0%	24.4%	25.5%	22.2%
Operating profit	2,872	3,393	4,123	3,478
Operating profit margin	15.6%	17.5%	19.3%	15.5%
Net cash generated by operations	3,603	3,980	4,709	4,133

### Notes

- (1) The financial information for the MeetingZone Group has been extracted without material adjustment from the audited historical financial information contained in Section B of Part VI (*Historical Financial Information on the MeetingZone Group*) of this document.
- (2) The financial information for the MeetingZone Group has been extracted without material adjustment from the unaudited interim financial information contained in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

## PART V

### INFORMATION ON THE ACQUISITION, THE ENLARGED GROUP AND THE PLACING

#### 1. The Acquisition

On 16 May 2018, the Company announced that it had conditionally agreed to acquire the entire issued share capital of Warwick Holdco, the holding company for the MeetingZone Group on a debt-free and cash-free basis, for a consideration of approximately £61.4 million to be paid in cash on completion in accordance with the terms of the Acquisition Agreements.

The MeetingZone Group is a UK-headquartered conferencing services provider with approximately 6,000 customers and operations in the UK, Germany, Sweden and North America. The MeetingZone Group sells its own standalone audio conferencing services, resells Cisco's WebEx and Spark collaboration services, and also offers value-added audio services product for Microsoft Skype for Business. In the 12 months to 31 December 2017, the revenue mix from these three lines of business was 68%, 22% and 11%, respectively<sup>1</sup>.

The business has a consistent track record of profitability and in the unaudited pro forma 12 months ended 31 December 2017 grew to revenue of £22.5 million, gross profit of £15.0 million and Adjusted EBITDA of £5.0 million<sup>1</sup>.

The sources of funds for the Acquisition will be £17.0 million in the form of the Term Loan from Bank of Ireland and £50.0 million of new equity from Shares at 400 pence per share. The uses of funds will be approximately £61.4 million for the Acquisition consideration, approximately £4.0 million for transaction expenses with the balance strengthening the Group's existing net cash balance of £2.9 million as at 31 December 2017.

Under the Acquisition Agreements, completion of the Acquisition is conditional on, among other things, the passing of the Resolutions at the General Meeting, Admission and the Placing Agreement having become unconditional. The Acquisition Agreements contain customary warranties by the vendors to the Company, and customary limitations on liability including a cap on liability.

Further details of the Acquisition Agreements are set out in paragraph 1 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.

#### 2. Strategic rationale for the Acquisition and its financial effects

The Group's mission is to transition mainstream conference callers away from 'dialing in' with phone numbers and access codes to a better, more productive remote meeting experience, with the long-term goal to take a meaningful share of the global market for professional, day-to-day remote meetings.

The Group's differentiated product strategy, aided by its new business acquisition 'Pods' structure, has a track record of translating into strong and consistent revenue and profit growth. LoopUp Revenue has grown at a CAGR of 37.2% over the last four financial years. Nevertheless, the Group remains a relatively small player with revenue of £17.5 million for the financial year to 31 December 2017 in a market of approximately £5.1 billion.

The Directors believe that, in addition to continued organic growth, the opportunity for LoopUp to scale faster through inorganic growth represented in this case by the Acquisition is attractive.

#### 3. Reasons for the Acquisition and its financial effects

The Directors consider the Acquisition to be in the best interests of the Company and its Shareholders as a whole for the following key reasons:

##### ***A significant increase in scale to drive earnings***

The acquisition of the MeetingZone Group will bring a material increase in scale to the Group. If the Acquisition were to have occurred on 1 January 2017, on an unaudited pro forma basis (excluding any synergies) for the 12 months to 31 December 2017: the revenue of the Enlarged Group would have been £39.9 million, a 129% increase compared to the Group on a standalone basis; the Adjusted EBITDA of the

<sup>1</sup> Further details on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.



Enlarged Group would have been £8.4 million, a 144% increase compared to the Group on a standalone basis; and the profit after tax of the Enlarged Group would have been £5.3 million, a 164% increase compared to the Group on a standalone basis. Following the Acquisition, development spend on the LoopUp product will be spread across a considerably larger revenue base.

The unaudited pro forma financial information for the Enlarged Group is set out in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

The core operational opportunity provided by the Acquisition is to transition the MeetingZone Group's core audio conferencing business to the LoopUp product platform (the "**Transition**"). LoopUp product revenue has benefited from consistently low customer churn with a loss rate of between just 5% and 6% in each of the Group's last three financial years. Furthermore, the LoopUp product guides its users to value-added pay-as-you-go capabilities, such as screen sharing, which drives net revenue growth (rather than net erosion) in its established customer base (5.4% net growth in the financial year to 31 December 2017).

The Directors believe that this greater scale will also leverage the established "network effect" in the LoopUp product: approximately 30% of the Group's new business is driven by non-customer guests on LoopUp meetings, existing customer referrals, previous LoopUp users now at new companies, and non-marketing driven inbound approaches to the Group.

Furthermore, the Acquisition will bring complementary expertise and revenue streams in both the provision of larger 'event' conference calls and the resale of WebEx. These products target a complementary market to those currently pursued by LoopUp and will increase the Enlarged Group's share of a typical enterprise customer's 'total conferencing wallet'.

#### ***Release cost synergies and further reinvest in accelerated organic growth***

The Directors expect that the Acquisition will provide the Enlarged Group with the opportunity to generate attractive cost savings driven by the Transition, the reduction of duplicated overhead costs, and its greater purchasing power. Such savings are expected to be approximately £0.5 million in the financial year to 31 December 2018 and at least £2.8 million from the first financial year of ownership to 31 December 2019 (the "**Synergies**"). In order to realise the Synergies, there will be associated one-off costs of approximately £1.0 million in aggregate across the financial years to 31 December 2018 and 31 December 2019.

The Directors plan to further reinvest in the business in order to drive accelerated organic growth with initiatives including faster expansion of new business acquisition 'Pods' (assisted by MeetingZone's established presence and customer base in both Germany and Sweden), associated strengthening of its global operations, and investment in the LoopUp product roadmap, targeting top line growth for the Enlarged Group of over 20% by 2020. Such additional investments are expected to be approximately £1.5 million, £3.0 million and £2.4 million in the financial years to 31 December 2018, 31 December 2019 and 31 December 2020, respectively (the "**Growth Investments**").

#### ***Material earnings enhancement***

Taking into account the Transition, expected Synergies, Growth Investments and prospects of the Enlarged Group, the Directors expect that the Acquisition will be materially enhancing to the adjusted basic earnings<sup>2</sup> per share in the first full financial year of ownership to 31 December 2019.

#### ***Free float and liquidity***

The issue of new equity to finance the Acquisition will materially increase the Enlarged Group's free float, which in turn may drive greater liquidity in the Ordinary Shares.

### **4. Financial effects of the Acquisition**

On a pro forma basis and assuming that the Acquisition had become effective on 31 December 2017, the Enlarged Group would have had net assets of approximately £56.7 million (based on the audited net assets of the LoopUp Group as at 31 December 2017 and the unaudited net assets of the MeetingZone Group as at 31 December 2017).

On an unaudited pro forma basis and assuming that the Acquisition had become effective on 1 January 2017, the Enlarged Group would have had revenue of approximately £39.9 million, Adjusted EBITDA of approximately £8.4 million and profit after tax of approximately £5.3 million (based on the audited published financial statements for the year ended 31 December 2017 of the LoopUp Group and the unaudited financial information for the pro forma 12 months to 31 December 2017 for the MeetingZone Group).

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<sup>2</sup> Adjusted for those items excluded from Adjusted EBITDA and, in addition, any other items below operating profit which relate to the MeetingZone Group's existing capital structure.

Further details of the pro forma financial information of the Enlarged Group are set out in Part VII (*Unaudited Pro Forma Financial Information of the Enlarged Group*) of this document.

## 5. Strategy of the Enlarged Group

The Directors believe that the Enlarged Group is well positioned to pursue its growth strategy as outlined below:

### ***A successful transition of MeetingZone audio conferencing business over to the LoopUp platform***

While the Acquisition brings attractive secondary attributes, such as the MeetingZone Group's in-house capabilities in running large, moderated 'event' conference calls and its strong reseller relationship with Cisco in a complementary part of the market to that targeted by the LoopUp Group, the strategic priority will be to transition the MeetingZone Group's audio conferencing services business (approximately 68% of total MeetingZone Group revenue in the 12 months to 31 December 2017 and 83% of gross profit<sup>3</sup>) over to the LoopUp platform.

### ***Accelerated organic growth***

The Enlarged Group plans to reinvest at least £1.5 million in the financial year to 31 December 2018, £3.0 million in the financial year to 31 December 2019 and £2.4 million in the financial year to 31 December 2020 to accelerate organic growth. There will be four key pillars to this strategic priority:

1) *Faster expansion of proven, efficient Pods*

The Group has demonstrated consistent and efficient revenue growth from its Pods structure, recruiting methodology and incentivisation scheme. The Directors plan to increase investment in this engine through the creation of more Pods in Europe, North America and Asia Pacific. The Directors plan to increase the number of Pods from eight in the financial year to 31 December 2017 to 11 in the financial year to 31 December 2018, at least 15 in the financial year to 31 December 2019 and at least 22 in the financial year to 31 December 2020.

2) *Continued product development and innovation*

The Enlarged Group will continue to compete first and foremost on the differentiated positioning of the LoopUp product in a large market where the majority of business users are behaviourally struggling to move on from 'dialing in' with phone numbers and access codes. As such, the Directors plan to continue investing in product enhancements and new capabilities that support a premium remote meeting experience, as well as in platform and network operations that scale in line with the Group's growth ambitions. This continued innovation, however, will never be introduced to the detriment of enterprise quality and reliability, and the group will always take care to preserve core product simplicity and a guiding, streamlined, anticipative philosophy to product design that inspires broad user adoption without the need for user training. Such additional investment in LoopUp product development, together with a major completed project from historic financial years 31 December 2015 to 31 December 2017 inclusive, will result in an increase in amortisation charges from financial year to 31 December 2018 onwards.

3) *Investment in inbound marketing*

Prior to May 2018, the Group has conducted minimal inbound lead generation marketing. New business has been generated through customer referrals, word-of-mouth, the network effect of the LoopUp product (non-customer guests on LoopUp meetings) and targeted outreach to prospects. The Directors plan to introduce inbound marketing, with an emphasis on digital channels, to increase brand awareness and generate engagement with both decision-makers and targeted line-of-business end users.

4) *Investment in management and operations as we scale*

With both the transition of the MeetingZone Group audio conferencing revenue to the LoopUp product platform and the acceleration of organic growth, the Directors expect that the Enlarged Group will experience a rapid increase in scale in the near and mid-term. As such the Directors believe that investment in management and operations is a critical pillar of the Enlarged Group's strategy.

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3 Further information on MeetingZone Group's unaudited interim financial information are set out in Section C of Part VII (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document. The 12 months ended 31 December 2017 are calculated as shown in Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*) of this document.

## 6. Integration and Transition Plan

The LoopUp Group has developed a comprehensive integration and transition plan for the Acquisition in order to ensure timely communications to staff, customers, partners and the market, and to realise the expected strategic benefits and synergies in a full and timely manner.

Co-CEOs Steve Flavell and Michael Hughes will jointly sponsor and guide the integration, with active involvement in key areas of the project as required. In line with their division of CEO duties, Steve Flavell will drive the commercial (with COO, Marcus Greensit), financial (with CFO, Simon Healey) and legal (with General Counsel, Edward Cooper) aspects of the plan, and Michael Hughes will drive the product/technology (with EVP Product, Alex Breen and VP Engineering, KJ Nouri) and network operations (with VP Network Operations, Dmitry Martynkin). Steve Gandy, MeetingZone CEO, will play an important consultative and facilitating role during the integration and transition.

At the heart of the plan is the transition of the MeetingZone Group's audio conferencing revenue (excluding Event Services) onto the LoopUp product platform (the "Transition"), with a view to decreasing the MeetingZone Group's customer churn, inspiring more value-added capability usage (e.g. screen sharing) in the MeetingZone Group's user base, and leveraging the network effect in the LoopUp product at substantially greater overall scale. The Transition will be delivered over two phases, ensuring a high quality experience for current MeetingZone Group customers, alongside an effective and timely result for the Enlarged Group.

The Group recognises that, in addition to the Transition project, the acceleration of organic growth remains the primary strategic objective of the Enlarged Group. As such, the Directors intend to make specific senior management hires, such that both aspects of the Enlarged Group's strategy are suitably managed and resourced. These include a Group Financial Controller, a VP of Network Operations (already recruited), a VP Marketing, a VP Commercial Operations, and six new engineers.

## 7. New debt facilities

On 16 May 2018, LoopUp Limited entered into a Facilities Agreement with the Bank of Ireland pursuant to which, subject to (*inter alia*) completion of the Placing and Acquisition, new facilities of a total of £20.0 million were made available to LoopUp Limited. These comprise a £17.0 million Term Loan and a £3.0 million RCF (together the "**Senior Facilities**"). Subject to certain drawstops, the Term Loan will be available from Admission, and will be drawn down and used to part fund the proposed Acquisition. The Company does not plan to draw down the RCF at Admission, but it will be available from Admission to 5 May 2023 for general corporate purposes, subject to certain drawstops.

The Senior Facilities accrue interest at 2.50% per annum above LIBOR (with a zero LIBOR floor), payable on the last day of each interest period. The interest period may be selected by the Company of one, two, three or six months. The Term Loan is to be repaid on a 50% amortising basis (in 6 monthly instalments, with the first instalment due 6 months from the date of Admission). The maturity date for the Senior Facilities is five years to 5 June 2023.

Security is provided in support of the Senior Facilities by the Company, and certain members of the Enlarged Group. The Company is required to ensure that the gross debt/EBITDA is a maximum of 2.75x, to step down to 2.25x from September 2021 and thereafter; and EBITDA/Gross Interest is at a minimum of 4.0x for the entire term.

Upon a change of control, or sale of all or substantially all of the business and assets of the Enlarged Group, the Company is required to prepay all loans in full. The Company may voluntarily prepay and cancel the loan without fees or penalties.

In addition to those mentioned above, customary representations, undertaking and events of default apply to the Senior Facilities.

## 8. The Placing

In connection with the Acquisition, the Company has conditionally raised £50.0 million by the proposed issue of 12,500,000 new Ordinary Shares at the Placing Price of 400 pence per Ordinary Share. The Placing Shares will represent approximately 22.8% of the Enlarged Share Capital at Admission.

The use of proceeds of the £50.0 million Placing and the £17.0 million Term Loan will be approximately £61.4 million for the Acquisition consideration (including debt), approximately £4.0 million for Acquisition expenses, and £1.6 million to strengthen the Group's existing net cash balance of £2.9 million as at 31 December 2017.

On 16 May 2018, the Company, Panmure Gordon and Numis entered into the Placing Agreement, pursuant to which, among other things, each of the Joint Bookrunners has severally agreed to use their respective

reasonable endeavours to procure subscribers for the Placing Shares on behalf of the Company. The Placing is underwritten.

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission. Further details of the Placing Agreement are set out in Part VIII (*Summaries of the Principle Terms of the Acquisition Agreement and the Placing Agreement*) of this document.

## **9. Takeover Code**

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in shares of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties, if any) Ordinary Shares carrying at least 30%, but not more than 50%, of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

The Takeover Code defines persons “acting in concert” as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. “Control” means an interest, or interests, in shares carrying in aggregate 30% or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. A person and each of its affiliated persons who will be deemed to be acting in concert with each other. There is a non-exhaustive list of persons who will be presumed to be acting in concert with other persons in the same category unless the contrary is established.

There are two concert parties in relation to the Company, each independent of the other. The Management Concert Party consists of the founders, their associates and the senior management team being Michael Hughes (and his brother Robert Hughes), Steve Flavell, Abdulkareem Siddiq, Simon Healey, Marcus Greensit and Alex Breen who together will hold 10.9% of the Enlarged Share Capital immediately following Admission. The Scott Concert Party consists of Andrew Scott and his associates being his wife Rhonda Scott, JIM Nominees Limited and SFT Capital Limited who together will hold 18.4% of the Enlarged Share Capital immediately following Admission.

If the Management Concert Party or the Scott Concert Party were to increase its holding so that it came to have an interest in shares which carried 30% or more of the voting rights of the Company then they would be obliged, except with the consent of the Takeover Panel, to extend a mandatory offer as referred to above.

## **10. Lock-in and Orderly Market arrangements**

Pursuant to lock-in and orderly market arrangements dated 18 August 2016, each of the Directors and certain other Shareholders, holding in aggregate 30,971,192 Ordinary Shares at the time of the IPO, undertook, save in limited circumstances, not to dispose of any of their interests in Ordinary Shares at any time prior to the first anniversary of those agreements. These undertakings have expired.

In addition, in order to ensure an orderly market in the Ordinary Shares, the Directors and certain other Existing Shareholders further undertook, in respect of themselves and each of their connected persons, that for a further period of 12 months thereafter they would not, save in limited circumstances, deal or otherwise dispose of any such interests in Ordinary Shares other than through Panmure Gordon (or such other broker appointed by the Company from time to time).

In addition, the holders of Options agreed that, to the extent that they exercise their Options, they would be bound by similar orderly marketing arrangements.

## **11. Dividend policy**

The Company is primarily seeking to achieve capital growth for its Shareholders and it is the Board’s intention during the current phase of the Company’s development to retain future distributable profits and only recommend dividends when appropriate and practicable. In the long term, the Directors intend to follow a progressive dividend policy in respect of excess equity over and above that required to optimally fund the development and growth of the Enlarged Group.

## 12. Share Dealing Code

The Company has adopted a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM and the Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees.

## 13. Share incentive arrangements

The Board recognises the importance of ensuring that employees of the Company, and key individuals who hold office and/or provide services to the Group, are effectively and appropriately incentivised. The Company operates two employee share option plans – a UK tax-advantaged EMI plan (the “**EMI Plan**”), and a non-tax advantaged share option plan (the “**USOP**”). In addition, the Company grants options from time to time to key non-employees of the Group under separate non-employee option contracts (together with the EMI Plan and the USOP, the “**Share Option Schemes**”).

Awards made under the Share Option Schemes are a right to acquire a certain number of shares in the Company in future, subject to the continued employment and/or office of the individual. The Board believes that the Share Option Schemes are an effective mechanism to incentivise key members of the Enlarged Group, and intends to continue to grant awards under the Share Option Schemes, or other suitable share ownership schemes, in the future.

Following Admission, the total number of Ordinary Shares under option will be 2,837,725, representing approximately 5.2% of the Enlarged Share Capital. The average strike price of these options is 67.76 pence each.

The maximum number of Ordinary Shares that may be made available under the Share Option Schemes or any other option plan will not exceed 15% of the Company's issued share capital.

Additional information on the Share Option Schemes is set out in paragraph 6 of Part IX (*Additional Information*) of this document.

## 14. Corporate governance

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to comply with the QCA Corporate Governance Guidelines, (as devised by the QCA in consultation with a number of significant institutional small company investors), to the extent appropriate and practicable for a company of its nature and size. Following Admission, the Board will comprise seven Directors of which three are executives and four non-executives, reflecting a blend of different experience and backgrounds. The Board considers three of the four non-executives to be independent.

Following Admission, the Board will meet regularly to review, formulate and approve the Enlarged Group's strategy, budgets and corporate actions, and oversee the Enlarged Group's progress towards its goals. In accordance with best practice, the Company has established audit, remuneration and nomination committees with formally delegated duties and responsibilities and with written terms of reference. From time to time separate committees may be set up by the Board to consider specific issues when the need arises.

Following Admission, the Company will continue to have co-CEOs with Michael Hughes based in the San Francisco office, focused on product development and network operations, and Steve Flavell based in the London office, focused on global commercial activities and investor relations.

### **Audit committee**

The audit committee will assist the Board in discharging its responsibilities, within agreed terms of reference, with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things, reviewing the Enlarged Group's annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Enlarged Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board. The Audit Committee comprises Mike Reynolds, Barnak Meftah and Nico Goulet and it is chaired by Mike Reynolds. The audit committee will meet formally not less than two times every year and at such other times as the chairman of the committee shall require.

### **Remuneration committee**

The remuneration committee is responsible, within agreed terms of reference, for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Executive Directors. This includes agreeing with the Board the framework for remuneration of the Executive Directors, the company secretary and such other members of the executive



management of the Enlarged Group as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Executive Director including, where appropriate, bonuses, incentive payments and share options. No Director may be involved in any decision as to their own remuneration. The remuneration committee comprises Mike Reynolds, Steve Flavell and Barmak Meftah and the committee is chaired by Mike Reynolds. The remuneration committee will meet not less than twice a year and at such other times as the Chairman of the committee shall require.

#### ***Nomination committee***

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and recommending to the Board any changes required, for succession planning and for identifying and nominating for approval of the Board candidates to fill vacancies as and when they arise. The Committee is also responsible for reviewing the results of the Board performance evaluation process and making recommendations to the Board concerning suitable candidates for the role of senior independent director and the membership of the Board's committees and the re-election of Directors at the annual general meeting. The membership of the Nomination Committee comprises Mike Reynolds, Steve Flavell and Barmak Meftah and the committee is chaired by Mike Reynolds. The nomination committee will meet not less than once a year and at such other times as the chairman of the committee shall require.

### **15. Details of the Directors and Senior Management**

Summarised biographies of the Directors and Senior Management and details of their roles, including the principal activities performed by the Directors outside the Enlarged Group, are set out below.

#### ***Board of Directors***

##### ***Lady Barbara Singer Judge CBE, Independent Non-executive Chairman, Age 71***

Lady Barbara Judge is a trained commercial lawyer with both British and American citizenship. Early in her career she was a commissioner of the US Securities & Exchange Commission and subsequently Deputy Chairman of the UK Financial Reporting Council. She was also Chairman of the Pension Protection Fund and the UK Atomic Energy Authority. Currently she is Chairman of Cifas, the UK membership organisation specialising in the prevention of fraud and financial crime. She is best known to UK tech investors for chairing the board of IT company Axon Group plc prior to its successful sale.

In June 2010, she was awarded Commander of the British Empire in the Queen's Birthday Honours for her contribution to the financial services and nuclear industries. In April 2015 she received the Times Non-Executive Director award for her chairmanship of the UK Pension Protection Fund.

##### ***Stephen ("Steve") Graham Flavell, Co-Chief Executive Officer, Age 50***

Steve co-founded the Group alongside co-CEO Michael Hughes. Based in London, Steve oversees global commercial activities and is accountable for setting and delivering the Enlarged Group's financial plan. Prior to the LoopUp Group, Steve was EVP and main board director at GoIndustry, an online industrial auctioneering platform. As part of its founding team, Steve was involved in GoIndustry's organic growth and several acquisitions. Previously, Steve spent five years in strategy consulting with Monitor Company and Mars & Co, and two years with Mobil Oil. Steve has an MBA from Stanford and MEng from St. John's College, Cambridge.

##### ***Thomas Michael ("Michael") Hughes MBE, Co-Chief Executive Officer, Age 50***

Michael co-founded the LoopUp Group alongside co-CEO Steve Flavell. Based in San Francisco, Michael oversees the Group's product development, engineering and network operations worldwide. Prior to LoopUp, Michael was a founding member and CEO of Pagoo, a pioneering VoIP company, overseeing the company's expansion into Europe and Asia. Prior to Pagoo, Michael was a strategy consultant with Monitor. Michael has an MEng from Imperial College, an MBA from Stanford as an Arjay Miller Scholar, and was awarded a Sainsbury Management Fellowship by the Royal Academy of Engineering. Michael was appointed Member of the Order of the British Empire in 2017.

##### ***Simon Peter Healey, Chief Financial Officer, Age 43***

Based in London, Simon oversees all global financial operations. Prior to the LoopUp Group, Simon was Financial Controller at Streetcar, which sold to Zipcar in 2011. Previously, he was Financial Controller at Research Now and was involved in the company's listing on AIM. Simon is a Chartered Accountant who trained with KPMG, and holds a degree in Accountancy from the University of Birmingham.



**Nicolas (“Nico”) Robert Goulet Wright, *Non-executive Director, Age 52***

Nico is currently a managing partner at Adara Ventures, Nico has managed venture capital funds for the last 17 years. During this period, he has been actively involved with more than 30 early stage ventures and served on the board of 23 companies, totalling more than 100 years of board membership in early stage ventures. Prior to his VC involvement he was a partner at Monitor Company, where he gained experience consulting for global companies in technology intense sectors. Early in his career he worked at Andersen Consulting on the development of proprietary methodologies for the management of Research & Development. Nico has obtained a BSc degree (Aerospace Engineering) from the École Centrale de Paris, an MSc (Aeronautics & Astronautics) from MIT and an MBA from INSEAD.

**Barmak Meftah, *Independent Non-executive Director, Age 49***

Barmak is a 20-year technology industry veteran and currently President & CEO of AlienVault. Prior to AlienVault, Barmak served as Vice President of the Enterprise Security Products division at HP, which acquired Fortify Software, an information security provider where Barmak was Chief Products Officer. Barmak has also served in several senior management roles at Synchron and Oracle Corporation. He also serves on various technical advisory boards and is a limited partner and advisor to a number of venture capital funds.

**Michael (“Mike”) Eugene Reynolds, *Independent Non-executive Director, Age 64***

Mike most recently held the position of EVP at Syniverse Technologies, before which he served as CEO of 2degrees Mobile. Prior to 2degrees Mobile, Mike spent seven years as President at Singapore-listed network operator, StarHub, where he was responsible for the day-to-day operations of 2,800 employees and US \$1.4 billion of revenue. Previously, Mike spent 24 years at BellSouth, which included appointments as President of BellSouth China and CEO of BellSouth International Wireless Services.

**Senior Management**

**Marcus Hugh Greensit, *Chief Operating Officer, Age 44***

Based in London, Marcus is responsible for global commercial operations, including the global new business acquisition and customer success teams. Marcus joined the LoopUp Group in 2004 and held various management positions before taking three years out as Managing Director of a family records management company, which became the largest independent player in the North East before selling to Restore Plc and re-joining the Group in 2012. Previously Marcus was a Business Process Manager at GoIndustry, the online industrial auctioneering platform. Marcus holds a Bachelor of Science in Agriculture and Hons Business Management from the University of Newcastle-upon-Tyne.

**Alexander (“Alex”) Abraham Breen, *Executive Vice-President Product, Age 42***

Based in San Francisco, Alex is responsible for the LoopUp product. Prior to joining the LoopUp Group in 2006, Alex held product management positions at Symantec Corporation, Veritas Software, Amazon.com and Pagoo, and was previously a strategy consultant with Monitor Group. He holds an MBA from Harvard Business School, where he graduated with distinction, and BA from Stanford.

**Abdulkareem Aleem Siddiq, *Chief Architect, Age 47***

Based in San Francisco, Abdulkareem is responsible for LoopUp’s overall product architecture and design. Prior to the LoopUp Group, he was Chief Architect at Pagoo. Abdulkareem previously held architecture and engineering positions at Octane Software and Global Communications Solutions and Atari Corporation.

