

24th February 2020



LOOPUP GROUP PLC

(“LoopUp Group” or the “Group”)

Trading Update

LoopUp Group plc (AIM: LOOP), the premium remote meetings company announces a trading update for its financial year ended 31 December 2019.

Trading Overview:

The Group expects to report revenue and EBITDA broadly in line with market expectations at £42.5 million (FY2018: £34.2 million) and £6.4 million (FY2018: £7.7 million) respectively. The Group's cash balance at 31 December 2019 was £3.0 million (net debt: £11.5 million).

The macro headwinds affecting user behaviour, and described in our 2019 Interim Results, have stabilised in the UK since the summer. However, a similar effect is now impacting our US business. While US minutes per active user declined just 2% year-on-year in H1 2019, this worsened to 8% in H2 2019. This is broadly in line with US M&A data¹, which shows a 41% decline in deal values in H2 2019 versus H1 2019. This impact is unsurprising given the Group's focus on professional services sectors, such as law, corporate finance and private equity.

The Group has completed the transition of MeetingZone audio conferencing customers over to the LoopUp platform in core UK, US and German geographies. By the end of 2019, 23,598 former MeetingZone users had transitioned to become active users on the LoopUp platform (c.26% of total LoopUp active users).

While this major transition project was successful overall, the Group experienced subsequent intermittent service issues during November and early December 2019, which gives rise to the potential for higher than normal churn in H1 2020. All service issues have now been resolved and normal high-quality service levels have been resumed. We are focused on mitigating any potential impact.

Reallocation of resources:

The Group's core LoopUp product is increasingly focused on the professional services market, which currently represents approximately 70% of core LoopUp product revenue. In order to reinforce this focus, we are reallocating some costs from commercial activities to product development activities to drive additional differentiation:

- In January 2020, we reduced our commercial team by 24 people, primarily through a 'raising the bar' exercise in our sales 'pods'. We now guide towards 12 active sales pods during FY2020, but with improved expected sales efficiency metrics
- The Group intends to increase its capitalised product development spend to approximately £6.0 million in FY2020 versus £5.0 million in FY2019

Outlook:

While immediate business and forex conditions remain challenging, we continue to see strong demand for the LoopUp product and are confident in our ability to deliver medium-term growth. We continue to monitor market and financial conditions closely.

Steve Flavell and Michael Hughes, co-CEOs of LoopUp Group, commented,

“In spite of the recent short