**Koorosh (“KJ”) Nouri, *Vice-President, Engineering, Age 52***

Based in San Francisco, KJ oversees the Group’s engineering team. Prior to the LoopUp Group, KJ managed the Consumer Engagement Engineering teams at Opower. Previously, KJ held senior engineering positions at HP, Fortify Software (acquired by HP in 2010), and Hyperion Solutions (acquired by Oracle in 2007)

**Dmitry Anatolievich Martynkin, *Vice-President, Network Operations, Age 38***

Based in San Francisco, Dmitry is responsible for the Group’s network operations and platform performance across its global data centres. Prior to the LoopUp Group, Dmitry held engineering roles at Fortune 100 organisations such as Wells Fargo. Dmitry has a degree from Saint Petersburg State University.

**Steve Gandy, *CEO of the MeetingZone Group, Age 57***

Steve founded MeetingZone in 2002. He’s a veteran of the conference call industry, having established BT’s conferencing business in 1993, growing it from start-up to a \$100m a year business in five years. In 1999 he founded Quip!, the UK’s first internet-based telecommunications service company.

## 16. General Meeting

At the end of this document Shareholders will find a notice convening the General Meeting which is to be held at Panmure Gordon (UK) Limited at One New Change, London, EC4M 9AF at 11.00 a.m. on 1 June 2018, for the purpose of considering, and if thought fit, passing the Resolutions.

**Resolution 1** will be proposed as an ordinary resolution and seeks to approve the Acquisition.

**Resolution 2** is conditional upon the passing of Resolution 1 and will be proposed as an ordinary resolution to authorise the Directors to allot the Placing Shares up to a maximum nominal amount of £62,500.00 (representing 22.8% of the Enlarged Share Capital).

**Resolution 3** will be proposed as a special resolution and is conditional upon the passing of Resolutions 1 and 2 and seeks to empower the Directors to disapply statutory pre-emption rights to allot the Placing Shares up to a maximum nominal amount of £62,500.00 (representing 22.8% of the Enlarged Share Capital).

The authorities in Resolutions 2 and 3 are additional to any existing such authority and shall expire on 31 August 2018.

## 17. Admission, settlement and CREST

The Acquisition constitutes a reverse takeover under the AIM Rules for Companies and is therefore dependent on the approval of Shareholders being given at the General Meeting. Subject to the passing of the Resolutions and the satisfaction of the other conditions under the Share Purchase Agreement and the Placing Agreement (further details of which are set out in paragraphs 1 and 2 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document, respectively), and Admission, it is expected that the Enlarged Share Capital will be admitted to trading on AIM.

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. Admission of the Enlarged Share Capital to trading on AIM is, subject to the passing of the Resolutions and the satisfaction of all other conditions, expected to take place on or around 4 June 2018.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in Ordinary Shares (including the Placing Shares) following Admission may take place within the CREST system if the relevant Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates will be able to do so.

It is expected that, subject to the satisfaction of the Conditions, the Placing Shares will be registered in the names of the Placees and issued either:

- in certified form, where the Placees so elect, with the relevant share certificate expected to be despatched by post, at their risk, by 4 June 2018; or
- in CREST, where the Placees so elect and only if they are a system-member (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Placing Shares subscribed for expected to take place on 4 June 2018.

Notwithstanding the election by the Placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to the Placees or as they may direct will be sent through the post at their risk.

Pending the despatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register.

## 18. Irrevocable undertakings

The Directors have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 5,062,092 Existing Ordinary Shares, representing approximately 12.0% of the Existing Ordinary Shares.

In addition, certain other Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their holdings totalling, in aggregate 18,840,331 Existing Ordinary Shares, representing approximately 44.6% of the Existing Ordinary Shares.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the General Meeting in respect of holdings totalling, in aggregate, 23,902,423 Existing Ordinary Shares, representing 56.6% of the Existing Ordinary Shares.

## **19. Related parties**

Details of the historical related party transactions entered into by the MeetingZone Group are summarised in paragraph 25 of Section B (*Historical Financial Information on the MeetingZone Group*) of Part VI of this document.

Details of the historical related party transactions entered into by the LoopUp Group are contained in LoopUp Group plc's audited consolidated financial statements for the year ended 31 December 2017 incorporated by reference into this document as set out in Section A (*Historical Financial Information on LoopUp Group plc*) of Part VI of this document.

## **20. Taxation**

Information regarding certain taxation considerations in the UK is set out in paragraph 14 of Part XI of this document. These details are, however, intended as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

## **21. Additional information**

Your attention is drawn to the Risk Factors set out in Part II, to the financial information on the Group and the MeetingZone Group in Sections A (*Historical Financial Information on LoopUp Group plc*), B (*Historical Financial Information on the MeetingZone Group*) and C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI respectively, to the unaudited pro forma financial information of the Enlarged Group in Part VII (*Unaudited pro forma Financial Information for the Enlarged Group*) and to the additional information contained in Part IX (*Additional Information*) of this document.

## **22. Available information**

For so long as any of the Ordinary Shares are restricted securities, as defined in Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act of 1934, as amended, nor exempt from reporting under the Exchange Act pursuant to rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

## **23. Enforceability of civil liabilities**

The Company is organised as a public limited company incorporated under the laws of England and Wales. In addition, the majority of the Enlarged Group's assets and all the assets of its directors and officers are located outside the United States. As a result, it may not be possible for the US investors to effect service of process within the United States upon the Company or its directors and officers located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is also doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

## **24. Transfer restrictions**

Each purchaser of the Company's securities in the United States will be deemed to have represented and agreed as follows:

- (i) The purchaser (a) is a QIB or a broker-dealer acting for the account of a QIB, (b) is acquiring the securities for its own account or for the account of a QIB, and (c) agrees that so long as the securities are "restricted securities" (as defined in Rule 144(a)(3) under the US Securities Act), neither it nor any account for which it is investing will deposit the Ordinary Shares in a depositary receipt programme in the United States or for U.S. investors.

- (ii) The purchaser is aware that such securities have not been and will not be registered under the US Securities Act and are being offered in the United States only to a limited number of QIBs pursuant to an exemption from the registration requirements of the US Securities Act.
- (iii) The purchaser understands and agrees that such securities are “restricted securities” (as defined in Rule 144(a)(3) under the Securities Act) and may not be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is another QIB purchasing for its own account or for the account of a QIB **or** (b) outside the United States in accordance with Regulation S **or** (c) pursuant to an exemption from registration under the US Securities Act **or** (d) pursuant to an effective registration statement under the US Securities Act.

## PART VI

### SECTION A: HISTORICAL FINANCIAL INFORMATION ON LOOPUP GROUP PLC

#### 1. Incorporation by reference

Pursuant to Rule 28 of the AIM Rules for Companies, the historical financial information on LoopUp Group plc for the three financial years to 31 December 2017 is not reproduced in this document and incorporated into this document by reference.

The audited consolidated financial statements for LoopUp Limited (formerly Ring2 Communications Limited), acquired by LoopUp Group plc on 2 August 2016, were prepared in accordance with IFRS as at and for the year ended 31 December 2015 contained in the Company's Admission Document published on 18 August 2016.

The audited consolidated financial statements for LoopUp Group plc were prepared in accordance with IFRS as at and for the year ended 31 December 2016.

The audited consolidated financial statements for LoopUp Group plc were prepared in accordance with IFRS as at and for the year ended 31 December 2017.

The audit reports for each of the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 were unqualified.

The consolidated financial statements for the three financial years ended 31 December 2017 have been audited by Grant Thornton UK LLP, a member of the Institute of Chartered Accountants in England and Wales, of Victoria House, 4th Floor, 199 Avebury Boulevard, Milton Keynes, MK9 1AU.

#### 2. Reference list

The following list is intended to enable investors to identify easily specific items of information, which have been incorporated by reference into this document. A copy of each of these documents incorporated by reference into this document can be accessed on the Company's website on [www.loopup.com/investors](http://www.loopup.com/investors).

##### 2.1 *IFRS financial statements for the financial year ended 31 December 2015 and the audit report thereon*

The page numbers below refer to the relevant pages of the Company's Admission Document published on 18 August 2016:

<i>Section</i>	<i>Page Number(s)</i>
Independent auditors' report to the members of the Company	38-39
Consolidated statement of comprehensive income	40
Consolidated statement of financial position	41
Consolidated statement of changes in equity	42
Consolidated statement of cash flows	43
Summary of significant accounting policies	45-49
Notes to the consolidated financial statements	44-64

##### 2.2 *IFRS financial statements for the financial year ended 31 December 2016 and the audit report thereon*

The page numbers below refer to the relevant pages of annual report and accounts of the Company for the financial year ended 31 December 2016:

<i>Section</i>	<i>Page Number(s)</i>
Independent auditors' report to the members of the Company	33
Consolidated statement of comprehensive income	34
Consolidated statement of financial position	35
Consolidated statement of changes in equity	37
Consolidated statement of cash flows	39
Summary of significant accounting policies	42-46
Notes to the consolidated financial statements	41-63
Company balance sheet	36
Notes to the Company financial statements	41-63

2.3 ***IFRS financial statements for the financial year ended 31 December 2017 and the audit report thereon***

The page numbers below refer to the relevant pages of annual report and accounts of the Company for the financial year ended 31 December 2017:

<i>Section</i>	<i>Page Number(s)</i>
Independent auditors' report to the members of the Company	30-35
Consolidated statement of comprehensive income	36
Consolidated statement of financial position	37
Consolidated statement of changes in equity	39
Consolidated statement of cash flows	41
Summary of significant accounting policies	44-49
Notes to the consolidated financial statements	43-66
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## SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE MEETINGZONE GROUP



The Directors  
LoopUp Group plc  
First Floor,  
78 Kingsland Road,  
LONDON,  
E2 8DP

16 May 2018

Dear Sirs

### Transaction Advisory Service

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### **Warwick Holdco Limited (“Warwick Holdco”) and its Subsidiary Undertakings (together, the MeetingZone Group)**

#### **Accountant's Report on Historical Financial Information**

We report on the MeetingZone Group's historical financial information set out in this Section B of Part VI, for the three years ended 31 March 2017 (the “**Historical Financial Information**”). The Historical Financial Information has been prepared for inclusion in the LoopUp Group plc's admission document dated 16 May 2018 on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

The Directors of LoopUp Group plc are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

#### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

#### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the MeetingZone Group as at 31 March 2015, 2016 and 2017 and of its results, other comprehensive income, cash flows and changes in equity for the three years ended 31 March 2017 in accordance with International Financial Reporting Standards adopted by the European Union.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

GRANT THORNTON UK LLP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March 2015 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £
	Note			
<b>Revenue</b>	5	18,440,593	19,419,951	21,385,601
Cost of sales		(4,826,642)	(5,513,314)	(6,317,246)
<b>Gross profit</b>		<u>13,613,951</u>	<u>13,906,637</u>	<u>15,068,355</u>
<b>Expenses</b>				
Administrative expenses		(10,741,542)	(10,513,984)	(10,945,143)
<b>Operating profit</b>		<u>2,872,409</u>	<u>3,392,653</u>	<u>4,123,212</u>
Analysed as:				
<b>Adjusted EBITDA</b>	6	<b>4,063,893</b>	<b>4,731,917</b>	<b>5,445,138</b>
Depreciation		520,545	503,223	436,298
Amortisation		134,863	250,977	323,193
Finance costs*		351,498	347,886	324,337
Exceptional costs		184,578	237,178	238,098
<b>Operating profit</b>		<b>2,872,409</b>	<b>3,392,653</b>	<b>4,123,212</b>
Finance income		1,837	6,559	20,155
Finance expenses	10	(3,976,303)	(4,227,501)	(4,515,500)
<b>Loss before tax</b>		<u>(1,102,057)</u>	<u>(828,289)</u>	<u>(372,133)</u>
Tax (expense)/credit	11	(202,890)	17,367	69,813
<b>Loss for the year</b>		<u>(1,304,947)</u>	<u>(810,922)</u>	<u>(302,320)</u>
<b>Other comprehensive income:</b>				
<b>Items that will or may be reclassified to profit or loss:</b>				
Currency translation differences		(61,717)	39,158	(201,659)
<b>Total comprehensive income for the year</b>		<u>(1,366,664)</u>	<u>(771,764)</u>	<u>(503,979)</u>

\* Monitoring fees and loan amortisation (see note 6)

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
	<i>Note</i>			
<b>Loss for the year attributable to:</b>				
Owners of the parent		(1,304,947)	(810,922)	(302,320)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		(1,366,664)	(771,764)	(503,979)
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>				
<b>Profit or loss</b>				
Basic (pence)	12	(79.96)	(47.20)	(17.60)
Diluted (pence)	12	<u>(79.96)</u>	<u>(47.20)</u>	<u>(17.60)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<i>Note</i>	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	13	1,963,231	1,180,193	2,523,733	4,016,825
Trade and other receivables	14	3,352,921	3,609,926	3,873,759	4,510,875
Corporation tax		—	—	—	101,350
Inventories	15	9,161	18,280	19,101	20,231
		<u>5,325,313</u>	<u>4,808,399</u>	<u>6,416,593</u>	<u>8,649,281</u>
<b>Non-current assets</b>					
Property, plant and equipment	17	1,815,949	2,210,355	2,007,448	2,004,587
Intangible assets	18	31,669,664	31,876,637	32,020,457	31,998,378
		<u>33,485,613</u>	<u>34,086,992</u>	<u>34,027,905</u>	<u>34,002,965</u>
<b>Total assets</b>		<u>38,810,926</u>	<u>38,895,391</u>	<u>40,444,498</u>	<u>42,652,246</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	19	2,925,867	3,166,837	3,136,590	3,466,177
Loans and borrowings	20	1,612,732	1,440,346	597,985	1,550,176
Corporation tax payable		361,595	100,609	103,445	—
		<u>4,900,194</u>	<u>4,707,792</u>	<u>3,838,020</u>	<u>5,016,353</u>
<b>Non-current liabilities</b>					
Loans and borrowings	20	43,102,018	44,706,658	47,953,592	49,516,077
Deferred tax liabilities	21	119,246	158,137	101,846	72,755
		<u>43,221,264</u>	<u>44,864,795</u>	<u>48,055,438</u>	<u>49,588,832</u>
<b>Total liabilities</b>		<u>48,121,458</u>	<u>49,572,587</u>	<u>51,893,458</u>	<u>54,605,185</u>
<b>Net liabilities</b>		<u>(9,310,532)</u>	<u>(10,677,196)</u>	<u>(11,448,960)</u>	<u>(11,952,939)</u>
<b>Equity attributable to shareholders</b>					
Share capital	22	1,717,895	1,717,895	1,717,895	1,717,895
Share premium		315,368	315,368	315,368	315,368
Foreign exchange reserve		—	(61,717)	(22,559)	(224,218)
Retained earnings		(11,343,795)	(12,648,742)	(13,459,664)	(13,761,984)
<b>Total equity</b>		<u>(9,310,532)</u>	<u>(10,677,196)</u>	<u>(11,448,960)</u>	<u>(11,952,939)</u>

## CONSOLIDATED STATEMENT OF CASH FLOW

	<i>Note</i>	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
<b>Cash flows from operating activities</b>				
Loss for the year		(1,304,947)	(810,922)	(302,320)
<b>Adjusted by:</b>				
Depreciation and impairment	17	520,545	503,223	436,298
Amortisation of intangible assets	18	134,863	250,977	323,193
Taxations (credit)/charge		202,890	(17,367)	(69,813)
Net interest expense		3,974,466	4,220,942	4,495,345
		<u>3,527,817</u>	<u>4,146,853</u>	<u>4,882,703</u>
Increase in inventories		(9,119)	(821)	(1,130)
Increase in trade and other receivables		(300,981)	(212,859)	(571,896)
Increase in payables and provisions		385,310	47,049	399,545
<b>Cash inflow generated from operations</b>		<u>3,603,027</u>	<u>3,980,222</u>	<u>4,709,222</u>
Taxation paid		<u>(421,196)</u>	<u>(41,574)</u>	<u>(165,478)</u>
<b>Net cash inflow from operating activities</b>		<u>3,181,831</u>	<u>3,938,648</u>	<u>4,543,744</u>
<b>Investing activities</b>				
Purchase of property, plant and equipment		(914,952)	(300,317)	(433,436)
Purchase of intangible assets		(341,835)	(394,796)	(301,115)
Interest received		1,837	6,559	20,155
<b>Net cash used in investing activities</b>		<u>(1,254,950)</u>	<u>(688,554)</u>	<u>(714,396)</u>
<b>Cash flows from financing activities</b>				
Repayment of bank loan		(2,149,925)	(1,541,746)	(1,802,314)
Interest paid		<u>(495,544)</u>	<u>(382,583)</u>	<u>(299,910)</u>
<b>Net cash flows used in financing activities</b>		<u>(2,645,469)</u>	<u>(1,924,329)</u>	<u>(2,102,224)</u>
<b>Net change in cash and cash equivalents for the period</b>		<u>(718,588)</u>	<u>1,325,765</u>	<u>1,727,124</u>
<b>Cash and cash equivalents at the beginning of the period</b>		1,963,231	1,180,193	2,523,733
Exchange adjustments		<u>(64,450)</u>	<u>17,775</u>	<u>(234,032)</u>
<b>Cash and cash equivalents at the end of the period</b>	13	<u>1,180,193</u>	<u>2,523,733</u>	<u>4,016,825</u>



# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Foreign exchange reserve £</i>	<i>Retained earnings £</i>	<i>Total £</i>
<b>Equity as at 1 April 2014</b>	1,717,895	315,368	–	(11,343,795)	(9,310,532)
<b>Comprehensive income for the year ended 31 March 2015</b>					
Loss	–	–	–	(1,304,947)	(1,304,947)
<b>Other comprehensive income:</b>					
Currency translation differences	–	–	(61,717)	–	(61,717)
<b>Total comprehensive expense for the year</b>	<u>–</u>	<u>–</u>	<u>(61,717)</u>	<u>(1,304,947)</u>	<u>(1,366,664)</u>
<b>Equity as at 31 March 2015</b>	<b>1,717,895</b>	<b>315,368</b>	<b>(61,717)</b>	<b>(12,648,742)</b>	<b>(10,677,196)</b>
<b>Comprehensive income for the year ended 31 March 2016</b>					
Loss	–	–	–	(810,922)	(810,922)
<b>Other comprehensive income:</b>					
Currency translation differences	–	–	39,158	–	39,158
<b>Total comprehensive expense for the year</b>	<u>–</u>	<u>–</u>	<u>39,158</u>	<u>(810,922)</u>	<u>(771,764)</u>
<b>Equity as at 31 March 2016</b>	<b>1,717,895</b>	<b>315,368</b>	<b>(22,559)</b>	<b>(13,459,664)</b>	<b>(11,448,960)</b>
<b>Comprehensive income for the year ended 31 March 2017</b>					
Loss	–	–	–	(302,320)	(302,320)
<b>Other comprehensive income:</b>					
Currency translation differences	–	–	(201,659)	–	(201,659)
<b>Total comprehensive expense for the year</b>	<u>–</u>	<u>–</u>	<u>(201,659)</u>	<u>(302,320)</u>	<u>(503,979)</u>
<b>Equity at 31 March 2017</b>	<b>1,717,895</b>	<b>315,368</b>	<b>(224,218)</b>	<b>(13,761,984)</b>	<b>(11,952,939)</b>

## **1. General information**

The historical financial information is in respect of Warwick Holdco Limited and its subsidiaries.

That group is defined in this document as the MeetingZone Group, but solely for the purposes of this historical financial information is defined as, and referred to as, the Group.

Warwick Holdco Limited (the "Company") is a limited company incorporated and domiciled in England and Wales. The registered office of the Company is Oxford House, Oxford Road, Thame, Oxon, OX9 2AH, United Kingdom. The registered company number is 07706694. A list of the Company's subsidiaries, (together with the Company, the "Group") is presented in Note 15.

The Group's principal activities are that of the provision of conferencing and collaboration services and support to international companies and organisations.

The financial information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. Warwick Holdco Limited prepared company and consolidated statutory accounts for each of the three years ended 31 March 2017 under UK Generally Accepted Accounting Practice, which have been filed with the Registrar of Companies. Those statutory accounts have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Reports and Financial Statements for 2015, 2016 and 2017 were unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The directors of LoopUp Group plc are responsible for the consolidated financial information.

### ***First Time Adoption of IFRS***

For all periods up to and including the 12 month period ended 31 March 2014, the Company prepared its financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP). The date of transition is therefore 1 April 2014 in accordance with IFRS.

### ***Going concern***

After carrying out a review and evaluation of the principal risks and uncertainties faced by the business, the directors believe that the Group are well placed to manage their risks and cash flows effectively. The group has net liabilities as at 31 March 2017. In the year ended 31 March 2017, the Group successfully negotiated new long term financing from the bank to underpin the strategic business plan. Based on strong operational and cash flow growth projections, the directors consider that the Company and Group has sufficient resources to continue in operational existence for the foreseeable future and that the adoption of going concern basis is appropriate when preparing the financial information.

### ***Basis of preparation***

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial information are presented in Sterling, which is also the Company's functional currency.

This financial information have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the EU together with the International Financial Reporting Standards Interpretations Committee interpretations issued by the International Accounting Standards Boards (IASB) that are currently effective for periods beginning 1 April 2017 (collectively IFRSs).

The preparation of financial information in compliance with EU adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial information and their effect are disclosed in note 3.

### ***Basis of measurement***

The consolidated financial information has been prepared on a historical cost basis.

## Key re-measurements under IFRS from old UK GAAP

Balance sheet as at 1 April 2014:

	Notes	As reported under UK GAAP £	Re- measurements £	As reported under IFRS £
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	(a)(d)	31,492,045	177,619	31,669,664
Tangible assets	(a)	1,993,568	(177,619)	1,815,949
<b>Total non-current assets</b>		33,485,613	–	33,485,613
Inventories		9,161	–	9,161
Trade and other receivables		3,352,921	–	3,352,921
Cash and cash equivalents		1,963,231	–	1,963,231
<b>Total current assets</b>		5,325,313	–	5,325,313
<b>Total assets</b>		38,810,926	–	38,810,926
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	(c)	(4,849,595)	(50,599)	(4,900,194)
<b>Total current liabilities</b>		(4,849,595)	(50,599)	(4,900,194)
<b>Net current liabilities</b>		475,718	(50,599)	425,119
<b>Total assets less current liabilities</b>		33,961,331	(50,599)	33,910,732
<b>Non-current liabilities</b>				
Trade and other payables		(43,102,018)	–	(43,102,018)
Deferred taxation		(119,246)	–	(119,246)
<b>Total non-current liabilities</b>		(43,221,264)	–	(43,221,264)
<b>Net liabilities</b>		(9,259,933)	(50,599)	(9,310,532)
<b>Shareholders' deficit</b>				
Called up share capital		1,717,895	–	1,717,895
Share premium		315,368	–	315,368
Foreign exchange reserve	(b)	–	–	–
Retained earnings	(b)(c)	(11,293,196)	(50,599)	(11,343,795)
<b>Total shareholders' deficit</b>		(9,259,933)	(50,599)	(9,310,532)

Notes to the reconciliations of equity as at 1 April 2014.

The following outlines the impact of transition to IFRS from UK GAAP:

**(a) Software**

Under UK GAAP, software assets can be held under tangible or intangible assets. Under IFRS these must be held under intangible assets and so this is the reallocation.

**(b) Forex reserve**

Under UK GAAP, the foreign exchange differences on consolidation of subsidiaries included within other comprehensive income can be included within retained earnings, however under IFRS this must be disclosed in a separate reserve. The group has opted to take the exemption available under IFRS 1 for the Foreign exchange reserve to be nil on date of transition.

**(c) Holiday pay accrual**

Under old UK GAAP, no accrual for holiday pay was recognised, under IFRS, an accrual is required. On transition, an accrual of £50,599 is recognised through trade and other payables and retained earnings.

**(d) Goodwill**

The goodwill exemption is being taken this will keep the value the same and there will be no application of IAS 21.

**New standards, interpretations and amendments not yet effective**

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in this financial information, will or may have an effect on the Group's future financial statements:

<i>Standard/interpretation</i>	<i>Content</i>	<i>Applicable for financial years beginning on/after</i>
IFRS 9 Financial Instruments	IFRS 9 'Financial instruments' is effective for periods commencing on or after 1 January 2018. IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting.	1 January 2018
IFRS 15 Revenue from Contracts with Customers	IFRS 15, 'Revenues from Contracts with Customers', replaces IAS 18, 'Revenues', and introduces a five step approach to revenue recognition based on performance obligations in customer contracts.	1 January 2018
IFRS 16 Leases	IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 completes the IASB's project to improve the financial reporting of leases and replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. The main impact is that this will bring operating leases onto the Balance Sheet.	1 January 2019

An initial assessment in relation to IFRS 15 is that it will have no material impact on the recognition of revenue. With regards to IFRS 9, our expectation is that the group will hold relevant financial instruments at the point at which IFRS 9 becomes applicable, but they will not be impacted by IFRS 9 as they are not complex in nature. As regards to IFRS 16, Note 23 sets out the total commitment under leases currently treated as operating leases. The likely impact of IFRS 16 is that an asset with a value broadly equivalent to the outstanding commitment referred to in Note 23 would be recognised on the balance sheet, with a related creditor recognised within liabilities.

**2. Accounting policies**

The principal accounting policies applied in the preparation of the consolidated financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

**Basis of consolidation**

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial information presents the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial information incorporates the results of Warwick Holdco Limited and all of its subsidiary undertakings as at 31 March 2017 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

### ***Revenue Recognition Policy***

Revenue represents sales to external customers at invoiced amounts less value added tax. Revenue is recognised when the services are provided to the customer. Amounts not yet invoiced are included in accrued revenue. Amounts invoiced but not yet delivered are included in deferred income.

Revenue represents the fair value of the consideration received or receivable for unified communications services, net of discounts and sales and any other indirect taxes.

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs can be measured reliably.

The Group sells a number of different services for which the revenue types and revenue recognition methodology are set out below.

To the extent that invoices are raised to a different pattern than the revenue recognition described below, appropriate adjustments are made through deferred and accrued income to account for revenue when the underlying service has been performed or goods have transferred to the customer.

### ***Voice and data traffic***

Revenue from traffic is recognised at the time the call is made or data is transferred.

### ***Subscriptions, rentals and support***

Revenue from subscriptions, rentals and support, which are mainly of hosted services sold on a licence basis, is recognised evenly over the period to which the charges relate.

### ***Equipment and installation***

Revenue from sales of equipment is recognised when delivery has been made and risk in the equipment has transferred to the customer. Revenue from installation is recognised when the installation is complete.

### ***Intangible fixed assets***

#### ***(a) Goodwill and acquisition accounting***

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Goodwill is not amortised but is subject to an impairment test annually.

The group has taken advantage of the IFRS 1 exemption to not restate goodwill arising before 1 April 2014 from measurement under UK GAAP

#### ***(b) Research and development***

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.

- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs are amortised over the periods the products developed are available, being a period not exceeding 3 years commencing in the year the products are available. The amortisation expense is included within the administrative expenses line in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

(c) *Software policy*

Software assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Software amortisation – over useful economic life less estimated residual value, either 36 month straight line or 20% reducing balance

***Tangible fixed assets***

Tangible fixed assets are initially recognised at cost. These are then stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

***Depreciation***

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Leasehold buildings	–	straight line over remaining life of lease
Fixtures and fittings	–	25% reducing balance
Computer equipment	–	over useful economic life less estimated residual value, either 36 month straight line or 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

***Inventories***

Inventories are initially valued at cost and then are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase and net realisable value is based on estimated selling price less costs to completion. FIFO is used as the method of valuation.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

The Directors do not consider the inventory expense to the statement of comprehensive income needs disclosure as it is highly immaterial to the Group.



## ***Taxation***

The charge for taxation is based on the loss for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

## ***Foreign currency***

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations for business combinations after 1 April 2014, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at closing rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in profit or loss in Group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

## ***Defined contribution schemes***

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate. The assets of the scheme are held separately in an independently administered fund.

## ***Termination benefits***

Termination benefits are payable when employment is terminated by the company before the normal retirement date. The company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

**Leased assets**

Annual rentals for operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

**Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

**Financial assets**

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are carried in the consolidated statement of financial position at amortised cost.

**Research and development (R&D) tax credits**

R&D tax credits for applicable research and development expenditure is accounted for as a credit to income tax expense in the year in which it is earned.

**Share capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

**Reserves**

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Foreign exchange reserve shows the gains/losses arising on retranslating the net assets of overseas operations into sterling.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In preparing this financial information, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Research and development costs are charged to administration expenses as incurred unless individual projects satisfy certain criteria (see accounting policies). Costs are typically made up of salaries and benefits, infrastructure costs and third-party service fees. When assessing whether

development costs meet the asset recognition criteria, management considers factors including the related sales and profit projections, market forecasts and historical experience, see note 18.

#### 4. Financial instruments – Risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk, and
- Liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

##### (i) **Principal financial instruments**

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Floating-rate bank loans, and
- Fixed rate bank loans.

##### **Financial instruments by category**

###### **Financial assets**

	<i>Loans and receivables</i>		
	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2015</i>	<i>2016</i>	<i>2017</i>
	£	£	£
Cash and cash equivalents	1,180,193	2,523,733	4,016,825
Trade and other receivables	2,283,778	2,399,600	2,541,086
<b>Total financial assets</b>	<b>3,463,971</b>	<b>4,923,333</b>	<b>6,557,911</b>

###### **Financial liabilities**

	<i>Financial liabilities at amortised cost</i>		
	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2015</i>	<i>2016</i>	<i>2017</i>
	£	£	£
Trade and other payables	2,475,634	2,458,489	2,858,087
Bank Loans	8,000,229	6,559,884	4,858,970
Unsecured loan notes	38,146,775	41,991,693	46,207,283
<b>Total financial liabilities</b>	<b>48,622,638</b>	<b>51,010,066</b>	<b>53,924,340</b>

##### (ii) **Financial instruments not measured at fair value**

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

#### *General objectives, policies and processes*

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, the Board receives monthly reports from the Group Financial Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

#### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Careful consideration is given to the choice of bank in order to minimise credit risk. Foreign currency balances are managed to only provide necessary working capital in non-UK locations and for settlement of short-term non-Sterling debts, and otherwise cash is held in Sterling.

There was no significant concentration of credit risk at the reporting dates.

The carrying amount of financial assets, net of any allowance for losses, represents the maximum exposure to credit risk.

A provision of £33,500 was made on 31 March 2017 (FY16: £44,300, FY15: £28,500) for impairment losses in relation to trade receivables. In the Directors' opinion there has been no other impairment of financial assets. An allowance for impairment is made when where there is an identified loss event which, based on previous experience, is evidence of a reduction of the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure. No collateral is held as security in relation to its financial assets.

#### *Market risk*

There is an exposure to the financial risk of changes in exchange rates impacting overseas operations and UK non-Sterling denominated payables.

As of 31 March 2017 the Group's net exposure to foreign exchange risk was as follows:

	Functional currency of individual entity						
	British Pound 2017 £	US Dollar 2017 £	Euro 2017 £	Swedish Krona 2017 £	Canadian Dollar 2017 £	Other 2017 £	Total 2017 £
<b>Net foreign currency financial assets/ (liabilities)</b>							
British Pound	–	–	–	–	–	–	–
US Dollar	727,198	–	–	–	–	–	727,198
Euro	185,785	–	–	–	–	–	185,785
Swedish Krona	(340,480)	–	–	–	–	–	(340,480)
Canadian Dollar	161,736	793,908	–	–	–	–	955,644
Other	140,082	–	–	2,445	–	–	142,527
<b>Total net exposure</b>	<b>874,321</b>	<b>793,908</b>	<b>–</b>	<b>2,445</b>	<b>–</b>	<b>–</b>	<b>1,670,674</b>
Profit/(loss) and increase/(decrease) of net assets due to the following effects:							
10% strengthening of each currency	81,582	88,212	–	–	–	–	169,794
10% weakening of each currency	(59,747)	(144,347)	–	–	–	–	(204,094)

As of 31 March 2016 the Group's net exposure to foreign exchange risk was as follows:

	<i>Functional currency of individual entity</i>						<i>Total</i> 2016 £
	<i>British Pound 2016 £</i>	<i>US Dollar 2016 £</i>	<i>Euro 2016 £</i>	<i>Swedish Krona 2016 £</i>	<i>Canadian Dollar 2016 £</i>	<i>Other 2016 £</i>	
<b>Net foreign currency financial assets/ (liabilities)</b>							
British Pound	–	–	–	–	–	–	–
US Dollar	732,037	–	–	–	–	–	732,037
Euro	533,692	–	–	–	–	–	533,692
Swedish Krona	(178,773)	–	–	–	–	–	(178,773)
Canadian Dollar	211,740	801,033	–	–	–	–	1,012,773
Other	25,078	–	–	3,269	–	–	28,347
<b>Total net exposure</b>	<b>1,323,774</b>	<b>801,033</b>	<b>–</b>	<b>3,269</b>	<b>–</b>	<b>–</b>	<b>2,128,076</b>
Profit/(loss) and increase/(decrease) of net assets due to the following effects:							
10% strengthening of each currency	144,300	89,004	–	–	–	–	233,303
10% weakening of each currency	(108,897)	(145,642)	–	–	–	–	(254,539)

As of 31 March 2015 the Group's net exposure to foreign exchange risk was as follows:

	<i>Functional currency of individual entity</i>						<i>Total</i> 2015 £
	<i>British Pound 2015 £</i>	<i>US Dollar 2015 £</i>	<i>Euro 2015 £</i>	<i>Swedish Krona 2015 £</i>	<i>Canadian Dollar 2015 £</i>	<i>Other 2015 £</i>	
<b>Net foreign currency financial assets/ (liabilities)</b>							
British Pound	–	–	–	–	–	–	–
US Dollar	733,736	–	–	–	–	–	733,736
Euro	757,662	–	–	–	–	–	757,662
Swedish Krona	(263,716)	–	–	–	–	–	(263,716)
Canadian Dollar	254,878	1,108,577	–	–	–	–	1,363,455
Other	22,188	–	–	3,369	–	–	25,557
<b>Total net exposure</b>	<b>1,504,748</b>	<b>1,108,577</b>	<b>–</b>	<b>3,369</b>	<b>–</b>	<b>–</b>	<b>2,616,694</b>
Profit/(loss) and increase/ (decrease) of net assets due to the following effects:							
10% strengthening of each currency	164,729	123,175	–	–	–	–	287,904
10% weakening of each currency	(123,745)	(201,559)	–	–	–	–	(325,304)

The Directors do not consider it appropriate to engage in hedging activities at this point in time.

#### *Liquidity risk*

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Directors regularly manage liquidity risk by reviewing cash requirements by reference to short-term cash flow forecasts and medium term working capital projections.

#### *Capital risk management*

The Group is funded by equity, shareholder loans, bank loans and retained earnings.

The objective when managing capital is to maintain adequate financial flexibility to preserve the ability to meet financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions.

Financing decisions are made based on forecasts of the expected timing and level of capital expenditure and operating expenditure required to meet commitments and development plans.

There are no externally imposed capital requirements.

#### *Interest rate risk*

The Group is exposed to interest rate risk from long-term borrowings at variable rate. The variable element of the interest rate is linked to the LIBOR rate.

The Group analyses the interest rate exposure on a quarterly basis. The Directors do not consider it appropriate to engage in hedging activities at this point in time.

During 2017, 2016 and 2015, the Group's borrowings at variable rate were denominated in Sterling.

The Group's exposure to interest rate risk was as follows:

#### **Increase in interest payable**

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
<b>Increase in LIBOR interest rate</b>			
+ 0.50%	46,000	35,000	30,500
+ 1.00%	92,000	73,000	61,000
+ 2.00%	<u>185,000</u>	<u>150,000</u>	<u>122,000</u>

#### **5. Segmental reporting**

Management consider that the group consists of a single segment, and operates within the United Kingdom. No single customer provides more than 10% of the Group turnover.

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
<b>Revenue</b>			
United Kingdom	14,173,695	14,863,946	15,932,926
Rest of Europe	3,198,000	3,238,094	3,795,140
Rest of World	<u>1,068,898</u>	<u>1,317,911</u>	<u>1,657,535</u>
	<u>18,440,593</u>	<u>19,419,951</u>	<u>21,385,601</u>

#### **6. Reconciliation of Adjusted EBITDA**

The Board assesses the underlying performance of the Group using alternative performance measures (namely Adjusted EBITDA) as in the Board's view, this presents a more meaningful assessment for the underlying performance of the business.

Adjusted EBITDA is defined as operating profit stated before:

- Depreciation
- Amortisation of intangible fixed assets
- Monitoring fees and loan note interest related to the Group's private equity ownership structure
- Other costs considered by the Board to be exceptional, either by virtue of size or incidence

A reconciliation of Adjusted EBITDA to operating profit is set out below.

It is important to note that alternative performance measures are not defined under IFRS and therefore defined as "non GAAP" measures. The alternative performance measures used by the Group may not be directly comparable to similarly titled measures reported by other companies. They are not intended to be a substitute for, or be superior to GAAP measurements of performance.



	Year ended 31 March 2015 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £
Operating profit	2,872,409	3,392,653	4,123,212
Depreciation (note 17)	520,545	503,223	436,298
Amortisation (note 18)	134,863	250,977	323,193
Monitoring fees	250,098	246,486	222,937
Loan fee amortisation	101,400	101,400	101,400
Exceptional costs	184,578	237,178	238,098
<b>Adjusted EBITDA</b>	<b>4,063,893</b>	<b>4,731,917</b>	<b>5,445,138</b>

Exceptional costs during the period consists of the following:

	Year ended 31 March 2015 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £
Redundancy	158,614	206,762	125,963
Financing costs	10,862	6,001	43,146
Legal costs	12,195	–	16,014
Merger & acquisitions activity	–	21,622	50,983
US taxes	2,907	2,793	1,992
<b>Total exceptional costs</b>	<b>184,578</b>	<b>237,178</b>	<b>238,098</b>

#### 7. Profit/(loss) from operations

	Year ended 31 March 2015 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £
<i>Profit/(loss) is stated after charging:</i>			
Amortisation of intangible assets	134,863	250,977	323,193
Depreciation of property, plant and equipment	520,545	503,223	436,298
Operating leases	257,361	413,313	431,941
<i>Auditor's remuneration:</i>			
– Audit fees	40,450	39,905	44,150
– Non-audit fees	13,310	18,185	18,173
Research and development expenditure	567,466	562,117	604,373
Defined contribution pension costs	32,557	91,063	92,415
Exchange gain/loss	(34,291)	4,669	(98,825)

#### 8. Staff numbers and costs

The average number of employees (including directors) during the period was made up as follows:

	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2017
Administrative staff	14	9	8
Management staff	17	25	21
Other staff	79	66	79
<b>Total staff</b>	<b>110</b>	<b>100</b>	<b>108</b>

The cost of employees (including directors) during the period was made up as follows:

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
Wages and salaries	5,493,199	5,742,064	6,277,879
Social security costs	817,135	767,763	894,968
Pension costs	32,557	91,063	92,415
<b>Total staff costs</b>	<b>6,342,891</b>	<b>6,600,890</b>	<b>7,265,262</b>

## 9. Remuneration of key management personnel

The Directors of the Company are considered to be the key management personnel of the Group. Directors' emoluments and benefits include:

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
Directors' emoluments	389,406	412,473	399,150
Pension contributions	–	7,078	3,658
Employer's NIC	51,364	46,030	56,677
<b>Totals</b>	<b>440,770</b>	<b>465,581</b>	<b>459,485</b>

## 10. Finance expenses

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
Interest on bank borrowings	487,032	378,902	297,806
Interest on loan notes	3,489,271	3,848,599	4,217,694
<b>Finance expense</b>	<b>3,976,303</b>	<b>4,227,501</b>	<b>4,515,500</b>

## 11. Taxation

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
The tax expense/(credit) is as follows:			
– UK Corporation tax	38,939	–	–
– Adjustment in respect of previous periods	(62,541)	(14,145)	(3,163)
– Foreign tax	187,601	53,069	(37,559)
<b>Total current tax</b>	<b>163,999</b>	<b>38,924</b>	<b>(40,722)</b>
<b>Deferred tax:</b>			
Origination and reversal of timing differences in UK	63,190	(17,392)	(35,152)
Origination and reversal of timing differences overseas	–	–	(1,926)
Adjustment in respect of prior years	(24,299)	(25,519)	14,557
Effect of tax rate change on opening balance	–	(13,380)	(6,570)
<b>Total deferred tax</b>	<b>38,891</b>	<b>(56,291)</b>	<b>(29,091)</b>
<b>Total tax expense</b>	<b>202,890</b>	<b>(17,367)</b>	<b>(69,813)</b>

The tax assessed on the loss for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
Loss on ordinary activities before income tax	(1,102,057)	(828,289)	(372,133)
Loss for the year multiplied by the standard rate of corporation tax of 20% (2016 – 20%; 2015 – 21%)	(231,432)	(165,658)	(74,427)
Effects of:			
Capital expenditure disallowed	9,088	911	1,633
Expenses not deductible for tax purposes	1,667,557	1,222,654	397,284
R&D relief adjustment	(134,023)	(147,166)	(146,150)
Income not taxable	(42,603)	(61,626)	(39,698)
Adj. to tax charge in respect of previous periods	(62,541)	(14,145)	(222,642)
Adj. to tax charge in respect of previous periods – deferred taxation	(24,299)	(25,519)	14,557
Adj. closing deferred tax to average rate	(2,565)	17,560	(370)
Adj. opening deferred tax to average rate	4,782	–	–
Deferred tax on losses not recognised	–	(2,430)	–
<b>Tax expense</b>	<u>(202,890)</u>	<u>17,367</u>	<u>69,813</u>

**Expenses not deductible for tax purposes**

Expenses not deductible includes amortisation and a portion of interest payable on the loan notes.

**Adjustment to tax charge in respect of previous periods**

In the year ended 31 March 2017 the adjustment to tax charge in respect of previous period related to the release of tax allocation reserves in Sweden.

**12. Earnings/(loss) per share**

	<i>Year ended 31 March 2015 £</i>	<i>Year ended 31 March 2016 £</i>	<i>Year ended 31 March 2017 £</i>
<b>Basic and diluted</b>			
Loss for the year after tax	(1,304,947)	(810,922)	(302,320)
Weighted average number of shares in issue for the period (number)	1,717,895	1,717,895	1,717,895
Earnings/(loss) per share (Pence)	<u>(75.96)</u>	<u>(47.20)</u>	<u>(17.60)</u>

**13. Cash and cash equivalents**

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
Cash and cash equivalents	<u>1,963,231</u>	<u>1,180,193</u>	<u>2,523,733</u>	<u>4,016,825</u>

#### 14. Trade and other receivables

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
Trade receivables	1,878,550	2,200,962	2,244,195	2,274,452
Other receivables	99,754	82,816	155,405	266,634
Prepayments	350,000	317,004	489,067	779,665
Accrued income	1,024,617	1,009,144	985,092	1,190,124
	<u>3,352,921</u>	<u>3,609,926</u>	<u>3,873,759</u>	<u>4,510,875</u>

The ageing analysis of these receivables is as follows:

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
<b>Receivables past due but not impaired</b>				
30 – 60 days	50,500	179,938	157,523	160,085
Over 60 days	94,800	241,318	167,281	137,841
<b>Receivables impaired</b>				
Over 60 days	15,000	28,477	44,293	33,471
	<u>160,300</u>	<u>449,733</u>	<u>369,097</u>	<u>331,397</u>

#### 15. Inventories

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
Goods for resale	<u>9,161</u>	<u>18,280</u>	<u>19,101</u>	<u>20,231</u>

## 16. Investment in subsidiaries

The Group's principal operating subsidiaries as at 31 March 2015, 31 March 2016 and 31 March 2017 are as follows:

<i>Subsidiary undertakings</i>	<i>Registered office</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
Warwick Debtco Limited	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	Provision of finance to its subsidiary
Warwick Bidco Limited*	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	A holding company
MeetingZone Limited*	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	Provision of conferencing and collaboration services
MeetingZone GmbH*	Knesebeckstraße 3 D-10623 Berlin, Germany	100%	Provision of conferencing and collaboration services
MeetingZone Inc.*	Corporation Trust Centre 1209 Orange St, Wilmington Newcastle, USA	100%	Provision of conferencing and collaboration services
MeetingZone Canada Limited*	1155 North Service Road West, Unit 11 Oakville, Ontario L6M 3E3, Canada	100%	Provision of conferencing and collaboration services
Confy MeetingZone AB*	Södra Förstadsgatan 40a, 211 43 Malmö, Sweden	100%	Provision of conferencing and collaboration services
Confy MeetingZone AS*	Karenslyst Allé 8B, 0278 Oslo, Norway	100%	Provision of conferencing and collaboration services
MeetingZone (Hong Kong) Limited*	20th Floor, One International Finance Centre, 1 Harbour View St. Central, Hong Kong	100%	Provision of conferencing and collaboration services

*\*held indirectly*

## 17. Property, plant and equipment

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost:</b>				
<b>As at 1 April 2014</b>	<b>146,383</b>	<b>23,297</b>	<b>4,174,523</b>	<b>4,344,203</b>
<i>Movements for the year ended 31 March 2015</i>				
Additions	9,406	—	905,546	914,952
<b>As at 31 March 2015</b>	<b>155,789</b>	<b>23,297</b>	<b>5,080,069</b>	<b>5,259,155</b>
<i>Movements for the year ended 31 March 2016</i>				
Additions	13,026	—	287,291	300,317
<b>As at 31 March 2016</b>	<b>168,815</b>	<b>23,297</b>	<b>5,367,360</b>	<b>5,559,472</b>
<i>Movements for the year ended 31 March 2017</i>				
Additions	32,549	—	400,887	433,436
<b>As at 31 March 2017</b>	<b>201,364</b>	<b>23,297</b>	<b>5,768,247</b>	<b>5,992,908</b>
<b>Accumulated depreciation:</b>				
<b>As at 31 March 2014</b>	<b>67,198</b>	<b>23,297</b>	<b>2,437,760</b>	<b>2,528,255</b>
<i>Movements for the year ended 31 March 2015</i>				
Depreciation charge	24,856	—	495,689	520,545
<b>As at 31 March 2015</b>	<b>92,054</b>	<b>23,297</b>	<b>2,933,449</b>	<b>3,048,800</b>
<i>Movements for the year ended 31 March 2016</i>				
Depreciation charge	27,689	—	475,534	503,223
<b>As at 31 March 2016</b>	<b>119,743</b>	<b>23,297</b>	<b>3,408,984</b>	<b>3,552,023</b>
<i>Movements for the year ended 31 March 2017</i>				
Depreciation charge	25,001	—	411,297	436,298
<b>As at 31 March 2017</b>	<b>144,744</b>	<b>23,297</b>	<b>3,820,281</b>	<b>3,988,322</b>
<b>Net book value</b>				
1 April 2014	79,185	—	1,736,763	1,815,949
31 March 2015	63,735	—	2,146,620	2,210,355
31 March 2016	49,072	—	1,958,376	2,007,448
31 March 2017	56,620	—	1,947,967	2,004,587



## 18. Intangible assets

	<i>Purchased goodwill £</i>	<i>Goodwill on consolidation £</i>	<i>Development costs £</i>	<i>Software Costs £</i>	<i>Total £</i>
<b>Cost:</b>					
As at 1 April 2014	309,169	41,201,446	312,301	582,904	42,405,820
<i>Movements for the year ended 31 March 2015</i>					
Additions	—	—	320,836	20,999	341,835
<b>As at 31 March 2015</b>	<b>309,169</b>	<b>41,201,446</b>	<b>633,137</b>	<b>603,903</b>	<b>42,747,655</b>
<i>Movements for the year ended 31 March 2016</i>					
Additions	—	—	266,540	128,156	394,796
<b>As at 31 March 2016</b>	<b>309,169</b>	<b>41,201,446</b>	<b>899,677</b>	<b>732,159</b>	<b>43,142,451</b>
<i>Movements for the year ended 31 March 2017</i>					
Additions	—	—	243,169	57,945	301,115
<b>As at 31 March 2017</b>	<b>309,169</b>	<b>41,201,446</b>	<b>1,142,846</b>	<b>790,105</b>	<b>43,443,566</b>
<b>Accumulated amortisation:</b>					
As at 31 March 2014	6,399	10,103,929	220,543	405,284	10,736,155
<i>Movements for the year ended 31 March 2015</i>					
Amortisation charge	—	—	76,570	58,293	134,863
<b>As at 31 March 2015</b>	<b>6,399</b>	<b>10,103,929</b>	<b>297,113</b>	<b>463,577</b>	<b>10,871,018</b>
<i>Movements for the year ended 31 March 2016</i>					
Amortisation charge	—	—	165,491	85,486	250,977
<b>As at 31 March 2016</b>	<b>6,399</b>	<b>10,103,929</b>	<b>462,604</b>	<b>549,062</b>	<b>11,121,995</b>
<i>Movements for the year ended 31 March 2017</i>					
Amortisation charge	—	—	244,692	78,501	323,193
<b>As at 31 March 2017</b>	<b>6,399</b>	<b>10,103,929</b>	<b>707,296</b>	<b>627,563</b>	<b>11,445,188</b>
<b>Net book value</b>					
1 April 2014	302,770	31,097,517	91,758	177,619	31,669,664
31 March 2015	302,770	31,097,517	336,024	140,326	31,876,637
31 March 2016	302,770	31,097,517	437,073	183,097	32,020,457
31 March 2017	302,770	31,097,517	435,550	162,541	31,998,378

Included in development costs is an amount of £1,142,846 (2016 – £899,677 and 2015 – £693,137), which relates to internally generated development expenditure, of which £109,680 (2016 – £108,991 and 2015 – £Nil) relates to additions in the year. This amount has been amortised by £707,288 (2016 – £482,604 and 2015 – £297,113).

IFRS requires that, on acquisition, intangible assets are recorded at fair value. The Group has not applied the requirements of IFRS3 to acquisitions that occurred before 1 April 2014.

In accordance with IAS36, goodwill is not amortised, but is tested annually for impairment.

Goodwill on consolidation has been allocated to the following cash-generating units ("CGU") as follows for impairment testing:

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
United Kingdom	23,897,759	23,897,759	23,897,759	23,897,759
United Kingdom – Other	4,265,848	4,265,848	4,265,848	4,265,848
Sweden	1,669,762	1,669,762	1,669,762	1,669,762
Germany	352,329	352,329	352,329	352,329
North America	911,819	911,819	911,819	911,819
	<u>31,097,517</u>	<u>31,097,517</u>	<u>31,097,517</u>	<u>31,097,517</u>

The headroom on recoverable amount is sufficiently large that any reasonable movements on the assumptions used would not result in an impairment for all cash generating units except United Kingdom – Other.

The Directors have based the recoverable amount of this CGU on fair value less costs of disposal. The fair value less costs of disposal of the CGU is categorised as a level 3 recurring fair value measurement. The Directors have used a revenue multiplier of two on the actual revenue for the CGU. This is based on the Directors' market expectations for selling a unified communications business. If the revenue multiplier were to decrease to 1.75 then an impairment could arise

#### 19. Trade and other payables

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
<b>Current</b>				
Trade and other payables	954,207	1,058,696	1,228,997	1,369,080
Taxation and social security	685,443	691,476	678,101	608,090
Other creditors	185,481	236,791	85,237	236,166
Accruals	866,569	1,169,242	1,136,755	954,915
Deferred income	234,167	10,632	7,500	297,926
<b>Total trade and other payables</b>	<u>2,925,867</u>	<u>3,166,837</u>	<u>3,136,590</u>	<u>3,466,177</u>

The ageing analysis of these payables is as follows:

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
<b>Trade Payables</b>				
Within 6 months	954,207	1,058,696	1,228,998	1,369,080
6-12 months	–	–	–	–
1-5 years	–	–	–	–
Over 5 years	–	–	–	–
<b>Bank Loans (including interest)</b>				
Within 6 months	1,102,684	970,859	653,781	952,035
6-12 months	1,075,845	950,045	364,678	828,704
1-5 years	9,790,649	7,081,479	6,063,019	3,348,830
Over 5 years	–	–	–	–
<b>Loan Notes (including interest)</b>				
Within 6 months	–	–	–	–
6-12 months	–	–	–	–
1-5 years	55,690,360	55,690,360	55,690,360	55,690,360
Over 5 years	–	–	–	–
	<u>68,613,745</u>	<u>65,751,439</u>	<u>64,000,836</u>	<u>62,189,009</u>

## 20. Loans and borrowings

	As at 1 April 2014 £	As at 31 March 2015 £	As at 31 March 2016 £	As at 31 March 2017 £
<i>Current</i>				
Bank loan	1,612,732	1,440,346	597,985	1,550,176
<b>Borrowings (less than 1 year)</b>	<b>1,612,732</b>	<b>1,440,346</b>	<b>597,985</b>	<b>1,550,176</b>
<i>Non-current</i>				
Bank loan	8,436,002	6,559,883	5,961,899	3,308,794
10% unsecured loan notes	23,205,563	25,526,100	28,083,243	30,896,148
10.125% unsecured loan notes	11,460,453	12,620,675	13,908,450	15,311,135
<b>Borrowings (greater than 1 year)</b>	<b>43,102,018</b>	<b>44,706,658</b>	<b>47,953,592</b>	<b>49,516,077</b>
<b>Total borrowings</b>	<b>44,714,750</b>	<b>46,147,004</b>	<b>48,551,577</b>	<b>51,066,253</b>

All loan notes including all interest are repayable on 31 December 2019.

The bank loans are secured via a charge over the assets of Warwick Holdco Limited, Warwick Debtco Limited, Warwick Bidco Limited, MeetingZone Limited, MeetingZone GmbH, and Confy MeetingZone AB. The bank loans due within one year and due after one year at 31 March 2017 are reduced by arrangement fees of £25,055 (2016 – £101,400 and 2015 – £101,400) and £Nil (2016 – £25,055 and 2015 – £126,455) respectively.

The bank loans comprise of two facilities as follows:

- Facility B is for £6,500,000 accruing interest at LIBOR plus 4.5%;
- Facility C is for £1,430,000 accruing interest at LIBOR plus 4%.

All interest on the facilities is paid quarterly in arrears and included in other creditors is an amount of £Nil (2016 – £853 and 2015 – £Nil) in respect of the interest on all the facilities.

The repayment terms for the outstanding loans are as follows:

Facility B is repayable in quarterly instalments of £367,643 until 31 March 2018 with the balance of £3,308,794 payable on 30 June 2018.

Facility C is repayable at a rate of £104,649 per quarter ending on 30 June 2017.

## 21. Deferred tax liabilities

	As at 1 April 2014 £	As at 31 March 2015 £	As at 31 March 2016 £	As at 31 March 2017 £
<b>Deferred tax liabilities</b>				
Deferred taxation liability	119,246	158,137	101,846	72,755
	As at 1 April 2014 £	As at 31 March 2015 £	As at 31 March 2016 £	As at 31 March 2017 £
<b>Reconciliation of deferred tax balances:</b>				
Balance at beginning of period	70,532	119,246	158,137	101,846
Deferred tax (expense)/credit for the period	48,714	38,891	(56,291)	(29,091)
Balance at end of period	119,246	158,137	101,846	72,755

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	<i>As at 1 April 2014 £</i>	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
Accelerated capital allowances	121,343	167,222	110,482	81,735
Other short term timing differences	(2,097)	(9,085)	(8,636)	(8,980)
Balance at end of period	<u>119,246</u>	<u>158,137</u>	<u>101,846</u>	<u>72,755</u>

Unused tax losses carried forward, subject to agreement with local tax authorities, were as follows:

	<i>Gross losses £</i>	<i>Unrecognised deferred tax £</i>
1 April 2014	540,136	108,027
31 March 2015	536,299	107,260
31 March 2016	536,299	96,534
31 March 2017	536,299	91,171

A deferred tax asset has not been provided in these accounts due to uncertainty as to the whether the asset would be recovered.

## 22. Share capital

	<i>As at 31 March 2014 Shares £</i>	<i>As at 31 March 2015 Shares £</i>	<i>As at 31 March 2016 Shares £</i>	<i>As at 31 March 2017 Shares £</i>
Ordinary shares of £1 each	1,717,895	1,717,895	1,717,895	1,717,895

## 23. Lease commitments

The Group had total commitments under non-cancellable operating leases set out below:

	<i>As at 31 March 2015 £</i>	<i>As at 31 March 2016 £</i>	<i>As at 31 March 2017 £</i>
<b>Land and buildings</b>			
Not later than one year	82,330	99,291	364,112
Later than one year and not later than five years	730,433	576,532	373,951
Total	<u>812,763</u>	<u>675,823</u>	<u>738,063</u>

## 24. Capital commitments

There were no amounts contracted for but not provided for at any period end.

## 25. Related Party Transactions

Included within creditors due over one year of the Group are 10% unsecured loan notes and 10.125% unsecured loan notes issued to GMT Warwick Acquisitions 1 L.P., a company with common control.

	<i>31 March 2015</i>	<i>31 March 2016</i>	<i>31 March 2017</i>
10% unsecured loan note	16,350,604	17,990,246	19,793,765
10.125% unsecured loan notes	12,620,675	13,908,450	15,311,135

Included within these balances is interest accrued in the relevant years as stated below:

	31 March 2015	31 March 2016	31 March 2017
Interest accrued on 10% unsecured loan note	1,486,455	1,639,642	1,803,501
Interest accrued on 10.125% unsecured loan note	862,715	960,070	1,041,801

Included within non-current borrowings of the group is 10% unsecured loan notes issued to a combination of directors and other management.

	31 March 2014	31 March 2015	31 March 2016	31 March 2017
T Duffy	2,456,774	2,661,564	2,927,720	3,220,544
S Gandy	3,039,463	3,292,824	3,622,106	3,984,381
N Birks	73,093	79,185	87,104	95,816
Total	<u>5,569,330</u>	<u>6,033,573</u>	<u>6,636,930</u>	<u>7,300,741</u>

Included within these balances is interest accrued in the year:

	31 March 2015	31 March 2016	31 March 2017
T Duffy	217,752	266,156	292,191
S Gandy	269,398	329,282	361,648
N Birks	6,478	7,919	8,712
Total	<u>493,628</u>	<u>603,357</u>	<u>662,551</u>

During 2017 the group incurred costs of £41,860 (2016 – £43,416 and 2015 – £Nil) for datacentre services from Daisy Group Holdings Limited, a company with common directors. The amount outstanding at the year-end was £2,100 (2016 – £2,100 and 2015 – £Nil). The sales in the year were £Nil (2016 – £Nil and 2015 – £242,756).

During 2017 the group incurred costs of £987,133 (2016 – £1,069,609 and 2015 – £Nil) for international toll free minutes from Worldwide Group Limited, a company controlled by Daisy Group Holdings Limited. The amount outstanding at the year-end was £80,558 (2016 – £111,886 and 2015 – £Nil).

Included within creditors due within one year in 2017 is £62,623 (2016 – £65,277 and 2015 – £Nil) due to GMT Communications Partners LLP in respect of monitoring fees.

## 26. Ultimate controlling party

On 5 April 2017 the controlling party changed from GMT Communication Partners III L.P. to GMT Realisation Fund L.P. who now control the company by virtue of their shareholding in the company.

## 27. Transition to IFRS

The historical financial information prepared for the period ended 31 March 2017 is the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with generally accepted accounting principles in the United Kingdom (UK GAAP). The financial statements for 31 March 2017 were previously shown under FRS 102.

Accordingly, the Group has prepared financial information which complies with IFRS applicable for periods beginning on or after 1 April 2017, as described in the summary of significant accounting policies. In preparing the financial information, the Group's opening statement of financial position was prepared as at 1 April 2014, the Group's date of transition to IFRS. In restating its UK GAAP financial statements, the Group has reversed a charge for the amortisation of goodwill in accordance with accounting policies described.

	As at 31 March 2017 £
Retained earnings reported in accordance with UK GAAP	(26,447,248)
Transition adjustments:	
Amortisation of intangibles	12,461,046
Holiday pay accrual	–
Foreign exchange reserve	224,218
<b>Retained earnings reported in accordance with IFRS</b>	<b><u>(13,761,984)</u></b>

A summary of the impact of transition to the consolidated income statement is as follows:

	As at 31 March 2017 £
<b>Total recognised gains and losses for the financial period per UKGAAP</b>	<b>(4,654,521)</b>
IFRS Transition adjustments:	
Amortisation of intangibles	4,150,542
Holiday pay accrual	–
<b>Total comprehensive income per IFRS</b>	<b><u>(503,979)</u></b>

## 28. Post balance sheet events

In July 2017 the Group signed an extension to their current banking facility. The new arrangement consists of two facilities as follows:

- Facility A is for £8,900,000 accruing interest at LIBOR plus 4% and is repayable in bi-annual instalments commencing 31 December 2017 until 2023;
- Facility B is for £13,400,000 accruing interest at LIBOR plus 4.50% and is repayable in 2024.



## SECTION C: UNAUDITED INTERIM FINANCIAL INFORMATION ON THE MEETINGZONE GROUP



The Directors  
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16 May 2018

Dear Sirs

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**LoopUp Group plc (the “Company”) and its Subsidiary Undertakings (together the “LoopUp Group”), together with Warwick Holdco Limited (“Warwick Holdco”) and its Subsidiary Undertakings (together the “MeetingZone Group”) (the LoopUp Group and the MeetingZone Group together the “Enlarged Group”)**

### **– Review Report on Unaudited Interim Financial Information of the MeetingZone Group**

We have been engaged by the Company to review the MeetingZone Group’s unaudited interim financial information for the nine months ended 31 December 2017, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statement of changes in equity and the related explanatory notes, set out in Section C of Part VI of the Company’s AIM admission document dated 16 May 2018 (the **“Unaudited Interim Financial Information”**). We have read the other information contained in the Company’s AIM admission document dated 16 May 2018 (the **“Admission Document”**) and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Interim Financial Information.

This report is made solely to the Company in accordance with guidance contained in ISRE (UK and Ireland) 2410, ‘Review of Interim Financial Information performed by the Independent Auditor of the Entity’. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed or consenting to its inclusion in the Admission Document.

### **Directors’ responsibilities**

The Admission Document and the Unaudited Interim Financial Information are the responsibility of, and have been approved by, the directors of the Company. The AIM rules of the London Stock Exchange plc require that the accounting policies and presentation applied to the Unaudited Interim Financial Information in the Admission Document are consistent with those which will be adopted in the Group’s next published annual financial statements having regard to the accounting standards applicable for such annual financial statements and the requirements of paragraph 20.6 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by Paragraph (a) of Schedule Two of the AIM Rules for Companies.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the Unaudited Interim Financial Information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the United Kingdom. A review of unaudited interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Interim Financial Information is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the Unaudited Interim Financial Information.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully,

GRANT THORNTON UK LLP

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<i>Unaudited 3 month period ended 31 March 2016 £</i>	<i>Unaudited 9 month period ended 31 December 2016 £</i>	<i>Unaudited 3 month period ended 31 March 2017 £</i>	<i>Unaudited 9 month period ended 31 December 2017 £</i>
	<i>Note</i>				
<b>Revenue</b>	2	5,187,942	15,699,228	5,686,373	16,775,519
Cost of sales		<u>(1,475,017)</u>	<u>(4,604,286)</u>	<u>(1,712,960)</u>	<u>(5,729,744)</u>
<b>Gross profit</b>		<u>3,712,925</u>	<u>11,094,942</u>	<u>3,973,413</u>	<u>11,045,775</u>
<b>Expenses</b>					
Administrative expenses		<u>(2,473,935)</u>	<u>(8,201,992)</u>	<u>(2,743,151)</u>	<u>(8,797,760)</u>
<b>Operating profit</b>		<u><b>1,238,990</b></u>	<u><b>2,892,950</b></u>	<u><b>1,230,262</b></u>	<u><b>2,248,015</b></u>
Analysed as:					
<b>Adjusted EBITDA</b>	3	<b>1,541,607</b>	<b>3,921,214</b>	<b>1,523,804</b>	<b>3,458,039</b>
Depreciation		119,884	322,518	113,779	303,916
Amortisation		88,832	250,296	72,898	269,474
Finance costs*		86,376	245,789	78,428	208,364
Exceptional costs		7,525	209,661	28,437	428,270
<b>Operating profit</b>		<b>1,238,990</b>	<b>2,892,950</b>	<b>1,230,262</b>	<b>2,248,015</b>
Finance income		2,270	17,095	3,060	4,549
Finance expenses		<u>(1,074,005)</u>	<u>(3,383,224)</u>	<u>(1,132,276)</u>	<u>(3,027,717)</u>
<b>Profit/(loss) before tax</b>		167,255	(473,179)	101,046	(775,153)
Tax (expense)/credit	4	<u>34,733</u>	<u>(145,734)</u>	<u>215,547</u>	<u>(48,599)</u>
<b>Profit/(loss) for the period</b>		<u>201,988</u>	<u>(618,913)</u>	<u>316,593</u>	<u>(823,752)</u>
<b>Other comprehensive income:</b>					
<b>Items that will or may be reclassified to profit or loss:</b>					
Currency translation differences		<u>100,993</u>	<u>(238,082)</u>	<u>36,423</u>	<u>(9,657)</u>
<b>Total comprehensive income for the year</b>		<u><b>302,981</b></u>	<u><b>(856,995)</b></u>	<u><b>353,016</b></u>	<u><b>(833,409)</b></u>

\* Monitoring fees and loan amortisation (see note 3)

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<i>Unaudited 3 month period ended 31 March 2016 £</i>	<i>Unaudited 9 month period ended 31 December 2016 £</i>	<i>Unaudited 3 month period ended 31 March 2017 £</i>	<i>Unaudited 9 month period ended 31 December 2017 £</i>
	<i>Note</i>				
<b>Profit/(loss) for the year attributable to:</b>					
Owners of the parent		201,988	(618,913)	316,593	(823,752)
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		302,981	(856,995)	353,016	(833,409)
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>					
<b>Profit or loss</b>					
Basic (pence)	5	11.76	(36.03)	18.43	(47.95)
Diluted (pence)	5	11.76	(36.03)	18.43	(47.95)

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<i>As at</i>	<i>Unaudited</i>	<i>As at</i>	<i>Unaudited</i>
		<i>31 March</i>	<i>as at</i>	<i>31 March</i>	<i>as at</i>
		<i>2016</i>	<i>31 December</i>	<i>2017</i>	<i>31 December</i>
	<i>Note</i>	<i>£</i>	<i>2016</i>	<i>£</i>	<i>2017</i>
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	2,523,733	3,128,314	4,016,825	1,897,499
Trade and other receivables	7	3,873,759	3,969,406	4,510,875	5,038,686
Corporation tax		–	–	101,350	170,076
Inventories	8	19,101	19,153	20,231	21,076
		<u>6,416,593</u>	<u>7,116,873</u>	<u>8,649,281</u>	<u>7,127,337</u>
<b>Non-current assets</b>					
Property, plant and equipment	10	2,007,448	1,959,296	2,004,587	1,778,788
Intangible assets	11	32,020,457	31,956,563	31,998,378	31,958,173
		<u>34,027,905</u>	<u>33,915,859</u>	<u>34,002,965</u>	<u>33,736,961</u>
<b>Total assets</b>		<u>40,444,498</u>	<u>41,032,732</u>	<u>42,652,246</u>	<u>40,864,298</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	12	3,136,590	2,560,622	3,466,177	3,437,416
Loans and borrowings	13	597,985	1,629,475	1,550,176	1,436,630
Corporation tax payable		103,445	243,761	–	–
		<u>3,838,020</u>	<u>4,433,858</u>	<u>5,016,353</u>	<u>4,874,046</u>
<b>Non-current liabilities</b>					
Loans and borrowings	13	47,953,592	48,815,969	49,516,077	48,749,051
Deferred tax liabilities	14	101,846	88,860	72,755	27,549
		<u>48,055,438</u>	<u>48,904,829</u>	<u>49,588,832</u>	<u>48,776,600</u>
<b>Total liabilities</b>		<u>51,893,458</u>	<u>53,338,687</u>	<u>54,605,185</u>	<u>53,650,646</u>
<b>NET LIABILITIES</b>		<u>(11,448,960)</u>	<u>(12,305,955)</u>	<u>(11,952,939)</u>	<u>(12,786,348)</u>
<b>Equity attributable to shareholders</b>					
Share capital	15	1,717,895	1,717,895	1,717,895	1,717,895
Share premium		315,368	315,368	315,368	315,368
Foreign exchange reserve		(22,559)	(260,641)	(224,218)	(233,875)
Retained earnings		<u>(13,459,664)</u>	<u>(14,078,577)</u>	<u>(13,761,984)</u>	<u>(14,585,736)</u>
<b>Total equity</b>		<u>(11,448,960)</u>	<u>(12,305,955)</u>	<u>(11,952,939)</u>	<u>(12,786,348)</u>

# **CONSOLIDATED STATEMENT OF CASH FLOW**

		<i>Unaudited 3 months to 31 March 2016 £</i>	<i>Unaudited 9 months to 31 December 2016 £</i>	<i>Unaudited 3 months to 31 March 2017 £</i>	<i>Unaudited 9 months to 31 December 2017 £</i>
	<i>Note</i>				
<b>Cash flows from operating activities</b>					
Profit/(loss) for the period		201,988	(618,913)	316,593	(823,752)
<b>Adjusted by:</b>					
Loan fee release		25,350	76,050	(76,050)	47,277
Depreciation and impairment	10	119,885	322,519	113,779	303,916
Amortisation of intangible assets	11	88,833	250,295	72,898	269,475
Taxation (credit)/charge		(34,733)	145,734	(215,547)	48,599
Net interest expense		1,071,735	3,366,129	1,129,216	3,023,168
		<u>1,473,058</u>	<u>3,541,814</u>	<u>1,340,889</u>	<u>2,868,683</u>
Decrease/(increase) in inventories		159	(52)	(1,078)	(845)
Increase in trade and other receivables		(390,373)	(26,112)	(545,784)	(533,772)
Increase/(decrease) in payables and provisions		<u>15,011</u>	<u>(606,270)</u>	<u>1,005,815</u>	<u>(968)</u>
<b>Cash inflow generated from operations</b>		<u>1,097,855</u>	<u>2,909,380</u>	<u>1,799,842</u>	<u>2,333,098</u>
Taxation paid		<u>(19,069)</u>	<u>(18,404)</u>	<u>(147,074)</u>	<u>(162,531)</u>
<b>Net cash inflow from operating activities</b>		<u>1,078,786</u>	<u>2,890,976</u>	<u>1,652,768</u>	<u>2,170,567</u>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(35,402)	(274,368)	(159,068)	(78,117)
Purchase of intangible assets		(185,185)	(186,402)	(114,713)	(229,269)
Interest received		<u>2,270</u>	<u>17,095</u>	<u>3,060</u>	<u>4,549</u>
<b>Net cash used in investing activities</b>		<u>(218,317)</u>	<u>(443,675)</u>	<u>(270,721)</u>	<u>(302,837)</u>
<b>Cash flows from financing activities</b>					
Repayment of loan notes		–	–	–	(19,750,000)
Loan advanced		–	–	–	22,300,000
Bank fees paid		–	–	–	(334,500)
Repayment of bank loan		(385,437)	(1,330,021)	(472,293)	(5,625,692)
Interest paid		<u>(87,524)</u>	<u>(235,386)</u>	<u>(64,524)</u>	<u>(545,375)</u>
<b>Net cash flows used in financing activities</b>		<u>(472,961)</u>	<u>(1,565,407)</u>	<u>(536,817)</u>	<u>(3,955,567)</u>
<b>Net change in cash and cash equivalents for the period</b>		<u>387,508</u>	<u>881,894</u>	<u>845,230</u>	<u>(2,087,837)</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>2,061,711</u>	<u>2,523,733</u>	<u>3,128,314</u>	<u>4,016,825</u>
Exchange adjustments		<u>74,514</u>	<u>(277,313)</u>	<u>43,281</u>	<u>(31,489)</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>2,523,733</u>	<u>3,128,314</u>	<u>4,016,825</u>	<u>1,897,499</u>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Share capital £</i>	<i>Share premium £</i>	<i>exchange reserve £</i>	<i>Foreign Retained earnings £</i>	<i>Total £</i>
<b>Equity as at 1 January 2016</b>	1,717,895	315,368	(123,552)	(13,661,652)	(11,751,941)
<b>Comprehensive income for the 3m period ended 31 March 2016</b>					
Profit	–	–	–	201,988	201,988
<b>Other comprehensive income:</b>					
Currency translation differences (unaudited)	–	–	100,993	–	100,993
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>100,993</u>	<u>201,988</u>	<u>302,981</u>
<b>Equity as at 31 March 2016</b>	1,717,895	315,368	(22,559)	(13,459,664)	(11,448,960)
<b>Comprehensive income for the 9m period ended 31 December 2016</b>					
Loss	–	–	–	(618,913)	(618,913)
<b>Other comprehensive income:</b>					
Currency translation differences (unaudited)	–	–	(238,082)	–	(238,082)
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>(238,082)</u>	<u>(618,913)</u>	<u>(856,995)</u>
<b>Equity as at 31 December 2016</b>	1,717,895	315,368	(260,641)	(14,078,577)	(12,305,955)
<b>Comprehensive income for the 3m period ended 31 March 2017</b>					
Profit	–	–	–	316,593	316,593
<b>Other comprehensive income:</b>					
Currency translation differences (unaudited)	–	–	36,423	–	36,423
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>36,423</u>	<u>316,593</u>	<u>353,016</u>
<b>Equity as at 31 March 2017</b>	1,717,895	315,368	(224,218)	(13,761,984)	(11,952,939)
<b>Comprehensive income for the 9m period ended 31 December 2017</b>					
Loss	–	–	–	(823,752)	(823,752)
<b>Other comprehensive income:</b>					
Currency translation differences (unaudited)	–	–	(9,657)	–	(9,657)
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>(9,657)</u>	<u>(823,752)</u>	<u>(833,409)</u>
<b>Equity as at 31 December 2017</b>	<u>1,717,895</u>	<u>315,368</u>	<u>(233,875)</u>	<u>(14,585,736)</u>	<u>(12,786,348)</u>

## 1. General information

The unaudited interim financial information is in respect of Warwick Holdco Limited and its subsidiaries.

That group is defined in this document as the MeetingZone Group, but solely for the purpose of this unaudited interim financial information is defined as, and referred to as, the Group.

Warwick Holdco Limited (the "Company") is a limited company incorporated and domiciled in England and Wales. The registered office of the Company is Oxford House, Oxford Road, Thame, Oxon, OX9 2AH, United Kingdom. The registered company number is 07706694. A list of the Company's subsidiaries, (together with the Company, the "Group") is presented in Note 8.

The Group's principal activities are that of the provision of conferencing and collaboration services and support to international companies and organisations.

### **Basis of preparation**

This interim information, which is unaudited, shows the consolidated results of Warwick Holdco Limited and its subsidiaries for the three months ended 31 March 2016 and 31 March 2017 and the nine months ended 31 December 2016 and 31 December 2017.

The accounting policies used in the preparation of the financial information for the nine months ended 31 December 2017 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union and are consistent with those adopted in the Financial Information for the years ended 31 March 2015, 31 March 2016 and 31 March 2017.

After carrying out a review and evaluation of the principal risks and uncertainties faced by the business, the directors believe that the Group are well placed to manage their risks and cash flows effectively. The group has net liabilities as at 31 December 2017. In the year ended 31 March 2017, the Group successfully negotiated new long term financing from the bank to underpin the strategic business plan. Based on strong operational and cash flow growth projections, the directors consider that the Company and Group has sufficient resources to continue in operational existence for the foreseeable future and that the adoption of the going concern basis is appropriate when preparing the financial statements.

Warwick Holdco Limited has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK private groups, in the preparation of this unaudited financial information.

This financial information does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. Warwick Holdco Limited prepared company and consolidated statutory accounts for each of the two years ended 31 March 2017 under UK Generally Accepted Accounting Practice, which have been filed with the Registrar of Companies. Those statutory accounts have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Reports and Financial Statements for 2016 and 2017 were unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The directors of LoopUp Group plc are responsible for this financial information.

## 2. Segmental reporting

Management consider that the Group consists of a single segment, and operates within the United Kingdom. No single customer provides more than 10% of the Group turnover.

	<i>Unaudited 3 month period ended 31 March 2016 £</i>	<i>Unaudited 9 month period ended 31 December 2016 £</i>	<i>Unaudited 3 month period ended 31 March 2017 £</i>	<i>Unaudited 9 month period ended 31 December 2017 £</i>
<b>Revenue</b>				
United Kingdom	3,943,362	11,684,008	4,248,918	12,641,768
Rest of Europe	878,109	2,807,957	987,183	2,789,971
Rest of World	366,471	1,207,263	450,272	1,343,780
	<u>5,187,942</u>	<u>15,699,228</u>	<u>5,686,373</u>	<u>16,775,519</u>

### 3. Unaudited reconciliation of Adjusted EBITDA

The Board assesses the underlying performance of the Group using alternative performance measures (namely Adjusted EBITDA) as in the Board's view, this presents a more meaningful assessment for the underlying performance of the business.

Adjusted EBITDA is defined as operating profit stated before:

- Depreciation
- Amortisation of intangible fixed assets
- Monitoring fees and loan note interest related to the Group's private equity ownership structure
- Other costs considered by the Board to be exceptional, either by virtue of size or incidence

A reconciliation of Adjusted EBITDA to operating profit is set out below.

It is important to note that alternative performance measures are not defined under IFRS and therefore defined as "non GAAP" measures. The alternative performance measures used by the Group may not be directly comparable to similarly titled measures reported by other companies. They are not intended to be a substitute for, or be superior to GAAP measurements of performance.

	<i>Unaudited 3 month period ended 31 March 2016 £</i>	<i>Unaudited 9 month period ended 31 December 2016 £</i>	<i>Unaudited 3 month period ended 31 March 2017 £</i>	<i>Unaudited 9 month period ended 31 December 2017 £</i>
Operating profit	1,238,990	2,892,950	1,230,262	2,248,015
Depreciation (note 10)	119,884	322,518	113,779	303,916
Amortisation (note 11)	88,832	250,296	72,898	269,474
Monitoring fees	61,026	169,739	53,198	161,087
Loan fee amortisation	25,350	76,050	25,230	47,277
Exceptional costs	7,525	209,661	28,437	428,270
<b>Unaudited Adjusted EBITDA</b>	<b>1,541,607</b>	<b>3,921,214</b>	<b>1,523,804</b>	<b>3,458,039</b>

Exceptional costs during the period consists of the following:

	<i>Unaudited 3 month period ended 31 March 2016 £</i>	<i>Unaudited 9 month period ended 31 December 2016 £</i>	<i>Unaudited 3 month period ended 31 March 2017 £</i>	<i>Unaudited 9 month period ended 31 December 2017 £</i>
Redundancy	6,001	125,963	–	156,862
Financing costs	–	43,146	–	233,108
Legal costs	–	–	16,014	–
Merger & acquisitions activity	–	39,557	11,426	35,160
US taxes	1,524	995	997	3,140
<b>Unaudited total exceptional costs</b>	<b>7,525</b>	<b>209,661</b>	<b>28,437</b>	<b>428,270</b>

### 4. Taxation

	<i>Unaudited 3 months to 31 March 2016 £</i>	<i>Unaudited 9 months to 31 December 2016 £</i>	<i>Unaudited 3 months to 31 March 2017 £</i>	<i>Unaudited 9 months to 31 December 2017 £</i>
Current tax	20,888	158,720	(199,442)	93,805
Deferred tax	(55,621)	(12,986)	(16,105)	(45,206)
<b>Total tax expense</b>	<b>(34,733)</b>	<b>145,734</b>	<b>(215,547)</b>	<b>48,599</b>

## 5. Earnings/(loss) per share

	<i>Unaudited 3 months to 31 March 2016 £</i>	<i>Unaudited 9 months to 31 December 2016 £</i>	<i>Unaudited 3 months to 31 March 2017 £</i>	<i>Unaudited 9 months to 31 December 2017 £</i>
<b>Basic and diluted</b>				
Profit/(loss) for the year after tax	201,988	(618,913)	316,593	(823,752)
Weighted average number of shares in issue for the period (number)	1,717,895	1,717,895	1,717,895	1,717,895
Earnings/(loss) per share (Pence)	<u>11.76</u>	<u>(36.03)</u>	<u>18.43</u>	<u>(47.95)</u>

## 6. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	<i>As at 31 March 2016 £</i>	<i>Unaudited as at 31 December 2016 £</i>	<i>As at 31 March 2017 £</i>	<i>Unaudited as at 31 December 2017 £</i>
Cash and cash equivalents	<u>2,523,733</u>	<u>3,128,314</u>	<u>4,016,825</u>	<u>1,897,499</u>

## 7. Trade and other receivables

	<i>As at 31 March 2016 £</i>	<i>Unaudited as at 31 December 2016 £</i>	<i>As at 31 March 2017 £</i>	<i>Unaudited as at 31 December 2017 £</i>
Trade receivables	2,244,195	2,361,190	2,274,452	3,052,633
Other receivables	155,405	250,595	266,634	89,937
Prepayments	489,067	510,948	779,665	681,955
Accrued income	985,092	846,673	1,190,124	1,214,161
	<u>3,873,759</u>	<u>3,969,406</u>	<u>4,510,875</u>	<u>5,038,686</u>

## 8. Inventories

	<i>As at 31 March 2016 £</i>	<i>Unaudited as at 31 December 2016 £</i>	<i>As at 31 March 2017 £</i>	<i>Unaudited as at 31 December 2017 £</i>
Goods for resale	<u>19,101</u>	<u>19,153</u>	<u>20,231</u>	<u>21,076</u>

## 9. Investment in subsidiaries

The Group's principal operating subsidiaries as at 31 March 2016, 31 December 2016, 31 March 2017 and 31 December 2017 are as follows:

<i>Subsidiary undertakings</i>	<i>Registered office</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
Warwick Debtco Limited	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	Provision of finance to its subsidiary
Warwick Bidco Limited*	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	A holding company
MeetingZone Limited*	Oxford House, Oxford Road, Thame, Oxon, OX9 2AH	100%	Provision of conferencing and collaboration services
MeetingZone GmbH*	Knesebeckstraße 3 D-10623 Berlin, Germany	100%	Provision of conferencing and collaboration services
MeetingZone Inc.*	Corporation Trust Centre 1209 Orange St, Wilmington Newcastle, USA	100%	Provision of conferencing and collaboration services
MeetingZone Canada Limited*	1155 North Service Road West, Unit 11 Oakville, Ontario L6M 3E3, Canada	100%	Provision of conferencing and collaboration services
Confy MeetingZone AB*	Södra Förstadsgatan 40a, 211 43 Malmö, Sweden	100%	Provision of conferencing and collaboration services
Confy MeetingZone AS*	Karenslyst Allé 8B, 0278 Oslo, Norway	100%	Provision of conferencing and collaboration services
MeetingZone (Hong Kong) Limited*	20th Floor, One International Finance Centre, 1 Harbour View St. Central, Hong Kong	100%	Provision of conferencing and collaboration services

\*held indirectly

## 10. Property, plant and equipment

	<i>Leasehold property £</i>	<i>Fixtures and fittings £</i>	<i>Computer equipment £</i>	<i>Total £</i>
<b>Cost:</b>				
<b>As at 31 December 2015</b>	<b>167,595</b>	<b>23,297</b>	<b>5,333,178</b>	<b>5,524,070</b>
<i>Movements for the 3 months ended 31 March 2016</i>				
Additions	1,220	—	34,182	35,402
<b>As at 31 March 2016</b>	<b>168,815</b>	<b>23,297</b>	<b>5,367,360</b>	<b>5,559,472</b>
<i>Movements for the 9 months ended 31 December 2016</i>				
Additions	32,528	—	241,838	274,366
<b>As at 31 December 2016</b>	<b>201,343</b>	<b>23,297</b>	<b>5,609,198</b>	<b>5,833,838</b>
<i>Movements for the 3 months ended 31 March 2017</i>				
Additions	21	—	159,049	159,070
<b>As at 31 March 2017</b>	<b>201,364</b>	<b>23,297</b>	<b>5,768,247</b>	<b>5,992,908</b>
<i>Movements for the 9 months ended 31 December 2017</i>				
Additions	4,638	—	73,479	78,117
<b>As at 31 December 2017</b>	<b>206,002</b>	<b>23,297</b>	<b>5,841,726</b>	<b>6,071,025</b>

	<i>Leasehold property £</i>	<i>Fixtures and fittings £</i>	<i>Computer equipment £</i>	<i>Total £</i>
<b>Accumulated depreciation:</b>				
<b>As at 31 December 2015</b>	<b>112,445</b>	<b>23,297</b>	<b>3,296,398</b>	<b>3,432,140</b>
<i>Movements for the 3 months ended 31 March 2016</i>				
Depreciation charge	7,298	—	112,586	119,884
<b>As at 31 March 2016</b>	<b>119,743</b>	<b>23,297</b>	<b>3,408,984</b>	<b>3,552,024</b>
<i>Movements for the 9 months ended 31 December 2016</i>				
Depreciation charge	18,758	—	303,760	322,518
<b>As at 31 December 2016</b>	<b>138,501</b>	<b>23,297</b>	<b>3,712,744</b>	<b>3,874,542</b>
<i>Movements for the 3 months ended 31 March 2017</i>				
Depreciation charge	6,243	—	107,536	113,779
<b>As at 31 March 2017</b>	<b>144,744</b>	<b>23,297</b>	<b>3,820,280</b>	<b>3,988,322</b>
<i>Movements for the 9 months ended 31 December 2017</i>				
Depreciation charge	18,481	—	285,435	303,916
<b>As at 31 December 2017</b>	<b>163,225</b>	<b>23,297</b>	<b>4,105,715</b>	<b>4,292,237</b>
<b>Net book value</b>				
31 December 2015	55,150	—	2,036,780	2,091,930
31 March 2016	49,072	—	1,958,376	2,007,448
31 December 2016	62,842	—	1,896,454	1,959,296
31 March 2017	56,620	—	1,947,967	2,004,587
31 December 2017	42,777	—	1,736,011	1,778,788

# 11. Intangible assets

	<i>Purchased goodwill £</i>	<i>Goodwill on consolidation £</i>	<i>Development costs £</i>	<i>Software costs £</i>	<i>Total £</i>
<b>Cost:</b>					
<b>As at 31 December 2015</b>	<b>309,169</b>	<b>41,201,446</b>	<b>764,897</b>	<b>681,754</b>	<b>42,957,266</b>
<i>Movements for the 3 months ended 31 March 2016</i>					
Additions	—	—	134,780	50,405	185,185
<b>As at 31 March 2016</b>	<b>309,169</b>	<b>41,201,446</b>	<b>899,677</b>	<b>732,159</b>	<b>43,142,451</b>
<i>Movements for the 9 months ended 31 December 2016</i>					
Additions	—	—	138,130	48,272	186,402
<b>As at 31 December 2016</b>	<b>309,169</b>	<b>41,201,446</b>	<b>1,037,807</b>	<b>780,431</b>	<b>43,328,853</b>
<i>Movements for the 3 months ended 31 March 2017</i>					
Additions	—	—	105,039	9,674	114,713
<b>As at 31 March 2017</b>	<b>309,169</b>	<b>41,201,446</b>	<b>1,142,846</b>	<b>790,105</b>	<b>43,443,566</b>
<i>Movements for the 9 months ended 31 December 2017</i>					
Additions	151,388	—	51,338	26,543	229,269
<b>As at 31 December 2017</b>	<b>460,557</b>	<b>41,201,446</b>	<b>1,194,184</b>	<b>816,648</b>	<b>43,672,835</b>

	<i>Purchased goodwill</i> £	<i>Goodwill on consolidation</i> £	<i>Development costs</i> £	<i>Software costs</i> £	<i>Total</i> £
<b>Accumulated amortisation:</b>					
<b>As at 31 December 2015</b>	<b>6,399</b>	<b>10,103,929</b>	<b>415,438</b>	<b>507,396</b>	<b>11,033,162</b>
<i>Movements for the 3 months ended 31 March 2016</i>					
Amortisation charge	—	—	67,166	21,666	88,832
<b>As at 31 March 2016</b>	<b>6,399</b>	<b>10,103,929</b>	<b>482,604</b>	<b>529,062</b>	<b>11,121,994</b>
<i>Movements for the 9 months ended 31 December 2016</i>					
Amortisation charge	—	—	184,701	65,595	250,296
<b>As at 31 December 2016</b>	<b>6,399</b>	<b>10,103,929</b>	<b>667,305</b>	<b>594,657</b>	<b>11,372,290</b>
<i>Movements for the 3 months ended 31 March 2017</i>					
Amortisation charge	—	—	59,991	12,907	72,898
<b>As at 31 March 2017</b>	<b>6,399</b>	<b>10,103,929</b>	<b>727,296</b>	<b>607,564</b>	<b>11,445,188</b>
<i>Movements for the 9 months ended 31 December 2017</i>					
Amortisation charge	—	—	211,925	57,549	269,474
<b>As at 31 December 2017</b>	<b>6,399</b>	<b>10,103,929</b>	<b>939,221</b>	<b>665,113</b>	<b>11,714,662</b>
<b>Net book value</b>					
31 December 2015	302,770	31,097,517	349,459	174,358	31,924,104
31 March 2016	302,770	31,097,517	437,073	183,097	32,020,457
31 December 2016	302,770	31,097,517	390,502	165,774	31,956,563
31 March 2017	302,770	31,097,517	435,550	162,541	31,998,378
31 December 2017	454,158	31,097,517	274,963	131,535	31,958,173

## 12. Trade and other payables

	<i>As at 31 March 2016</i> £	<i>Unaudited as at 31 December 2016</i> £	<i>As at 31 March 2017</i> £	<i>Unaudited as at 31 December 2017</i> £
<b>Current</b>				
Trade and other payables	1,228,997	535,067	1,369,080	1,442,654
Taxation and social security	678,101	674,441	608,090	671,155
Other creditors	85,237	178,618	236,166	150,211
Accruals	1,136,755	916,876	954,915	642,140
Deferred income	7,500	255,620	297,926	531,256
<b>Total trade and other payables</b>	<b>3,136,590</b>	<b>2,560,622</b>	<b>3,466,177</b>	<b>3,437,416</b>



### 13. Loans and borrowings

	As at 31 March 2016 £	Unaudited as at 31 December 2016 £	As at 31 March 2017 £	Unaudited as at 31 December 2017 £
<i>Current</i>				
Bank loan	597,985	1,629,475	1,550,176	1,436,630
<b>Borrowings (less than 1 year)</b>	<b>597,985</b>	<b>1,629,475</b>	<b>1,550,176</b>	<b>1,436,630</b>
<i>Non-current</i>				
Bank loan	5,961,899	3,676,437	3,308,794	19,809,425
10% unsecured loan notes	28,083,243	30,185,788	30,896,148	12,532,734
10.125% unsecured loan notes	13,908,450	14,953,744	15,311,135	16,406,892
<b>Borrowings (greater than 1 year)</b>	<b>47,953,592</b>	<b>48,815,969</b>	<b>49,516,077</b>	<b>48,749,051</b>
<b>Total borrowings</b>	<b>48,551,577</b>	<b>50,445,444</b>	<b>51,066,253</b>	<b>50,185,681</b>

### 14. Deferred tax liabilities

	As at 31 March 2016 £	Unaudited as at 31 December 2016 £	As at 31 March 2017 £	Unaudited as at 31 December 2017 £
<b>Deferred tax liabilities</b>				
Deferred taxation liability	101,846	88,860	72,755	27,549
	As at 31 March 2016 £	Unaudited as at 31 December 2016 £	As at 31 March 2017 £	Unaudited as at 31 December 2017 £
<b>Reconciliation of deferred tax balances:</b>				
Balance at beginning of period	157,467	101,846	88,860	72,755
Deferred tax (expense)/credit for the period	(55,621)	(12,986)	(16,105)	(45,206)
Balance at end of period	101,846	88,860	72,755	27,549

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	As at 31 March 2016 £	Unaudited as at 31 December 2016 £	As at 31 March 2017 £	Unaudited as at 31 December 2017 £
Accelerated capital allowances	110,482	97,496	81,735	36,529
Other short term timing differences	(8,636)	(8,636)	(8,980)	(8,980)
Balance at end of period	101,846	88,860	72,755	27,549

### 15. Share capital

	As at 31 March 2016 Shares	Unaudited as at 31 December 2016 Shares	As at 31 March 2017 Shares	Unaudited as at 31 December 2017 Shares
Ordinary shares of £1 each	1,717,895	1,717,895	1,717,895	1,717,895

## PART VII

### UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE ENLARGED GROUP

The unaudited pro forma statement of net assets and the unaudited pro forma income statement (together, the “**Unaudited Pro Forma Financial Information for the Enlarged Group**”) set out in this Part VII (*Unaudited Pro Forma Financial Information*) of this document have been prepared on the basis set out in the notes below to illustrate the effect of the acquisition and the associated refinancing on LoopUp Group plc's net assets, as if the event had taken place as of 31 December 2017 and on the income statement of the LoopUp Group plc for the year ended 31 December 2017 as if the event had taken place on 1 January 2017.

The Unaudited Pro Forma Financial Information for the Enlarged Group has been prepared for illustrative purposes only and by its nature addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position or results.

The Unaudited Pro Forma Financial Information for the Enlarged Group does not constitute financial statements. Shareholders should read the whole of this document and not rely solely on the financial information contained in this Part VII (*Unaudited Pro Forma Financial Information for the Enlarged Group*).

The financial information contained in this Part VII has been prepared using the LoopUp Group plc accounting policies from the Annual Report and Accounts 2017.

The Unaudited Pro Forma Financial Information for the Enlarged Group does not purport to represent what the Enlarged Group's financial position or results actually would have been if the acquisition had been completed on the dates indicated nor do they purport to represent the financial condition at any future date.

In addition to the matters noted above, the Unaudited Pro Forma Financial Information for the Enlarged Group does not reflect the effect of any anticipated synergies and efficiencies associated with the Acquisition.

## Pro Forma Net Assets

	LoopUp Group 31 December 2017 £'000 Note 1	MeetingZone Group 31 December 2017 £'000 Note 2	Net proceeds of the Placing and the Term Loan £'000 Note 3	Acquisition adjustments £'000 Note 4	Pro forma Enlarged Group 31 December 2017 £'000
<b>Non-current assets</b>					
Goodwill	—	—	—	24,001	24,001
Intangible assets	6,142	31,958	—	—	38,100
Property, plant & equipment	466	1,779	—	—	2,245
	<b>6,608</b>	<b>33,737</b>	<b>—</b>	<b>24,001</b>	<b>64,346</b>
<b>Current assets</b>					
Trade and other receivables	3,348	5,039	—	—	8,387
Cash and cash equivalent	2,902	1,897	63,000	(61,400)	6,399
Current tax	904	170	—	—	1,074
Inventories	—	21	—	—	21
	<b>7,154</b>	<b>7,127</b>	<b>63,000</b>	<b>(61,400)</b>	<b>15,881</b>
<b>Current liabilities</b>					
Trade and other payables	(2,118)	(3,437)	—	—	(5,555)
Accruals and deferred income	(1,189)	—	—	—	(1,189)
Borrowings	—	(1,437)	(1,700)	1,437	(1,700)
	<b>(3,307)</b>	<b>(4,874)</b>	<b>(1,700)</b>	<b>1,437</b>	<b>(8,444)</b>
<b>Non-current liabilities</b>					
Borrowings	—	(48,749)	(15,050)	48,749	(15,050)
Deferred tax liabilities	—	(28)	—	—	(28)
	<b>—</b>	<b>(48,777)</b>	<b>(15,050)</b>	<b>48,749</b>	<b>(15,078)</b>
<b>Net current assets</b>	<b>3,847</b>	<b>2,253</b>			<b>7,437</b>
<b>Total liabilities</b>	<b>(3,307)</b>	<b>(53,651)</b>			<b>23,522</b>
<b>Net assets/(liabilities)</b>	<b>10,455</b>	<b>(12,786)</b>			<b>56,705</b>

### Notes:

- The net assets of the LoopUp Group have been extracted without material adjustment from the audited financial statements for the year to 31 December 2017.
- The net assets of the MeetingZone Group have been extracted without material adjustment from the unaudited interim financial information set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document.
- Reflects the fundraising associated with the transaction:
  - The cash and cash equivalents figure represents the net proceeds of the Placing of £46.0 million (£50.0 million less estimated expenses of £4.0 million) plus £17.0 million Term Loan from the Bank of Ireland.
  - The borrowings from the Bank of Ireland are shown net of the bank arrangement fee.
- The adjustments arising as a result of the acquisition are set out below:

	£'000
Consideration	61,400
Less: net assets acquired	37,399
Pro forma goodwill adjustment	<u>24,001</u>

- The cash consideration has been calculated with reference to the criteria set out within the Acquisition Agreements as summarised in Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.
- Net assets acquired represent the net liabilities of the MeetingZone Group at 31 December 2017 of £12.8 million adjusted for the elimination of the MeetingZone Group's borrowings at that date of £50.2 million.

No purchase price allocation assumptions in relation to the value of any acquired MeetingZone Group intangible assets have been included in this Pro Forma Statement of Net Assets. All purchase consideration in excess of the MeetingZone Group net asset value has therefore been treated as goodwill.

After completion, but ahead of 31 December 2018, the Board will be required to undertake a fair value exercise of the identifiable assets and liabilities of the acquired business to assess the purchase price for accounting purposes. This fair value exercise may result in adjustments to the carrying value of the Enlarged Group's balance sheet line items.

- No adjustment to the balance sheet has been made to reflect the trading results of LoopUp Group or the MeetingZone Group since 31 December 2017.

## Pro Forma Income Statement

	<i>LoopUp Group 12 months 31 December 2017 £'000 Note 1</i>	<i>MeetingZone Group 12 months 31 December 2017 £'000 Note 2</i>	<i>Net proceeds of the Placing and the Term Loan £'000 Note 3</i>	<i>Acquisition adjustments £'000 Note 4</i>	<i>Pro forma Enlarged Group 31 December 2017 £'000</i>
Revenue	17,465	22,462	—	—	39,927
Cost of Sales	(4,076)	(7,443)	—	—	(11,519)
<b>Gross profit</b>	<b>13,389</b>	<b>15,019</b>	<b>—</b>	<b>—</b>	<b>28,408</b>
<i>Administrative Expenses</i>	<i>(12,657)</i>	<i>(11,541)</i>	<i>—</i>	<i>287</i>	<i>(23,911)</i>
<b>Operating profit</b>	<b>732</b>	<b>3,478</b>	<b>—</b>	<b>287</b>	<b>4,497</b>
<b>Adjusted EBITDA</b>	<b>3,463</b>	<b>4,982</b>	<b>—</b>	<b>—</b>	<b>8,445</b>
Depreciation	(291)	(418)	—	—	(709)
Amortisation of intangible fixed assets	(2,140)	(342)	—	—	(2,482)
Impairment of intangible fixed assets	(300)	—	—	—	(300)
<b>Adjusted operating profit</b>	<b>732</b>	<b>4,222</b>	<b>—</b>	<b>—</b>	<b>4,954</b>
Finance costs	—	(287)	—	287	—
Exceptional costs	—	(457)	—	—	(457)
<b>Operating profit</b>	<b>732</b>	<b>3,478</b>	<b>—</b>	<b>287</b>	<b>4,497</b>
Finance income	—	8	(8)	—	—
Finance expenses	(3)	(4,160)	3,633	(142)	(672)
<b>Profit/(loss) before tax</b>	<b>729</b>	<b>(674)</b>	<b>3,625</b>	<b>145</b>	<b>3,825</b>
Tax	1,260	167	—	—	1,427
<b>Profit/(loss) after tax</b>	<b>1,989</b>	<b>(507)</b>	<b>3,625</b>	<b>145</b>	<b>5,252</b>
<b>Other comprehensive income</b>					
Currency translation	(175)	27	—	—	(148)
<b>Total comprehensive income</b>	<b>1,814</b>	<b>(480)</b>	<b>3,625</b>	<b>145</b>	<b>5,104</b>

### Notes:

1. The income statement of LoopUp Group has been extracted, without material adjustment, from the audited published financial statements for the year ended 31 December 2017.
2. The income statement of the MeetingZone Group for the three months ended 31 March 2017 and the nine months ended 31 December 2017 have been extracted, without material adjustment from the unaudited interim financial information of the MeetingZone Group set out in Section C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI of this Admission Document.

The unaudited pro forma financial information for 12 months ended 31 December 2017 is calculated as follows:

	<i>MeetingZone Group 3 months 31 March 2017 £'000</i>	<i>MeetingZone Group 9 months 31 December 2017 £'000</i>	<i>MeetingZone Group 12 months 31 December 2017 £'000</i>
Revenue	5,686	16,776	22,462
Cost of Sales	(1,713)	(5,730)	(7,443)
<b>Gross profit</b>	<b>3,973</b>	<b>11,046</b>	<b>15,019</b>
Administrative Expenses	(2,743)	(8,798)	(11,541)
<b>Operating profit</b>	<b>1,230</b>	<b>2,248</b>	<b>3,478</b>
<b>Adjusted EBITDA</b>	<b>1,524</b>	<b>3,458</b>	<b>4,982</b>
Depreciation	(114)	(304)	(418)
Amortisation of intangible fixed assets	(73)	(269)	(342)
Finance costs	(78)	(208)	(287)
Exceptional costs	(28)	(428)	(457)
<b>Operating profit</b>	<b>1,230</b>	<b>2,248</b>	<b>3,478</b>
Finance income	3	5	8
Finance expenses	(1,132)	(3,028)	(4,160)
<b>Profit/(loss) before tax</b>	<b>101</b>	<b>(775)</b>	<b>(674)</b>
Tax	216	(49)	167
<b>Profit/(loss) after tax</b>	<b>317</b>	<b>(824)</b>	<b>(507)</b>
<b>Other comprehensive income</b>			
Currency translation	36	(10)	27
<b>Total comprehensive income</b>	<b>353</b>	<b>(833)</b>	<b>(480)</b>

3. Net proceeds of the Placing and the Term Loan:

- For the purposes of this Pro Forma Income Statement for the Enlarged Group, it has been assumed that all transaction related costs apart from expenses related to the raising of the debt facilities are charged against the share premium account. After completion, but ahead of reporting the 30 June 2018 interim results of the LoopUp Group, the Board will be required to undertake a full assessment of the transaction costs under IAS32 Financial Instruments: Presentation.
- The reduction in the finance expenses of reflects the interest incurred by the MeetingZone Group on its loans and borrowings, which would not have been incurred by the Enlarged Group had the transaction completed on 1 January 2017, offset by the interest charge on the new facilities provided by the Bank of Ireland.

4. Acquisition adjustments:

- Monitoring fees and loan fee amortisation costs of £287,000, included in the MeetingZone Group's Administrative Expenses, have been excluded; these costs would not have been incurred by the Enlarged Group had the transaction completed on 1 January 2017.
- Finance expenses of £142,000 relate to the amortisation of bank arrangement fees and costs relating to the raising of the new facilities from the Bank of Ireland.

5. No adjustment had been made to reflect the financial performance of LoopUp Group since 31 December 2017 or of the MeetingZone Group since 31 December 2017.

## PART VIII

### SUMMARY OF THE PRINCIPAL TERMS OF THE ACQUISITION AGREEMENTS AND THE PLACING AGREEMENT

#### 1. Summary of the Acquisition Agreements

- 1.1 The Acquisition is being effected principally through the Share Purchase Agreement described in paragraph 1.2 of this Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) below, the Management Warranty Deed described in paragraph 1.3 of this Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) below, the synthetic tax deed referred to in paragraph 1.4 below and the warranty and indemnity insurance policy referred to in paragraph 1.5 of this Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) below.

#### 1.2 Share Purchase Agreement

On 16 May 2018, the Company entered into a share purchase agreement (the “**Share Purchase Agreement**”) with the shareholders of Warwick Holdco pursuant to which the Company agreed to acquire the entire issued share capital of Warwick Holdco. The parties exchanged the agreement on 16 May 2018. Completion is conditional on, *inter alia*, the passing of the Resolutions, the Placing Agreement becoming unconditional and Admission.

The sum payable pursuant to the Share Purchase Agreement including the repayment of bank debt and loan notes is approximately £61.4 million subject to adjustment to effect a daily ‘ticker’ and incurring interest to the date of payment.

The Share Purchase Agreement contains warranties as to title, capacity and authority from the sellers in favour of the Company and an indemnity for ‘leakage’ from the locked box accounts.

The Company and the sellers provide certain undertakings in the Share Purchase Agreement in respect to the fulfilment or satisfaction of the Conditions in the Placing Agreement (the “**SPA Undertakings**”).

If Admission does not occur, on or before the Long Stop Date in the Share Purchase Agreement, the Share Purchase Agreement will terminate and:

- (i) the Company will not have any liability to the Sellers unless Admission has not occurred as a result of the Company breaching its respective SPA Undertakings, in which case the Company will be required to pay a break fee in the amount of £1,500,000 to the Sellers;
- (ii) the sellers will not have any liability to the Company unless Admission has not occurred as a result of: any act of fraud on behalf of the sellers; any seller breaching any of its, his or her obligations under the Share Purchase Agreement; or any breach of the Management Warranties, in which case the Company shall have a contractual right to claim damages against the sellers (including, but not limited to, claiming for fees, costs and expenses incurred in connection with the negotiation of the Share Purchase Agreement and the Acquisition).

#### 1.3 Management Warranty Deed

On 16 May 2018, the Company entered into the Management Warranty Deed with certain individual sellers of certain of the shares of Warwick Holdco, pursuant to which certain of those sellers provided customary warranties to, and non-compete and non-solicitation restrictive covenants in favour of, the Company.

The liability of the individual sellers providing the warranties under the Management Warranties is capped at an aggregate amount of £625,000 (including fees and costs) with additional coverage being provided under the Warranty and Indemnity insurance policy (further details at 1.5 of this Part VIII *Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement* below).

#### 1.4 Synthetic Tax Deed

On 16 May 2018, the Company entered into a synthetic tax deed with Aquinex Limited, pursuant to which Aquinex Limited indemnifies the Company, subject to market standard exclusions and limitations, for any tax liability arising in any member of the MeetingZone Group in respect of any period or part period occurring prior to the completion of the Acquisition.

The synthetic tax deed is subject to certain limitations, both in terms of quantum and the time to bring claims.

## 1.5 **Warranty and indemnity insurance**

On 16 May 2018, the Company acquired a buy-side warranty and indemnity insurance policy with Acquinex Limited (as agent for the underwriters: Arch Insurance Company (Europe) Limited, Royal & Sun Alliance Insurance plc, International General Insurance Company (UK) Limited, and Markel International Insurance Limited), pursuant to which Acquinex Limited insured the Company, subject to certain exclusions, for losses arising from breach of warranties and tax indemnities given by the sellers to the Company under the Share Purchase Agreement, certain individual sellers under the Management Warranty Deed and/or any claim under the Synthetic Tax Deed.

The warranty and indemnity insurance policy is subject to certain limitations on coverage both in terms of quantum and the time to bring claims.

## 2. **Summary of the Placing Agreement**

2.1 On 16 May 2018, the Company, Panmure Gordon and Numis entered into the Placing Agreement, pursuant to which, among other things, each of the Joint Bookrunners has severally agreed to use their respective reasonable endeavours to procure subscribers for the Placing Shares on behalf of the Company. The Placing is underwritten.

2.2 The Placing Agreement is conditional, amongst other things, on:

2.2.1 the Share Purchase Agreement having been duly executed by all the parties thereto, not having been terminated or rescinded prior to Admission, having become unconditional in all respects and having completed in escrow with the sole condition to release from escrow being Admission occurring not later than 8.00 a.m. on 4 June 2018; and

2.2.2 the Company having complied, in the opinion of the Joint Bookrunners (acting in good faith) with all of its obligations and having satisfied all conditions to be performed or satisfied by it under the Placing Agreement so far as the same fall to be performed or satisfied prior to Admission;

2.2.3 the Facilities Agreement having been duly executed by all the parties thereto, not having been terminated or rescinded, having become unconditional in all respects (other than for certain limited draw stops) and (subject thereto) being available for drawdown in full subject only to Admission occurring not later than 8.00 a.m. on 4 June 2018;

2.2.4 the passing of the Resolutions at the General Meeting;

2.2.5 the warranties provided by the Company under the Placing Agreement being true, accurate and not misleading on and as of the date of the Placing Agreement, the date of any supplementary admission document and the date of Admission;

2.2.6 in the opinion of the Joint Bookrunners (acting in good faith), there having been no Material Adverse Change since the date of the Placing Agreement (whether or not foreseeable at such date) prior to Admission; and

2.2.7 admission occurring by no later than 4 June 2018 (or such later date as the Company, Panmure Gordon and Numis agree, not being later than 18 June 2018).

Under the Placing Agreement the Company has given Panmure Gordon and Numis certain warranties regarding, *inter alia*, the accuracy of the information contained in this document. In addition, the Company has given certain indemnities, in the usual form.

Under the Placing Agreement and subject to Admission, the Company has agreed to pay to Panmure Gordon and Numis a fee in respect of the Placing; part of this fee is payable at the discretion of the Company.

The Company will pay certain other costs and expenses (including all applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with the Acquisition, Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses. The net proceeds of the Placing receivable by the Company are approximately £46.0 million.



Either Joint Bookrunner may terminate their respective obligations under the Placing Agreement or alternatively, both Joint Bookrunners may terminate the Placing Agreement in specified circumstances, including for breach of warranty in any material respect, a Material Adverse Change, or on the occurrence of certain force majeure events, at any time prior to Admission.

## PART IX

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

The Directors, whose names appear on page 10 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 1 February 2016 under the name Pacific Shelf 1812 Limited with registered number 09980752 as a private company limited by shares under the Companies Act, with a view to it becoming the new holding company of LoopUp Limited in order to facilitate the IPO.
- 2.2 The principal legislation under which the Company operates is the Companies Act.
- 2.3 The liability of the Company's members is limited.
- 2.4 On 11 March 2016, the Company changed its name from Pacific Shelf 1812 Limited to LoopUp Limited. On 8 June 2016, the Company changed its name to LoopUp Group Limited.
- 2.5 On 18 August 2016, the Company was re-registered as a public company under the name LoopUp Group plc.
- 2.6 The Company was issued with a certificate of re-registration pursuant to section 96 of the Companies Act on 18 August 2016.
- 2.7 The registered office and principal place of business of the Company is 1st Floor, 78 Kingsland Road, London E2 8DP.
- 2.8 The Company's website is at [www.loopup.com](http://www.loopup.com).
- 2.9 The Company's registered office telephone number is +44 (0)20 3107 0207.

#### 3. THE GROUP AND ITS PRINCIPAL ACTIVITIES

- 3.1 The business of the Company and its principal activity is to act as a holding company. The Group's activities and operations are carried on by LoopUp Limited, a wholly owned subsidiary of the Company. The Company is the holding company of the Group. Following completion of the Acquisition, its subsidiaries will be:

<i>Name</i>	<i>Registered Number</i>	<i>Principal activity</i>	<i>Status</i>	<i>Country of incorporation</i>	<i>Interest held</i>
LoopUp Limited	04677393	Remote meeting services	Active	England and Wales	100% of its shares held by the Company
LoopUp (HK) Limited	1611980	Remote meeting services	Active	Hong Kong	100% of its shares held by LoopUp Limited
LoopUp LLC	LLC11486-2003	Remote meeting services	Active	State of Nevada, USA	100% of its shares held by LoopUp Limited
LoopUp (Barbados) Limited	35849	Remote meeting services	Active	Barbados	100% of its shares held by LoopUp Limited
Pimco 2711 Limited	06423143	Remote meeting services	Dormant	England and Wales	100% of its shares held by LoopUp Limited
LoopUp Australia Pty Ltd	621 214 051	Remote meeting services	Active	New South Wales, Australia	100% of its shares held by LoopUp Limited
Warwick Holdco Limited	07706694	Holding company	Active	England	100% of its shares held by LoopUp Limited

<i>Name</i>	<i>Registered Number</i>	<i>Principal activity</i>	<i>Status</i>	<i>Country of incorporation</i>	<i>Interest held</i>
Warwick Debtco Limited	07707146	Telecommunications services	Active	England	100% of its shares held by Warwick Holdco
Warwick Bidco Limited	07706755	Telecommunications services	Active	England	100% of its shares held by Warwick Debtco Limited
MeetingZone Limited	04300344	Telecommunications services	Active	England	100% of its shares held by Warwick Bidco Limited
MeetingZone GmbH	HRB 107928b	Telecommunications services	Active	Germany	100% of its shares held by MeetingZone Limited
Meetingzone Inc.	74-3257266	Telecommunications services	Active	US (Delaware)	100% of its shares held by MeetingZone Limited
MeetingZone Canada Ltd	80996 0552 RC0001	Telecommunications services	Active	Canada	100% of its shares held by MeetingZone Inc.
Confy MeetingZone AB	556602-5440	Telecommunications services	Active	Sweden	100% of its shares held by MeetingZone Limited
Confy MeetingZone AS	993 334 642	Telecommunications services	Active	Norway	100% of its shares held by Confy MeetingZone AB
MeetingZone Hong Kong Ltd	2101397	Telecommunications services	Active	Hong Kong	100% of its shares held by MeetingZone Limited

- 3.2 All the subsidiaries will, after completion of the Acquisition and upon Admission, be wholly owned.
- 3.3 Save as referred to in the paragraphs above, the Company does not hold any shares or other securities in the capital of any Company and is not otherwise part of a group of companies.

#### **4. SHARE CAPITAL**

- 4.1 The issued share capital of the Company immediately following the Placing and Admission will be 54,731,963 Ordinary Shares with an aggregate nominal value of £273,659.82.
- 4.2 On incorporation, one fully paid up ordinary share of £1 in the capital of the Company was subscribed for and issued. Since incorporation the following alterations to the Company's share capital have occurred:
- 4.2.1 In preparation for the IPO a corporate reorganisation was effected whereby, on 2 August 2016, the Company acquired the 22,459,286 ordinary shares of 0.5 pence each, the 5,000,044 A ordinary shares of 0.5 pence each and the 324,846 EIS A ordinary shares in the capital of LoopUp Limited in consideration for the issue of the same number of shares of the same class in the capital of the Company. The subscriber share of £1 in the capital of the Company was cancelled at the same time.
- 4.2.2 On 17 August 2016, the Company issued 4,500,000 A Ordinary Shares.
- 4.2.3 On the date of the IPO each of the shares in the capital of the Company automatically converted into Ordinary Shares such that, excluding the shares issued as part of the IPO Placing, the Company then had an issued share capital of 32,284,176 Ordinary Shares.
- 4.2.4 As part of the IPO Placing:
- (a) on 23 August 2016 the Company issued 5,000,000 Ordinary Shares; and
- (b) on 24 August 2016 the Company issued 3,500,000 Ordinary Shares.
- 4.2.5 On 24 August 2016, the entire issued share capital of the Company as at that date (being 40,784,176) was admitted to trading on AIM.
- 4.2.6 On 31 December 2016, the share capital of the Company was 40,784,176 Ordinary Shares.
- 4.2.7 On 21 February 2017, the Company issued 186,474 Ordinary Shares as a result of an exercise of options by Robert Baugh, taking the total number of Ordinary Shares in issue to 40,970,650.

4.2.8 On 15 June 2017, the shareholders of the Company passed resolutions to:

- (a) authorise the directors to allot shares or grant rights to subscribe for or convert any security into shares in the Company:
  - (i) up to a maximum nominal aggregate amount of £68,284.42 (being equal to approximately one third of the Ordinary Shares in issue as at the date of the resolution being passed); and
  - (ii) in connection with a rights issue, up to a maximum nominal aggregate amount of £68,284.42 (being equal to approximately one third of the Ordinary Shares in issue as at the date of the resolution being passed),

which authority will expire on the date of the next annual general meeting of the Company;

- (b) empower the directors (pursuant to section 570 of the Companies Act) to allot equity securities within the meaning of section 560 of the Companies Act pursuant to the authority referred to in paragraph 4.2.8(a) above as if section 561(1) of the Companies Act did not apply to such allotment provided that the power was limited to the allotment of equity securities as follows:
  - (i) up to an aggregate nominal value of £20,485.33 (being approximately 10% of the Ordinary Shares in issue as at the date of the resolution being passed); and
  - (ii) pursuant to the authority referred to in paragraph 4.2.8(a)(ii),

which authority will expire on the date of the next annual general meeting of the Company; and

- (c) authorise the Company (for the purpose of section 701 of the Companies Act) to make market purchases (as defined in section 693(4) of the Companies Act) of Ordinary Shares, provided that:
  - (i) the maximum number of Ordinary Shares that may be purchased was limited to 4,097,065 (being approximately 10% of the issued share capital of the Company as at 16 May 2017);
  - (ii) the minimum price that may be paid for an Ordinary Share was limited to the nominal value of such share;
  - (iii) the maximum price to be paid for each Ordinary Share was limited to the higher of (a) an amount equal to 5% above the average of the middle-market quotation for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days prior to the purchase being made and (b) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and
  - (iv) the authority will expire at the date of the next annual general meeting of the Company.

4.2.9 On 25 September 2017, the Company issued 1,099,077 Ordinary Shares, as a result of an exercise of options by former and existing employees of the Group, taking the total number of Ordinary Shares in issue to 42,069,727.

4.2.10 On 31 December 2017, the share capital of the Company was 42,069,727 Ordinary Shares.

4.2.11 On 5 February 2018, the Company issued 123,620 Ordinary Shares, as a result of an exercise of options, taking the total number of Ordinary Shares in issue to 42,193,347.

4.2.12 On 18 April 2018, the Company issued 38,616 Ordinary Shares, as a result of an exercise of options, taking the total number of Ordinary Shares in issue to 42,231,963.

4.3 The Ordinary Shares have the rights and are subject to the restrictions referred to in paragraph 5 of this Part IX (*Additional Information*).

4.4 The Board has, prior to Admission, granted options as set out in paragraphs 6.1 and 7.6 of this Part IX (*Additional Information*). Following Admission, the total number of Ordinary Shares under option will

be 2,837,725, representing approximately 5.2% of the Enlarged Share Capital. The maximum number of Ordinary Shares that may be made available under the Share Option Schemes or any other option plan will not exceed 15% of the Company's issued share capital.

- 4.5 Save as set out above and in paragraphs 6.1 and 7.6 of this Part IX (*Additional Information*) at Admission the Company will not have any Ordinary Shares in issue or under option. In addition the Company will not have in issue any securities not representing share capital or any outstanding convertible securities.
- 4.6 The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this document. The Placing Shares will be freely transferable in accordance with the Articles.
- 4.7 The Ordinary Shares are in registered form and capable of being held in uncertificated form. The Ordinary Shares are admitted to CREST. No temporary documents of title will be issued in connection with the Placing. It is expected that definitive certificates will be posted to those persons who are to receive their Placing Shares in certificated form by 4 June 2018.
- 4.8 The Company does not have in issue any securities not representing share capital.
- 4.9 There are no shares held by or on behalf of the Company in itself or by any other member of the Group in the Company.
- 4.10 Save as set out in this document the Company has not issued any convertible securities, exchangeable securities or securities with warrants.
- 4.11 Save as disclosed in this document, no person has any acquisition right over, and the Company has incurred no obligation over, the Company's unissued share capital.
- 4.12 Save as disclosed in this Part IX (*Additional Information*):
  - 4.12.1 no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
  - 4.12.2 no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - 4.12.3 no commission, discount, brokerage or any other special term has been granted by the Company or any of its subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its subsidiaries;
  - 4.12.4 no fee and no founder, management or deferred shares have been issued by the Company; and
  - 4.12.5 there has been no change in the amount of the issued share capital of the Company and no material change in the amount of the issued share capital of any of its subsidiaries.

## **5. SUMMARY OF THE ARTICLES**

### **5.1 Articles**

The Articles include provisions to the following effect:

#### **5.1.1 Objects**

The Articles contain no restriction on the objects of the Company.

#### **5.1.2 Capital structure**

The share capital of the Company is represented by an unlimited number of Ordinary Shares having the rights described in the Articles.

#### **5.1.3 Voting rights**

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder. Votes may be given personally or by proxy.

#### 5.1.4 *Dividends*

Subject to the Companies Act and as set out in the Articles, the Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board. No dividend may be paid otherwise than in accordance with the Companies Act. The Board may at any time declare and pay such interim dividends as appears to be justified by the position of the Company.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the nominal amount of the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the nominal amount of the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Any dividend or other moneys payable in respect of a share may be paid:

- (a) in cash;
- (b) by cheque or warrant sent by post to the address in the Register of the person entitled to the moneys or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the address in the Register of that one of those persons who is first named in the Register in respect of the joint holding or to such person and to such address as the person or persons entitled to the moneys may in writing direct. Every such cheque or warrant shall be made payable to the person or persons entitled to the moneys or to such other person as the person or persons so entitled may in writing direct and shall be sent at the risk of the person or persons so entitled. Any such cheque or warrant may be crossed "account payee" although the Company shall not be obliged to do so;
- (c) by bank transfer to such account (of a type approved by the Board) as the person or persons entitled to the moneys may in writing direct; or
- (d) by such other method of payment approved by the Board as the person or persons entitled to the moneys may in writing agree to.

#### 5.1.5 *Redemption*

Subject to the provisions of the Companies Act and the Articles, the Company can issue shares which are required to be redeemed and shares which may be redeemed at the option of the Company or the relevant member.

#### 5.1.6 *Variation of class rights*

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of the shares in issue may from time to time be varied or abrogated, whether or not the Company is being wound up, with the sanction of a special resolution passed at a separate meeting of holders of the issued shares of the class held in accordance with the Articles (but not otherwise).

The special rights conferred on the holders of any shares or class of shares shall, unless otherwise provided by the Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The rights conferred on the holders of shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of Ordinary Shares be required to any variation or abrogation effected by a resolution on which only the holders of Ordinary Shares are entitled to vote.

#### 5.1.7 *Issue of shares*

Subject to the provisions of the Companies Act and without prejudice to any rights attaching to any existing shares, shares may be issued with such rights or restrictions as the Company may, by ordinary resolution, determine or in the absence of such determination, or as far as any such resolution does not make specific provision, as the Board may determine.

#### 5.1.8 *Form and transfer of shares*

The Board may issue shares as certificated or uncertificated shares, subject to any restrictions on transfers described below:

A share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Board may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. A share held in uncertificated form may be transferred by means of a relevant system. The transferor shall be deemed to remain the holder of the share until the transferee is entered on the Register as its holder.

Every member (other than a person who is not entitled to a certificate under the Companies Act) is entitled, on becoming a holder of any shares in certificated form and without payment, to a certificate for all shares of each class held by him in certificated form. If a share certificate is worn out, defaced, lost, destroyed or stolen it may be renewed without fee but on such terms as to evidence and indemnity as the Board requires. In the case of loss, theft or destruction, the person to whom the new certificate is issued may be required to pay any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of an appropriate form of indemnity. Every share certificate is sent at the risk of the person entitled thereto.

The Board may, in the case of shares held in certificated form, in its absolute discretion refuse to register the transfer of a share which is not fully paid provided that, where any such shares are admitted to the Official List or admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register a transfer of shares held in certificated form unless the instrument of transfer is:

- (a) duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, lodged at the transfer office or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;
- (b) in respect of only one class of shares; and
- (c) in favour of not more than four transferees.

If the Board refuses to register a transfer of shares held in certificated form, it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal together with its reasons for the refusal.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but (except in the case of fraud) any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in the Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him.



#### 5.1.9 *Calls*

Subject to the terms of allotment, the directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares including any premium and each member shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a rate fixed by the terms of allotment of the share or in the notice of the call; or if no rate is fixed, at the appropriate rate per annum from the day appointed for the payment thereof to the time of the actual payment. Directors may at their discretion waive payment of any such interest in whole or in part.

#### 5.1.10 *Forfeiture*

If a member fails to pay any call or instalment of a call on the day appointed for payment of such call or instalment, the directors may serve a notice on him requiring payment of so much of the amount unpaid together with any interest which may have accrued and any expenses which have been incurred by the Company due to the default. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determine and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding such forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, together with all expenses and interest from the date of forfeiture or surrender until payment, but his liability shall cease if and when the Company receives payment in full of the unpaid amount.

A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that the particular share of the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the forfeited share.

#### 5.1.11 *Disclosure of interests*

The Company may give notice to any member or any person whom the Company knows or has reasonable cause to believe (a) to be interested in the Company's shares or (b) to have been so interested at any time in the three years immediately preceding the date on which the notice is issued. The notice may require the person (a) to confirm that fact or (as the case may be) to state whether or not it is the case and (b) if he holds, or has during that time held, any such interest, to give such further information as may be required in accordance with section 793 of the Companies Act (including particulars of the interest (present or past) and the identity of the persons interested in the shares in question).

If the Company has served a disclosure notice on a member or any other person appearing to be interested in shares referred to in the disclosure notice, and the Company has not received the information required in the disclosure notice within fourteen days after service of the disclosure notice, the directors may determine that the member holding the specified shares shall be subject to restrictions in respect of those shares (including restrictions as to voting, right to transfer the shares and right to receive dividends).

#### 5.1.12 *Directors*

Unless otherwise determined by the Board, the number of directors shall be not less than two.

The directors may be paid all reasonable travelling, hotel and other expenses as they may incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director, employee or former employee who has held but no longer holds any office or employment with the Company or with any body corporate which is

or has been a subsidiary undertaking or a predecessor in business of the Company or of any subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit. The power conferred by the Companies Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or party of the undertaking of the Company or any subsidiary shall be exercised by the Board.

At each annual general meeting one third of the directors for the time being (or if their number is not a multiple of three, the number nearest to one-third) shall retire from office. A director who retires at an annual general meeting shall be eligible for re-election. Any director may be removed from office by ordinary resolution of the Company of which special notice has been given in accordance with section 312 of the Companies Act. The directors are not subject to a mandatory retirement age.

#### 5.1.13 *Directors' interests*

A director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board.

A director may not vote (or be counted in the quorum) in respect of any resolution of the directors or committee of the directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by his interest in shares or debentures or other securities of or otherwise in or through the Company). This is subject to certain exceptions including (i) where the contract, arrangements, transaction or proposal concerns general employee privileges or insurance policies for the benefit of directors or (ii) in circumstances where a director acts in a personal capacity in the giving of a guarantee, security or indemnity for the benefit of the Company or any of its subsidiary undertakings.

Any director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

#### 5.1.14 *Disclosure of interests*

Subject to the provisions of the Companies Act, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with the Articles, a director notwithstanding his office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by or party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not be, by reason of his office, accountable to the Company for any benefits derived from any such office or employment or from any transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

#### 5.1.15 *Authorisation of interests*

The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty under the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

Authorisation of a matter is effective only if (i) the matter has been proposed to the directors at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve, (ii) any requirement as to quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director;

and (iii) the matter has been agreed to without the director in question and any other interested director voting or would have been agreed to if their votes had not been counted.

An interest of a person connected (within the meaning ascribed by section 252 of the Companies Act) with a director shall be treated as an interest of the director.

#### 5.1.16 *Borrowing powers*

The directors may exercise all the powers of the Company to borrow money and to give guarantees, hypothecate, mortgage, charge or pledge the assets, property and undertaking of the Company or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 5.1.17 *Annual General Meetings and General Meetings*

An annual general meeting shall be held at such time and place as the Board may determine. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Companies Act, shall forthwith convene a general meeting. If there are not sufficient directors capable of acting to call a general meeting, any director may call a general meeting. If there is no director able to act, any two members may call a general meeting for the purpose of appointing directors.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum is two members present in person or by proxy and entitled to vote upon the business to be transacted at the meeting.

A general meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' clear notice in writing. A meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than 14 days' clear notice. The notice shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of that business. A notice calling an annual general meeting shall specify the meeting as such and a notice for the passing of a special resolution shall specify the intention to propose the resolution as a special resolution and the terms of the resolution. Every member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member. To determine which persons are entitled to attend or vote at a meeting and how many votes a person may cast, the Company may specify in the notice a time, not more than 48 hours before the time fixed for the general meeting (not taking into account non-working days), by which a person must be entered in the Register in order to have the right to attend or vote at the meeting or appoint a proxy to do so.

The accidental omission to give notice of a meeting, or to send an instrument of proxy or invitation to appoint a proxy as provided by these Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or instrument of proxy or invitation to appoint a proxy by such a person, shall not invalidate the proceedings at that meeting.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

#### 5.1.18 *Annual Accounts and Financial Statements*

Save as provided in the Articles, a copy of the annual accounts of the Company together with a copy of the auditors' report and the directors' report and any other documents required to accompany or to be annexed to them shall, not less than 21 clear days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings.

Copies of the documents referred to in the Articles need not be sent:

- (a) to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or
- (b) to more than one of the joint holders of shares or debentures in respect of those shares or debentures.

provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

The Company may send a summary financial statement to any of the persons otherwise entitled to be sent copies of the documents referred to in the Articles instead of or in addition to those documents and, where it does so, the statement shall be delivered or sent to such person not less than 21 clear days before the general meeting at which copies of those documents are to be laid.

#### 5.1.19 *Winding up*

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

#### 5.1.20 *Untraceable shareholders*

The Company shall be entitled to sell at the best price reasonably obtainable any member's shares or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if:

- (a) for a period of twelve years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the Register or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the Company from the member or the person so entitled (in his capacity as member or person entitled);
- (b) in such period of twelve years at least three dividends (whether interim or final) have become payable on the shares;
- (c) the Company has at the expiration of the said period of twelve years, by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in the Articles is located, given notice of its intention to sell such shares; and
- (d) during the period of three months following the publication of the said advertisements the Company has received no communication in respect of such share from such member or person entitled.

If at any time during or after the said period of twelve years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements of the Articles have been satisfied in respect of such further shares, the Company may also sell the further shares.

To give effect to a sale pursuant to the preceding Article the Board may authorise any person to execute an instrument of transfer or otherwise effect the transfer of the shares to be sold. If the shares concerned are in uncertificated form, in accordance with the Regulations, the Company may issue a written notification to the Operator requiring conversion of the shares into certificated form. The purchaser shall not be bound to see to the application of the purchase moneys and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled to the shares for an amount equal to the net proceeds, which shall be a debt of the Company, and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created and no interest shall be payable in respect of the debt, and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company

or invested in such investments for the benefit of the Company as the Board may from time to time determine.

## 6. SHARE OPTION SCHEMES

### 6.1 *Outstanding share options*

6.1.1 There are currently in aggregate 2,837,725 options over Ordinary Shares ("**Options**") outstanding (representing 5.2% of the Enlarged Share Capital), with an average strike price of 67.76 pence each.

6.1.2 The following Options are outstanding:

<i>Options</i>	<i>Ordinary Shares subject to outstanding Options</i>	<i>Market value at grant</i>	<i>Maximum number of outstanding Options that could be converted as at the date of this document</i>
EMI Options	716,630	£0.01-0.0128	671,510
USOP Options	1,837,360	£0.01-0.0128	1,749,415
Non-Employee Option Contracts	416,800	£0.0128	416,800

6.1.3 The Company adopted three new share option plans at a board meeting of the Company on 1 August 2016, being the EMI Plan, the USOP and the Non-Employee Option Contracts (the "**Option Plans**").

6.1.4 The principal terms of the Option Plans are summarised below.

### 6.2 *The EMI Plan*

#### 6.2.1 *Overview*

The EMI Plan is a UK tax-advantaged, discretionary share option plan which provides for the grant of Options ("**EMI Options**") to qualifying employees. EMI Options granted under the EMI Plan are not transferable and are not pensionable. The operation of the EMI Plan is overseen by the Board, who may delegate responsibility for the operation of the EMI Plan to the Company's remuneration committee.

#### 6.2.2 *Eligibility*

Participation in the EMI Plan is restricted to selected employees, including executive directors, at the discretion of the Board. EMI Options may only be granted to qualifying employees, in accordance with the legislation governing EMI Options.

#### 6.2.3 *Grant of EMI Options*

EMI Options may be granted at any time, at the discretion of the Board.

No EMI Option may be granted in breach of the AIM Rules or the Company's share dealing code. No EMI Option may be granted after 25 October 2020.

#### 6.2.4 *Exercise Price*

The price per Ordinary Share payable on the exercise of an EMI Option (the "**EMI Exercise Price**") is determined by the Board when EMI Options are granted. The EMI Exercise Price on any occasion may be equal to or less than the market value of an Ordinary Share at the time of grant, and may be nil.

#### 6.2.5 *Individual limits on participation*

The aggregate market value at the date of the grant of Ordinary Shares over which EMI Options may be granted to any employee will not exceed £250,000, or such other limit as may be imposed by the legislation governing EMI Options from time to time.

#### 6.2.6 *Limits on the issue of new Ordinary Shares*

The number of Ordinary Shares which are issued or issuable under the EMI Plan, when added to the number of Ordinary Shares issued or issuable pursuant to the EMI Plan and any other



employees' share scheme of the Company in the period of 10 years ending on that day (excluding any rights to subscribe for Ordinary Shares granted prior to the date of the IPO), shall not exceed 15% of the issued Ordinary Share capital of the Company on that day.

#### 6.2.7 *Performance condition*

The vesting of an EMI Option may be conditional on the performance of the Company and/or a subsidiary and/or the employee (an “**EMI Performance Condition**”), measured over such a period (“**EMI Performance Period**”) and against such objective criteria as the Board may specify at the time of grant.

If, at the end of the EMI Performance Period, the EMI Performance Condition is not (and has not been deemed to be) satisfied, the EMI Option will immediately lapse and cease to be exercisable.

#### 6.2.8 *Leaving employment*

As a general rule, an EMI Option may only vest whilst an employee remains employed by the Group.

However, an EMI Option may vest if an employee ceases to be employed by the Group due to his employer company requesting him to leave for a reason other than, broadly, the employee's conduct. The extent to which an EMI Option will vest in these circumstances will be determined by the Board, taking into account the extent to which the EMI Option would have vested within the following six months. The EMI Option will remain exercisable, to the extent vested, for 36 months from the date of leaving.

Where an employee leaves voluntarily, or is asked to leave by his employer company as a result of his conduct, his EMI Option will lapse to the extent that it has not vested at that time. His EMI Option will remain exercisable in respect of any vested Ordinary Shares for a period of 24 months from the date of leaving, unless leaving is as a result of his conduct in which case it must be exercised, if at all, within 6 months of leaving.

Where an employee leaves due to his death, his EMI Option will lapse to the extent that it has not vested at that time. His EMI Option will remain exercisable by his personal representatives in respect of any vested Ordinary Shares for a period of 12 months from the date of leaving.

#### 6.2.9 *Corporate events*

If there is a change of control of the Company, the EMI Options will vest and become exercisable in full. If there is a demerger or statutory reconstruction or voluntary winding up of the Company, the Board will determine whether, and the extent to which, the EMI Options may vest and become exercisable.

#### 6.2.10 *Payment of tax and NICs*

The employee is responsible for the payment of all relevant income tax and employee NICs relating to his or her EMI Option. The Company may withhold an amount equal to such liabilities from any amounts due to the employee (to the extent such withholding is lawful) and/or withhold and sell sufficient Ordinary Shares subject to the EMI Option, in satisfaction of these liabilities.

#### 6.2.11 *Amendment of the EMI Plan*

The Board may at any time alter or add to all or any of the provisions of the EMI Plan in any respect, provided that no alteration, deletion or addition shall be made to the rules regarding the persons to whom EMI Options may be granted, the limitations on the number of Ordinary Shares which may be issued, the individual limits on participation, or the principal terms governing the vesting of EMI Options, without the prior approval of Shareholders. This is subject to exceptions for any alteration which relates solely to EMI Performance Conditions, or any minor alteration, deletion or addition which is to benefit the administration of the EMI Plan or is necessary or desirable to take account of any change in legislation or maintain favourable taxation, exchange control or regulatory treatment.

### 6.3 **The USOP**

#### 6.3.1 *Overview*

The USOP is a discretionary share option plan which provides for the grant of Options (“**USOP Options**”) to employees. USOP Options are not transferable and are not pensionable. The operation

of the USOP Plan is overseen by the Board, who may delegate responsibility for the operation of the USOP Plan to the Company's remuneration committee.

#### 6.3.2 *Eligibility*

Participation in the USOP Plan is restricted to selected employees, including executive directors, at the discretion of the Board.

#### 6.3.3 *Grant of USOP Options*

USOP Options may be granted at any time, at the discretion of the Board.

No Option may be granted in breach of the AIM Rules or the Company's share dealing code. No USOP Options may be granted after 25 October 2020.

#### 6.3.4 *Exercise Price*

The price per Ordinary Share payable on the exercise of a USOP Option (the "**USOP Exercise Price**") is determined by the Board when the USOP Options are granted. The USOP Exercise Price must not be less than the market value of an Ordinary Share on the date of grant.

#### 6.3.5 *Limits on the issue of new Ordinary Shares*

The number of Ordinary Shares which are issued or issuable under the USOP Plan, when added to the number of Ordinary Shares issued or issuable pursuant to the USOP Plan and any other employees' share scheme of the Company in the period of 10 years ending on that day (excluding any rights to subscribe for Ordinary Shares granted prior to the date of the IPO), shall not exceed 15% of the issued Ordinary Share capital of the Company on that day.

#### 6.3.6 *Performance condition*

The vesting of a USOP Option may be conditional on the performance of the Company and/or a subsidiary and/or the employee (a "**USOP Performance Condition**"), measured over such a period ("**USOP Performance Period**") and against such objective criteria as the Board may specify at the time of grant.

If, at the end of the USOP Performance Period, the USOP Performance Condition is not (and has not been deemed to be) satisfied, the USOP Option will immediately lapse and cease to be exercisable.

#### 6.3.7 *Leaving employment*

As a general rule, a USOP Option may only vest whilst an employee remains employed by the Group.

However, a USOP Option may vest if an employee ceases to be employed by the Group due to his employer company requesting him to leave for a reason other than, broadly, the employee's conduct. The extent to which a USOP Option will vest in these circumstances will be determined by the Board, taking into account the extent to which the USOP Option would have vested within the following six months. The USOP Option will remain exercisable, to the extent vested, for 36 months from the date of leaving.

Where an employee leaves voluntarily, or is asked to leave by his employer company as a result of his conduct, his USOP Option will lapse to the extent that it has not vested at that time. His USOP Option will remain exercisable in respect of any vested Ordinary Shares for a period of 24 months from the date of leaving, unless leaving is as a result of his conduct in which case it must be exercised, if at all, within 6 months of leaving.

Where an employee leaves due to his death, his USOP Option will lapse to the extent that it has not vested at that time. His USOP Option will remain exercisable by his personal representatives in respect of any vested Ordinary Shares for a period of 24 months from the date of death.

#### 6.3.8 *Corporate events*

If there is a change of control of the Company, the USOP Options will vest and become exercisable in full. If there is a demerger or statutory reconstruction or voluntary winding up of the Company, the Board will determine whether, and the extent to which, the USOP Options may vest and become exercisable.



#### 6.3.9 *Payment of tax and NICs*

The employee is responsible for the payment of all relevant income tax and employee NICs relating to his USOP Option. The Company may withhold an amount equal to such liabilities from any amounts due to the employee (to the extent such withholding is lawful) and/or withhold and sell sufficient Ordinary Shares subject to the USOP Option, in satisfaction of these liabilities.

#### 6.3.10 *Amendment of the USOP Plan*

The Board may at any time alter or add to all or any of the provisions of the USOP Plan in any respect, provided that no alteration, deletion or addition shall be made to the rules regarding the persons to whom USOP Options may be granted, the limitations on the number of Ordinary Shares which may be issued, the individual limits on participation, or the principal terms governing the vesting of USOP Options, without the prior approval of Shareholders. This is subject to exceptions for any alteration which relates solely to USOP Performance Conditions, or any minor alteration, deletion or addition which is to benefit the administration of the USOP Plan or is necessary or desirable to take account of any change in legislation or maintain favourable taxation, exchange control or regulatory treatment.

### 6.4 ***Non-Employee Option Contracts***

#### 6.4.1 *Overview*

The Board may at any time decide to grant an Option (a “**Non-Employee Option Contract**”) to an individual who holds office and/or provides services to the Group, and who is not employed by the Group (the “**Non-Employee Option holder**”). Such Options are not transferable and are not pensionable. The administration of the Non-Employee Option Contracts is overseen by the Board, who may delegate responsibility for the administration of the Non-Employee Option Contracts to the Company’s remuneration committee.

#### 6.4.2 *Eligibility and grant of Options*

The Board may decide to grant an Option to a Non-Employee Optionholder, from time to time.

#### 6.4.3 *Exercise Price*

The price per Ordinary Share payable on the exercise of an Option is determined by the Board when the Option is granted.

#### 6.4.4 *Performance condition*

The vesting of an Option may be conditional on the performance of the Company and/or a subsidiary and/or the Non-Employee Optionholder (a “**Non-Employee Performance Condition**”), measured over such a period (“**Non-Employee Performance Period**”) and against such objective criteria as the Board may specify at the time of grant.

If, at the end of the Non-Employee Performance Period, the Non-Employee Performance Condition is not (and has not been deemed to be) satisfied, the Option will immediately lapse and cease to be exercisable.

#### 6.4.5 *Cessation of services*

As a general rule, an Option may only vest whilst a Non-Employee Optionholder continues to provide services to, and/or hold office with, the Group.

However, an Option may vest if the Non-Employee Optionholder ceases to provide services to, and/or hold office with, the Group due to having been requested to leave by a member of the Group for a reason other than, broadly, the Non-Employee Optionholder’s conduct. The extent to which an Option will vest in these circumstances will be determined by the Board, taking into account the extent to which the Option would have vested within the following six months. The Option will remain exercisable, to the extent vested, for 24 months from the date of leaving.

Where a Non-Employee Optionholder leaves voluntarily, or is asked to leave by the company engaging him as a result of his conduct, his Option will lapse to the extent that it has not vested at that time. His Option will remain exercisable in respect of any vested Ordinary Shares for a period of 24 months from the date of leaving, unless leaving is as a result of his conduct in which case it must be exercised, if at all, within 6 months of leaving.

Where a Non-Employee Optionholder dies, his Option will lapse to the extent that it has not vested at that time. His Option will remain exercisable by his personal representatives in respect of any vested Ordinary Shares for a period of 24 months from the date of death.

#### 6.4.6 *Corporate events*

If there is a change of control of the Company, the Options will vest and become exercisable in full. If there is a demerger or statutory reconstruction or voluntary winding up of the Company, the Board will determine whether, and the extent to which, the Options may vest and become exercisable.

#### 6.4.7 *Payment of tax and NICs*

The Non-Employee Optionholder is responsible for the payment of any income tax and employee NICs relating to his Option. The Company may withhold an amount equal to such liabilities from any amounts due to the Non-Employee Optionholder (to the extent such withholding is lawful) and/or withhold and sell sufficient Ordinary Shares subject to the Option, in satisfaction of these liabilities.

It is a condition of an Option that the Non-Employee Optionholder agrees to bear the burden of any employer NICs liability that may arise in connection with the Option.

## 7. **DIRECTORS' AND OTHER INTERESTS**

7.1 The Directors and their respective functions are set out in paragraph 14 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document.

7.2 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, in addition to their directorship of the Company, are set out below:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Steve Flavell	Pimco 2711 Limited LoopUp Limited LoopUp (HK) Limited LoopUp (Barbados) Limited	S.O. 2016 Limited A Pet Above the Rest Limited
Michael Hughes MBE	Pimco 2711 Limited LoopUp Limited LoopUp LLC LoopUp (Barbados) Limited LoopUp (HK) Limited Silicon Valley Internship Programme Inc SVIP House LLC Founding Member of the Board of GBx	British American Business Council
Simon Healey	Snap Travel Technology Limited	

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Lady Barbara Judge CBE	BTJ Consulting Limited Astana Financial Services Authority (AFSA) Consileon AG Magna International Inc. Millennium Associates (UK) Limited Company Factory LLP Pell Frischmann S2 Ltd RSBG Investment Ltd RSBG Investment Holding Limited Athene Capital LLP Portmeirion Group plc <sup>1</sup> Tigerrock Advisors LLP International Health Terminology Standards Development org. CIFAS B&H Enterprise Limited SMART UP.10 Limited Glenveagh Properties plc	Statoil ASA DawnayDay International Limited Pension Protection Fund Bekaert NV HI BOB Limited Liquidnet Holdings, Inc. Hill & Associates Ltd Planet Payment, Inc. Nationwide Accident Repair Services Limited PA Consulting Holdings Limited The Ditchley Foundation Netscientific Plc UK Institute of Directors Dementia UK
Barmak Meftah	AlienVault Inc Sparkcentral Inc Lastline Inc 4IQ Inc	LoopUp Limited
Mike Reynolds	Celcom Axiata Berhad StarHub Cable Vision Limited StarHub Mobile Pte Limited StarHub Online Pte Limited StarHub Internet Pte Limited StarHub Shop Pte Limited StarHub, Inc StarHub (Hong Kong) Limited StarHub (Mauritius) Limited	LoopUp Limited 2degrees Mobile Limited
Nico Goulet	Adara Venture Partners (I, II & III) Marud Kidner S.L. Adara Advisors S.L. Cambridge Broadband Ltd. (Observer) SeedTag S.L. (Observer) Qbitia S.L. (Observer) Scalefast Inc (Observer) Fluzo S.L. (Observer)	LoopUp Limited Ecutronic Technologies S.L. Precision Vehiculos & Talleres S.L. Visure Solutions SL NETfractal S.L. CapXnow S.L. Elastix Corp. Elastix Solutions S.L. Illuminate Solutions S.L. Ecutronic Technologies S.L. Precision Talleres & Vehiculos S.L.

7.3 Save as disclosed in this document, none of the Directors:

- 7.3.1 is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document;
- 7.3.2 has any unspent convictions in relation to indictable offences;
- 7.3.3 has been declared bankrupt or has entered into an individual voluntary arrangement;
- 7.3.4 was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- 7.3.5 was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;

<sup>1</sup> Lady Barbara Judge will retire as a director of Portmeirion Group plc at its Annual General Meeting on 17 May 2018.

- 7.3.6 has had any asset which has been subject to a receivership or was a partner in a partnership at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or
- 7.3.7 has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 7.3.8 Lady Barbara Judge was appointed as a director of DawnayDay International Limited, a real estate investment company registered in England, on 1 June 2007. On 18 June 2008, administrators were appointed to the company and on 16 July 2009 the company was placed into a creditors' voluntary liquidation and subsequently dissolved on 30 August 2014.
- 7.3.9 Lady Barbara Judge was appointed as a director of W Willow Limited, a private limited company registered in England, on 6 May 1997. On 13 August 2001 the Official Receiver was appointed as liquidator to the company following the presentation of a winding up petition on 15 May 2001. This compulsory liquidation was concluded on 31 May 2002 resulting in the company being removed from the register of companies at Companies House and automatically dissolved on 18 September 2002. On the application of Peter Draper, a claimant proposing proceedings against the company, it was restored to the register pursuant to an order of the court dated 24 January 2014 to allow the proposed proceedings to be progressed. It was again removed from the register and dissolved via-compulsory strike off on 18 October 2016. On 7 September 2017 the company was restored to the register for a second time and is deemed to still be in a creditors' voluntary liquidation despite the initial liquidation proceedings being compulsory proceedings. The restoration was effected on the application of a claimant to proposed proceedings.
- 7.3.10 Nico Goulet was appointed as a director of NETfractal S.L., a venture capital firm registered in Spain, in February 2000. In 2013, the company was placed into orderly liquidation and subsequently dissolved in 2013 with no deficiency as regards third party liabilities and excess proceeds distributed to shareholders.
- 7.3.11 Nico Goulet was appointed as a director of CapXnow S.L., a portfolio company of NETfractal S.L. registered in Spain, in 2000. In 2002, the company was liquidated.
- 7.3.12 Nico Goulet was appointed as a director of LolaGifts S.L., a portfolio company of NETfractal S.L. registered in Spain, in 2000. In 2002, the company was liquidated.
- 7.3.13 Nico Goulet was appointed as a director of Elastix Corp., a portfolio company of Adara Ventures registered in California, USA, in April 2008. In April 2011, the company was liquidated.
- 7.3.14 Nico Goulet was appointed as a director of Elastix Solutions S.L., a portfolio company of Adara Ventures registered in Spain, in March 2011. In August 2011, the company was placed into liquidation and subsequently, dissolved in May 2015 with deficiency as regards third party liabilities of approximately €175,000. The court declared the liquidation fortuitous<sup>2</sup>.
- 7.3.15 Nico Goulet was appointed as a director of Illuminate Solutions S.L., a portfolio company of Adara Ventures registered in Spain, in June 2006. In October 2011, the company was placed into receivership and subsequently, liquidated in February 2014 with deficiency as regards third party liabilities of approximately €1,200,000. The court declared the liquidation fortuitous<sup>2</sup>.
- 7.3.16 Nico Goulet was appointed as a director of Ecutronic Technologies S.L., a portfolio company of Adara Ventures registered in Spain, in September 2005. In April 2010, the company was placed into receivership and subsequently, liquidated in April 2013 with deficiency as regards third party liabilities of approximately €1,400,000. The court declared the liquidation fortuitous<sup>2</sup>.
- 7.3.17 Nico Goulet was appointed as a director of Precision Talleres & Vehiculos S.L., registered in Spain, in January 2004. In July 2012, the company was placed into receivership following a sale to a private equity firm and subsequently, liquidated in January 2014 with deficiency as regards third party liabilities of approximately €80,000. The court declared the liquidation fortuitous<sup>2</sup>.
- 7.3.18 Nico Goulet was appointed as board observer of Visure Solutions S.L. registered in Spain, between April 2014 and January 2016. In February 2017, the company was placed into receivership and the process is still ongoing.

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<sup>2</sup> In a Spanish legal sense "fortuitous" means that the court of law has declared that the directors do not bear any responsibility for the situation and are therefore, not subject to any liability or claims

- 7.4 The interests of the Directors and their immediate families, all of which are beneficial (unless otherwise stated), and of connected persons within the meaning of section 252 of the Companies Act, in the issued share capital of the Company as at the date of this document and as they are expected to be on Admission, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:

	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Steve Flavell	2,527,294	5.98	2,527,294	4.62
Michael Hughes	2,457,294	5.82	2,457,294	4.49
Simon Healey	—	—	—	—
Lady Barbara Judge	33,754	0.08	33,754	0.06
Barmak Meftah	43,750	0.10	43,750	0.08
Mike Reynolds	—	—	—	—
Nico Goulet <sup>(1)</sup>	6,964,548	16.49	6,964,548	12.72

(1) Adara Ventures SICAR is interested in 6,964,548 Ordinary Shares; Nico Goulet is a director of Adara Venture Partners, General Partner of Adara Ventures SICAR.

- 7.5 In addition to the interests of the Directors set out in paragraph 7.4 above, as at the date of this document, insofar as is known to the Company, each of the following persons will as at the date of this document and immediately following Admission hold more than 3% of voting rights as a shareholder through his direct or indirect holding of financial instruments:

	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Andrew Scott <sup>(1)</sup>	10,088,919	23.89	10,088,919	18.43
Adara Ventures SICAR	6,964,548	16.49	6,964,548	12.72
Hargreave Hale	3,314,199	7.85	4,264,199	7.79
Herald Investment Management	2,042,000	4.84	2,667,000	4.87
Octopus Investments Limited	1,693,331	4.01	1,755,831	3.21
Jupiter Asset Management	Not applicable	Not applicable	1,725,000	3.15

(1) This includes shares registered in the name of Andrew Scott and his wife, Rhonda Scott (being 5,442,889 Ordinary Shares); shares registered in the name of the Scott Family Trust (being 146,030 Ordinary Shares); and SFT Capital Limited (being 4,500,000 Ordinary Shares).

- 7.6 The following options over Ordinary Shares have been granted to the Directors, such options being exercisable at the price and on the dates or occurrences of events shown below:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Date of grant</i>	<i>Exercise Price per Ordinary Shares</i>	<i>Exercise period</i>
Michael Hughes	880,000	19/12/2014	£0.75	10 years <sup>(1)</sup>
Simon Healey	100,000	12/04/2012	£0.50	10 years <sup>(1)</sup>
Barmak Meftah	75,000	19/12/2014	£0.75	10 years
	31,250	19/12/2014	£0.0128	10 years
Mike Reynolds	75,000	19/12/2014	£0.75	10 years
	75,000	19/12/2014	£0.0128	10 years

Notes:

(1) 10 years from date of grant provided still in employment of the Group

- 7.7 Save as disclosed above, none of the Directors nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) holds or is beneficially or non beneficially interested, directly or indirectly, in any share capital or loan capital of the Company or any of its subsidiary undertakings, or in any options to subscribe for or securities convertible into shares of the Company or any of its subsidiary undertakings.

- 7.8 Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group during the current

or immediately preceding financial year and which was effected by the Group and remains in any respect outstanding or unperformed.

- 7.9 There are no loans made or guarantees granted or provided by the Company or the Group to or for the benefit of any Director which are outstanding.
- 7.10 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.
- 7.11 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.
- 7.12 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.

## **8. DIRECTORS' REMUNERATION, SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT**

- 8.1 The Directors have entered into service contracts or letters of appointment which are summarised below. Save for these agreements there are no service agreements or letters of appointment between any Director and the Company or any of the subsidiaries not determinable without payment of compensation (other than statutory compensation) within one year and none are proposed to be entered into.

### **8.1.1 *Steve Flavell***

Steve Flavell was appointed as a Director on 17 June 2016. On 2 August 2016, Steve entered into a service agreement with the Company for his employment as Co-Chief Executive Officer at an annual salary of £200,000. In addition to his salary, the Company may, in its absolute discretion, pay Steve a discretionary bonus at such times and for such amounts as the Company may in its sole discretion decide.

The agreement is terminable on six months' notice by either party, however the Company may elect to pay Steve a payment in lieu of his contractual notice entitlement. The agreement contains restrictive covenants relating to competition, current and prospective customers, suppliers, and certain employees and consultants of the Group. The agreement also contains provisions for the protection of the intellectual property and confidential information of the Group.

### **8.1.2 *Michael Hughes MBE***

Michael Hughes was appointed as a Director on 1 August 2016. On 2 August 2016, Michael entered into a service agreement with the Company for his employment as Co-Chief Executive Officer at an annual salary of \$300,000. Michael is based in California, United States. In addition to his salary, the Company may, in its absolute discretion, pay Michael a discretionary bonus at such times and for such amounts as the Company may in its sole discretion decide.

The agreement is terminable on six months' notice by either party, however the Company may elect to pay Michael a payment in lieu of his contractual notice entitlement. The agreement contains a restrictive covenant relating to certain employees and consultants and includes provisions for the protection of the intellectual property and confidential information of the Group.

### **8.1.3 *Simon Healey***

On 2 August 2016, Simon Healey was appointed as a Director and entered into a service agreement with the Company for his employment as Chief Financial Officer at an annual salary of £120,000. His salary was increased to £130,000 per annum with effect from 1 March 2018. In addition to his salary, the Company may, in its absolute discretion, pay Simon a discretionary bonus at such times and for such amounts as the Company may in its sole discretion decide.

The agreement is terminable on six months' notice by either party, however, in the event that the Company appoints a person to carry out the role of Financial Controller, then following a period of six months from their appointment, this period will reduce to three months. The Company may elect to pay Simon a payment in lieu of his contractual notice entitlement. The agreement contains restrictive covenants relating to competition, current and prospective customers, suppliers and certain employees and consultants. The agreement also contains provisions for the protection of the intellectual property and confidential information of the Group.



#### 8.1.4 *Lady Barbara Judge*

Lady Barbara Judge is the non-executive Chairperson of the Company and based in London, England. On 1 August 2016, Lady Barbara Judge entered into a non-executive appointment letter (conditional on completion of the IPO) at an annual fee of £50,000 paid in quarterly instalments in advance. Lady Barbara Judge must spend a minimum of two days per month on work for the Company. Lady Barbara Judge was appointed as a Director on 24 August 2016.

The term of Lady Barbara Judge's appointment will continue until the conclusion of the Company's annual general meeting occurring approximately three years from the date of her appointment unless the appointment is otherwise terminated by Lady Barbara Judge giving three months' notice to the Company or the Company giving one month's notice to Lady Barbara Judge. Lady Barbara Judge will be required to retire and seek re-election by the shareholders as required by the Articles. Non-executive directors are typically expected to serve two three-year terms.

The appointment letter contains a restrictive covenant that prevents Lady Barbara Judge from poaching senior employees for six months following termination of the appointment and includes provisions for the protection of the intellectual property and confidential information of the Group.

#### 8.1.5 *Barmak Meftah*

Barmak Meftah is a non-executive Director and based in California, United States. On 2 August 2016, Barmak was appointed as a Director and entered into a non-executive appointment letter at an annual fee of £1.00. Barmak must spend a minimum of two days per month on work for the Company. With effect from 1 October 2017, the annual fee was increased to \$30,000 payable in quarterly instalments in arrears.

The term of Barmak's appointment will continue until the conclusion of the Company's annual general meeting occurring approximately three years from the date of his appointment unless the appointment is otherwise terminated by Barmak giving three months' notice to the Company or the Company giving one month's notice to Barmak. Barmak will be required to retire and seek re-election by the shareholders at the next annual general meeting and at any subsequent annual general meeting as required by the Articles or as the Board resolves. Non-executive directors are typically expected to serve two three-year terms.

The appointment letter contains a restrictive covenant that prevents Barmak from poaching senior employees for six months following termination of the appointment and includes provisions for the protection of the intellectual property and confidential information of the Group.

#### 8.1.6 *Mike Reynolds*

Mike Reynolds is a non-executive Director and based in Florida, United States. On 2 August 2016, Mike was appointed as a Director and entered into a non-executive appointment letter at an annual fee of \$30,000 to be paid in equal quarterly instalments in arrears. Mike must spend a minimum of two days per month on work for the Company.

The term of Mike's appointment will continue until the conclusion of the Company's annual general meeting occurring approximately three years from the date of his appointment unless the appointment is otherwise terminated by Mike giving three months' notice to the Company or the Company giving one month's notice to Mike. Mike will be required to retire and seek re-election by the shareholders at the next annual general meeting and at any subsequent annual general meeting as required by the Articles or as the Board resolves. Non-executive directors are typically expected to serve two three-year terms.

The appointment letter contains a restrictive covenant that prevents Mike from poaching senior employees for six months following termination of the appointment and includes provisions for the protection of the intellectual property and confidential information of the Group.

#### 8.1.7 *Nico Goulet*

Nico Goulet is a non-executive Director and based in Madrid, Spain. On 2 August 2016, Nico was appointed as a Director and entered into a non-executive deed of appointment. Nico must spend a minimum of two days per month on work for the Company. He is not due any fee under the deed.



The term of Nico's appointment will continue until the conclusion of the Company's annual general meeting occurring approximately three years from the date of his appointment unless the appointment is otherwise terminated by Nico giving three months' notice to the Company or the Company giving one month's notice to Nico. Nico will be required to retire and seek re-election by the shareholders at the next annual general meeting and at any subsequent annual general meeting as required by the Articles or as the Board resolves. Non-executive directors are typically expected to serve two three-year terms.

The deed of appointment contains a restrictive covenant that prevents Nico from poaching senior employees for six months following termination of the appointment and includes provisions for the protection of the intellectual property and confidential information of the Group.

- 8.2 The aggregate remuneration including benefits in kind paid to the Directors for the 12 months ended 31 December 2017 was £893,000.

## **9. WORKING CAPITAL**

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing and the new debt facilities, that the Enlarged Group will from the time of Admission have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

## **10. SIGNIFICANT CHANGE**

### **10.1 *LoopUp Group***

Save as set out in relation to current trading and prospects referred to in paragraph 6 of Part III (*Information on LoopUp Group*) of this document and as set out in Section A (*Historical Financial Information on LoopUp Group Plc*) incorporated by reference into this document, there has been no material change in the financial or trading position or prospects of the LoopUp Group since 31 December 2017, the date to which LoopUp Group's latest published financial information was prepared.

### **10.2 *MeetingZone Group***

Save as set out in relation to current trading and prospects referred to in paragraph 6 of Part IV (*Information on MeetingZone Group*) of this document and as set out in Section C (*Unaudited Interim Information on the MeetingZone Group*) of Part VI, there has been no material change in the financial or trading position or prospects of the MeetingZone Group since 31 December 2017, the date to which MeetingZone Group's latest published financial information was prepared.

## **11. MATERIAL CONTRACTS**

In addition to the Placing Agreement, details of which are set out below, the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company, the Group or the MeetingZone Group during the two years immediately preceding the date of this document and are or may be material:

### **11.1 *Acquisition of the MeetingZone Group***

#### **11.1.1 *Share Purchase Agreement***

On 16 May 2018, the Company entered into a conditional share purchase agreement with the shareholders of Warwick Holdco on a split exchange and completion basis pursuant to which the Company conditionally agreed to acquire the entire issued share capital of Warwick Holdco. Further details of the Share Purchase Agreement are set out at paragraph 1.2 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.

#### **11.1.2 *Management Warranty Deed***

On 16 May 2018, the Company entered into a deed of warranty with certain individual sellers of the shares of Warwick Holdco, pursuant to which customary warranties in relation to the MeetingZone Group and restrictive covenants were given in favour of the Company. Further details of the Management Warranty Deed are set out at paragraph 1.3 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.

### 11.1.3 *Synthetic Tax Deed*

On 16 May 2018, the Company entered into a synthetic tax deed with Aquinex Limited, pursuant to which Aquinex Limited indemnifies the Company, subject to market standard exclusions and limitations, for any tax liability arising in any member of the MeetingZone Group in respect of any period or part period occurring prior to the completion of the Acquisition. Further details of this deed are set out at paragraph 1.4 at Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) of this document.

### 11.1.4 *Warranty and indemnity insurance*

On 16 May 2018, the Company acquired a buy-side warranty and indemnity insurance policy with Aquinex Limited (as agent for the underwriters: Arch Insurance Company (Europe) Limited, Royal & Sun Alliance Insurance plc, International General Insurance Company (UK) Limited, and Markel International Insurance Limited), pursuant to which Aquinex Limited insured the Company subject to certain exclusions for losses arising from breach of warranties and tax indemnities given to the Company under the Share Purchase Agreement, the Management Warranty Deed and/or any claim under the Synthetic Tax Deed.

The warranty and indemnity insurance policy is subject to certain limitations on coverage both in terms of quantum and the time to bring claims.

## 11.2 ***Term and Revolving Credit Facility with Bank of Ireland***

On 16 May 2018, a Facilities Agreement was entered into between LoopUp Limited and the Bank of Ireland as lender, pursuant to which the Bank of Ireland has agreed, subject to, *inter alia*, completion of the Placing and the Acquisition, to make available the Term Loan and RCF to LoopUp Limited.

Further details of the Facilities Agreement are set out at paragraph 6 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document.

## 11.3 ***Growth Round Development Facility***

On 3 September 2012 LoopUp Limited entered into a deed to create a Growth Round Development Facility (the “**GRDF**”) pursuant to which investors were able to enter into commitment deeds under which the investors undertook to subscribe for unsecured loan notes when required by LoopUp Limited to do so. The GRDF was subsequently amended and varied on a number of occasions.

On 18 July 2016, a deed of substitution (the “**Deed of Substitution**”) was entered into between (1) LoopUp Limited, (2) Pimco 2711 and (3) the holders of the loan notes issued pursuant to the GRDF (the “**GRDF Holders**”) and the GRDF was novated so that LoopUp Limited was released from all obligations and liabilities under the GRDF and Pimco 2711 assumed such obligations and liabilities in substitution for LoopUp Limited.

Under the terms of the Deed of Substitution a deed of amendment and restatement was entered into in relation to the GRDF between (1) LoopUp Limited, (2) Pimco 2711 and (3) the GRDF Holders. At the same time LoopUp Limited entered into a guarantee in favour of the GRDF Holders under which it guarantees the performance of the obligations of Pimco 2711 under the GRDF.

The GRDF was repaid and terminated in January 2017.

## 11.4 ***GRDF Capitalisation Agreement***

On 17 August 2016, the Company, Pimco 2711 and the Zacando Foundation (the “**Debtholder**”) entered into a deed of capitalisation in which £4,500,000 of funds borrowed by Pimco 2711 from the Debtholder under the GRDF were capitalised by the allotment and issue of 4,500,000 A Ordinary Shares to the Debtholder (the “**Consideration Shares**”).

The Company agreed to allot and issue the Consideration Shares to the Debtholder in consideration of Pimco 2711 entering into a promissory note with the Company agreeing to repay the Company £4,500,000. The promissory note is interest free and repayable on the Company's demand.

## 11.5 ***Placing Agreements***

### 11.5.1 *IPO Placing Agreement*

Under the IPO Placing Agreement, Panmure Gordon agreed conditionally, *inter alia*, on to IPO becoming effective not later than 8.00 a.m. on 24 August 2016, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Ordinary Shares issued as part of the IPO Placing at 100 pence per share.

Under the IPO Placing Agreement the Company and the Directors gave Panmure Gordon certain warranties regarding, *inter alia*, the accuracy of the information contained in the admission document issued as part of the IPO. In addition, the Company gave certain indemnities, in the usual form. Provisions permitted the IPO Placing Agreement to be terminated prior to the IPO in certain circumstances, including those where any of the warranties were not true or accurate in any material respect.

Under the Placing Agreement and subject to it becoming unconditional, the Company agreed to pay to Panmure Gordon an aggregate fee in respect of the shares issued as part of the IPO Placing.

The Company paid certain other costs and expenses (including all applicable VAT) of, or incidental to, the IPO Placing including all fees and expenses payable in connection with admission of those shares to trading on AIM, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses. The net proceeds of the IPO Placing receivable by the Company were approximately £7.5 million.

#### 11.5.2 *Placing Agreement*

On 16 May 2018 the Company entered into the Placing Agreement. Under the Placing Agreement, Panmure Gordon and Numis have agreed conditionally, *inter alia*, on Admission becoming effective not later than 18 June 2018, as agents for the Company, to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Further details of the Placing Agreement are set out at paragraph 2 of Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*).

#### 11.6 **Panmure Gordon Nominated Adviser and Broker Agreement 2016**

On 18 August 2016 the Company entered into a nominated adviser and broker agreement with Panmure Gordon (the “**Nominated Adviser and Broker Agreement**”) Under the Nominated Adviser and Broker Agreement, the Company appointed Panmure Gordon to act as nominated adviser and broker to the Company for the purposes of the AIM Rules.

The Company agreed to pay Panmure Gordon an annual fee for its services as nominated adviser and broker, together with all reasonable out of pocket expenses and VAT.

#### 11.7 **Panmure Gordon Engagement Letter**

On 23 February 2018, the Company entered into an agreement with Panmure Gordon for the purposes of the Acquisition, Admission and the Placing (part of which is to be paid at the discretion of the Company). Under the terms of the agreement, the Company appointed Panmure Gordon to act as financial adviser, nominated adviser and broker to the Company for the purposes of the Acquisition, the Placing and Admission.

The Company agreed to pay Panmure Gordon a corporate finance advisory fee in connection with the Acquisition, a combined underwriting, management and selling commission in connection with the Placing and a corporate finance advisory fee in connection with Admission, together with all reasonable expenses and VAT. The fees payable in connection with the Placing have been superseded by the Placing Agreement.

#### 11.8 **Numis Engagement Letter**

On 5 March 2018, the Company entered into a broker agreement with Numis (as amended on 13 March 2018), pursuant to which Numis has agreed to act as joint financial adviser and broker to the Company in connection with the Acquisition, the Placing and Admission.

The Company agreed to pay Numis an annual fee for its services as a joint broker, together with all reasonable out of pocket expenses and VAT.

The Company has agreed to pay Numis a combined underwriting, management and selling commission in connection with the Placing (part of which is to be paid at the discretion of the Company), together with all reasonable out of pocket expenses and VAT. The fees payable in connection with the Placing have been superseded by the Placing Agreement.

#### 11.9 **Lock-in and orderly marketing arrangements**

Pursuant to lock-in and orderly market arrangements dated 18 August 2016, each of the Directors and certain other Shareholders, holding in aggregate 30,971,192 Ordinary Shares at the time of the IPO, undertook, save in limited circumstances, not to dispose of any of their interests in Ordinary Shares at any time prior to the first anniversary of those agreements. These undertakings have expired.

In addition, in order to ensure an orderly market in the Ordinary Shares, the Directors and certain other Existing Shareholders further undertook, in respect of themselves and each of their connected persons, that for a further period of 12 months thereafter they would not, save in limited circumstances, deal or otherwise dispose of any such interests in Ordinary Shares other than through Panmure Gordon (or such other broker appointed by the Company from time to time).

In addition, the holders of Options agreed that, to the extent that they exercise their Options, they would be bound by similar orderly marketing arrangements.

#### 11.10 **Alcatel software licence agreement**

LoopUp Limited entered into a software licence and support agreement with Alcatel-Lucent Enterprise (“**ALE**”) on 11 November 2013 (the “**2013 Agreement**”), under which ALE granted to LoopUp Limited a non-exclusive perpetual licence to use ALE’s “MyTeamwork Multi-Media Instant Communications” software (the “**Software**”) which was freely sub-licensable to the Group without prior consent, together with various maintenance and support services in respect of the licensed software.

Following disagreements regarding the scope and performance of support provided by ALE under the 2013 Agreement, LoopUp Limited and ALE decided to terminate that agreement by way of a termination agreement and simultaneously enter into a new software license agreement dated 20 June 2016 (the “**2016 Agreement**”) in order to settle the dispute. Under the 2016 Agreement, ALE grants to LoopUp Limited a worldwide, royalty-free and fully paid-up, non-exclusive, non-transferable, source code licence in relation to the Software. The agreement had an initial term until 31 December 2017 unless terminated early in accordance with its terms, and was extended at the sole discretion of LoopUp Limited on 18 December 2017 until 30 June 2019. It may further be extended at the sole discretion of LoopUp Limited.

#### 11.11 **Screenleap software-as-a-service agreement**

LoopUp Limited entered into a software-as-a-service agreement with Screenleap Inc (“**Screenleap**”) dated 23 May 2013, under which Screenleap grants to the Group a non-exclusive, non-transferable licence to software and hardware in respect of screen sharing web conferencing technology. The source code is held in escrow for LoopUp Limited’s protection. The agreement had an initial term of three years, and then renews for one year periods until terminated. LoopUp Limited paid an initial fee of \$50,000 to Screenleap and, currently, pays a minimum monthly fee of US\$19,000 (which is subject to increase, depending on LoopUp Limited’s usage of the services).

#### 11.12 **Telefonica agreement**

LoopUp Limited entered into a settlement agreement with Telefonica Germany GmbH (“**Telefonica**”) dated 5 July 2016 for the purposes of settling a dispute between the parties. The dispute arose due to Telefonica’s opposition, which has since been withdrawn, to LoopUp Limited filing two registered trade mark applications for “LOOPUP” word and device trade marks on the basis that Telefonica was seeking to rely on its Community trade mark registrations and German trade mark registration for the word “LOOP”. The terms of the agreement allow LoopUp Limited to continue to use “LOOPUP” in Europe in relation to remote meetings (including telephone, video and web conferencing) and/or online, web or virtual meetings. Telefonica’s right to register, renew or use the trade mark “LOOPUP” or “LOOP UP” has been restricted to Germany and, in addition, in Germany, Telefonica cannot seek to register, renew or use the trade mark “LOOPUP” or “LOOP UP” in respect of remote meetings (including telephone, video and web conferencing) and/or online, web or virtual meetings. Telefonica also grants LoopUp Limited a perpetual licence to use the LOOPUP trade mark in Germany solely for “Collaboration Goods and Services and Minor Promotional Use”. LoopUp Limited may also sublicense its Group members, resellers, agents, licensees and customers to use the LoopUp Limited trade marks in Germany in relation to Collaboration Goods and Services provided by LoopUp Limited.

#### 11.13 **Acquisition by MeetingZone of the business and assets of Penguin Conferencing Limited**

On 22 August 2017, MeetingZone Limited entered into an agreement with Penguin Conferencing Limited (as vendor), Sound Advertising Holdings Limited (as guarantor) and Michael David Charlesworth (as covenantor) for the sale and purchase of the customer base and trade of Penguin Conferencing Limited (the “**Asset Purchase Agreement**”).

The consideration payable pursuant to the Asset Purchase Agreement was £94,328.00 payable in cash at completion, plus, up to £50,000 payable in cash on the three month anniversary of completion (the “**Deferred Consideration**”). The Deferred Consideration was subject to downwards adjustment in prescribed circumstances linked, *inter alia*, to the future performance of certain customers.

The Asset Purchase Agreement contains warranties in favour of MeetingZone Limited, *inter alia*, as to capacity, ownership of the assets, accuracy of information and the vendor and guarantor not being insolvent.

## **12. EMPLOYEES**

As at 31 December 2017 the Group employed 44 people in the UK, (which includes Lady Barbara Judge, but excludes the other non-executive Directors), 74 people in the USA, three people in Australia, one person in Hong Kong and one person in Barbados. During the most recent financial year the Group engaged no temporary staff.

As at 31 December 2017 the MeetingZone Group employed 90 people in the UK, 11 people in Germany, six people in the United States, six people in Sweden and one person in Canada. During the most recent financial year the MeetingZone Group engaged no temporary staff.

## **13. LITIGATION**

No member of the Enlarged Group is or has been involved in any legal or arbitration proceedings which are active, pending or threatened against it, or being brought by it, which are having or may have a significant effect on the Enlarged Group’s financial position or profitability.

## **14. TAXATION**

The following summary is intended as a general guide for UK tax resident Shareholders as to their tax position under current UK tax legislation and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time.

The Company is at the date of this document resident for tax purposes in the United Kingdom and the following is based on that status.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 10% or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are “employment related securities” as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

### **14.1 The Group**

The profits of the Company will be subject to UK corporation tax.

### **14.2 Shareholders**

The profits of the Company will be subject to UK corporation tax.

#### **14.2.1 Withholding tax**

Under current UK taxation legislation, no tax will be withheld at source from dividend payments by the Company.

#### **14.2.2 Taxation of dividends**

##### **(a) United Kingdom resident shareholders Individuals**

Under current UK legislation, no UK tax is required to be withheld from dividend payments by the Company.



Finance Act 2016 introduced new rules applying to dividends paid to individuals and trustees from 6 April 2016 onwards. The dividend tax credit was abolished and a dividend allowance of £2,000 per annum for individuals (from 6th April 2018 following Finance (No.2) Act 2017) was introduced. Dividends falling within this allowance are not subject to income tax. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 7.5% (for individuals not liable to tax at a rate above the basic rate), 32.5% (for individuals subject to the higher rate of income tax) and 38.1% (for individuals subject to the additional rate of income tax). The Finance Act 2016 also changed the rate of tax paid on dividend income by trustees of discretionary trusts by changing the dividend trust rate to 38.1%.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

(b) Companies

With certain exemptions (e.g. for traders in securities), Shareholders within the charge to UK corporation tax which are 'small companies' (for the purposes of UK taxation of dividends) will generally not be subject to tax on dividends under the distribution exemption rules. The exemption is only available if certain conditions are met (including an anti-avoidance condition). Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. To the extent that dividends are not exempt, they will be subject to corporation tax. The current rate of U.K. corporation tax is 19%. This rate is due to fall to 17% with effect from 1 April 2020.

(c) Non-residents

From 6 April 2016 dividends no longer have a tax credit attaching to them. Non-resident shareholders may though be entitled to a repayment of all or a proportion of a notional tax credit in respect of dividend payments by the Company. This will depend upon the existence and the terms of an applicable double tax treaty between their jurisdiction of residence and the UK. They may also be liable to tax on the dividend income under the tax law of their jurisdiction of residence. Non-UK resident Shareholders should consult their own tax advisers in respect of their liabilities on dividend payments, whether they are entitled to claim any part of the notional tax credit and, if so, the procedure for doing so.

### 14.3 ***Taxation of Disposals***

A disposal of Ordinary Shares by a Shareholder who is resident for tax purposes in the UK, will in general be subject to UK taxation on capital gains on a disposal of Ordinary Shares.

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

For UK resident individuals, capital gains (other than residential property) are chargeable at the applicable rate, which is generally 10% or 20% (depending on their personal circumstances, including other capital gains or income for the relevant period) subject to certain reliefs and exemptions.

For UK resident trusts or personal representatives, capital gains are chargeable at a flat rate of 20% subject to certain reliefs and exemptions.

For UK corporates, capital gains are chargeable to UK corporation tax, currently at the rate of 19% (17% from 1 April 2020) subject to indexation which may apply to reduce any such gain, although indexation cannot create or increase a capital loss. However, irrespective of the date of disposal, indexation allowance is only available up to 31 December 2017 for corporate shareholders and not at all for individuals and trustees. Other reliefs may also be relevant.

#### 14.4 **Stamp duty and Stamp Duty Reserve Tax**

No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the Placing Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

14.4.1 the Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear;

14.4.2 AIM continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986); and

14.4.3 In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances, at the rate of 0.5% of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

#### 14.5 **Inheritance and gift taxes**

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK), although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. There may also be a potential capital gains tax exposure relating to a lifetime transfer of assets, although exemptions and reliefs are likely to be available. Particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares, which could bring them within the charge to UK inheritance tax.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK inheritance tax and an equivalent tax in another country.

The comments set out above are intended only as a general guide to the current tax position in the UK at the date of this document. The rates and basis of taxation can change and will be dependent on a Shareholder’s personal circumstances.

Neither the Company nor its advisers warrant in any way the tax position outlined above which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

### 15. **INTELLECTUAL PROPERTY**

15.1 As at the date of this document the Group has had the following patents granted:

<i>Title</i>	<i>Application Number</i>	<i>Countries</i>	<i>Status</i>	<i>Patent number</i>
Call Management Service	EP05734565.4	Germany, France, UK	Granted 20/10/2010	EP1738590
Call Management Service	13/215,863	USA	Issued 25/08/2015	US9118981
Call Management Over Reduced Bandwidth	60/800,431	Canada	Issued 26/01/2016	CA2652267
Call Management Over Reduced Bandwidth	200780017850	China	Granted 19/12/2012	200780017850
Call Management Over Reduced Bandwidth	JP20090510537	Japan	Granted 12/04/2013	JP5241705
Call Management Over Reduced Bandwidth	60/800,431; 11/798,526	USA	Issued 4/12/2012	US8326277



- 15.2 As at the date of this document the Group has applied for the following patents which have not yet been granted:

<i>Title</i>	<i>Application Number</i>	<i>Countries</i>	<i>Status</i>	<i>Patent number</i>
Call Management Over Reduced Bandwidth	EP20070732821	EPO	A1 (published)	EP2030405
Call Management Over Reduced Bandwidth	9878/DELNP/2008	India	Awaiting examination	N/A

## 16. TAKEOVER CODE, SQUEEZE OUT AND SELL OUT RULES

### 16.1 *Takeover Code*

The Company is subject to the Takeover Code. Further information is set out in paragraph 8 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document.

### 16.2 *Squeeze-out rules*

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the “offeror”) were to acquire, or contract to acquire, 90% in value of the Ordinary Shares which are the subject of such offer and 90% of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding Shareholders before the end of the 3 month period, beginning on the day after the last day on which the offer can be accepted. The notice must be made in the prescribed manner. Six weeks later, the offeror would send a copy of the notice to the Company together with an instrument of transfer executed in respect of the outstanding Ordinary Shares on behalf of the holder in favour of the offeror and pay the consideration for those Ordinary Shares. The Company would hold the consideration on trust for outstanding shareholders. The consideration offered to those shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the general offer.

### 16.3 *Sell-out rules*

16.3.1 The Companies Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a general offer as in paragraph 8 of Part V (*Information on the Acquisition, the Enlarged Group and the Placing*) of this document. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire, not less than 90% in value of the Ordinary Shares and those shares carry not less than 90% of the voting rights in the Company, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder’s Ordinary Shares.

16.3.2 The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The rights of minority shareholders to be bought out are not exercisable after the period of three months after the end of the acceptance period or a later date specified in the notice given by the offeror. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## 17. GENERAL

- 17.1 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Enlarged Group’s business.

- 17.2 The gross proceeds of the Placing are expected to be £50.0 million. The total costs and expenses (including professional fees, printing and advertising costs and the amounts payable pursuant to the Placing Agreement) payable by the Company in relation to the Placing and the application for Admission are estimated to amount to approximately £4.0 million and are payable by the Company. The estimated total net amount of the proceeds of the Placing is approximately £46.0 million.

- 17.3 Save as set out below or otherwise in this document, no person (excluding professional advisers and trade suppliers or otherwise disclosed in this document) has received, directly or indirectly, within the 12 months preceding the application for Admission or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

17.3.1 fees totalling £10,000 or more;

- 17.3.2 securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
- 17.3.3 any other benefit with a value of £10,000 or more at the date of Admission.
- 17.4 Save as disclosed in this document, there has been no material change in the financial or trading position of the Group since 31 December 2017, the date of the Group's last published accounts.
- 17.5 Save as disclosed in this document, there has been no material change in the financial or trading position of the MeetingZone Group since 31 December 2017, the date of the latest published information of the MeetingZone Group as set out in Section C of Part VI (*Unaudited Interim Financial Information on the MeetingZone Group*) of this document.
- 17.6 The principal activities of the Group are as described in Part III (*Information on the LoopUp Group*) of this document and information on the Acquisition and The MeetingZone Group is set out in Parts I (*Letter from the Chairman*), IV (*Information on the MeetingZone Group*), V (*Information on the Acquisition, the Enlarged Group and the Placing*), Sections B (*Historical Financial Information on the MeetingZone Group*) and C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI and Part VIII (*Summaries of the Principal Terms of the Acquisition Agreements and the Placing Agreement*) respectively of this document. Save as disclosed in this document, there are no exceptional factors which have influenced the Enlarged Group's activities.
- 17.7 Other than pursuant to the IPO and the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares on any such exchange.
- 17.8 Save as disclosed in this document there have been no related party transactions (for the purposes of the standards adopted according to the Regulation (EC) No 1606/2002) entered into by the Enlarged Group prior to the date of this document.
- 17.9 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 17.10 Of the price being paid to the Company for the Placing Shares 0.5 pence represents the nominal value and represents a premium of 399.50 pence.
- 17.11 Save as disclosed in this document, there have been no significant recent trends in production, sales and inventory and costs and selling price since 31 December 2017.
- 17.12 Save as disclosed in this document, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for at least the current financial year.
- 17.13 The accounting reference date of the Company is 31 December. The next accounting period of the Company will end on 31 December 2018.
- 17.14 Save as otherwise stated all the information provided in this document has been sourced from the Company. All such information has been accurately reproduced and so far as the Company is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information set out in this document has been sourced from a third party the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 17.15 The auditors of the Company, Grant Thornton, who were appointed on 15 June 2017 are regulated by the Institute of Chartered Accountants of England and Wales.
- 17.16 Save as set out in paragraph 10.5.2 of this Part IX (*Additional Information*) of this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 17.17 No paying agent has been appointed by the Company.
- 17.18 Save as disclosed in this document, there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments, which are significant to the Enlarged Group.

## **18. CONSENTS**

- 18.1 Panmure Gordon of One New Change, London EC4M 9AF is regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Panmure Gordon has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 18.2 Numis of The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT is regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Numis has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 18.3 Grant Thornton of Victoria House, 199 Avebury Boulevard, Milton Keynes MK9 1AU has given and has not withdrawn its written consent to the inclusion of its name, its Accountant's Report set out in Section B (*Historical Financial Information on the MeetingZone Group*) of Part VI and its Review Report set out in Section C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI of this document and the references to such reports and its name, in the form and context in which they appear. Grant Thornton accepts responsibility for the reports set out in Section B (*Historical Financial Information on the MeetingZone Group*) of Part VI and Section C (*Unaudited Interim Financial Information on the MeetingZone Group*) of Part VI in accordance with the AIM Rules (and paragraph 1.2 of Annex I of the Prospectus Rules) and confirms that to the best of its knowledge having taken all reasonable care to ensure that such is the case the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **19. Availability of Admission Document and documents incorporated by reference**

Copies of this document and documents incorporated by reference into this document are available free of charge from the registered office of the Company and from the offices of Panmure Gordon, One New Change, London EC4M 9AF during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document and will remain available for at least 30 days after the date of Admission.

Dated: 16 May 2018

# NOTICE OF GENERAL MEETING

## LoopUp Group plc

*(incorporated in England and Wales with registered number 09980752)*

**NOTICE IS HEREBY GIVEN THAT** a General Meeting of LoopUp Group plc (the “**Company**”) will be held at Panmure Gordon (UK) Limited at One New Change, London, EC4M 9AF at 11.00 a.m. on 1 June 2018 to consider and, if thought appropriate, pass the following resolutions of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolution 3 will be proposed as a Special Resolution.

### ORDINARY RESOLUTIONS

1. **THAT**, the acquisition by the Company of the entire issued share capital of Warwick Holdco Limited in accordance with the terms of an acquisition agreement dated 16 May 2018 and made between (1) GMT Realisation Fund, L.P., (2) GMT Warwick Acquisitions 1, L.P., (3) the Individual Sellers (as defined therein) and (4) the Company together with the documents referred to therein (as described in the admission document of the Company dated 16 May 2018 of which this notice forms part (the “**Admission Document**”)), be and is hereby approved for the purpose of Rule 14 of the AIM Rules for Companies and that the directors of the Company (or a duly appointed committee thereof) be and are hereby authorised to complete such agreement, subject to such modifications as the Directors may deem appropriate, and to execute, sign and do all such other documents, deeds, acts and things as may be necessary or desirable to complete such acquisition.
2. **THAT**, in addition to any existing such authority, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company up to a maximum aggregate nominal amount of £62,500.00 in connection with the proposed placing of ordinary shares in the capital of the Company as described in the Admission Document (the “**Placing**”), provided that this authority will expire on 31 August 2018 save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

3. **THAT**, subject to the passing of Resolutions 1 and 2 above and in addition to any existing such power, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 2 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £62,500.00 in connection with the Placing and such power shall expire on 31 August 2018 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By Order of the Board

**Simon Healey**  
*Company Secretary*

16 May 2018

### Registered Office:

First Floor  
78 Kingsland Road  
London  
United Kingdom  
E2 8DP

#### NOTES TO THE NOTICE OF GENERAL MEETING:

1. A member entitled to attend and vote at the General Meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A Form of Proxy which may be used to make such an appointment and give proxy instructions accompanies this Notice. Please refer to the notes to the Form of Proxy for further information on appointing a proxy. To appoint more than one proxy please contact the Company's registrar, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen B63 3DA.
2. A proxy need not be a member of the Company but must attend the General Meeting to represent his or her appointer. Appointment of a proxy will not preclude a member from attending and voting in person at the General Meeting should they so wish.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolutions) which may properly come before the General Meeting.
4. To be effective, the appointment of a proxy, or the amendment to the instructions given to a previously appointed proxy, must be received together with any power of attorney or other authority under which the proxy is appointed (or a notarially certified copy of such power or authority) by the Company's registrar by hand only to Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen B63 3DA or in accordance with the reply paid details by no later than 48 hours (excluding any part of a day that is not a working day) prior to the time for holding the General Meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it is demanded, not later than 24 hours (excluding any part of a day that is not a working day) before the time appointed for the taking of the poll at the meeting at which it is to be used.
5. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.
6. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
7. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members at 6 p.m. on 30 May 2018 (or, in the event of adjournment, 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote. Persons who are not Shareholders will not be admitted to the General Meeting unless prior arrangements are made with the Company.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ('CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID No. 7RA11) by 11.00 a.m. on 30 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. A vote withheld is not a vote in law which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy will vote or abstain from voting at his or her discretion. A proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
13. As at 15 May 2018, (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 42,231,963 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 15 May 2018 are 42,231,963.
14. This Notice, together with the information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the General Meeting as at 1 June 2018, being the latest practicable date prior to the printing of this Notice will be available at the Company's website, [www.loopup.com](http://www.loopup.com).
15. Any electronic address provided in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purpose other than those expressly stated.







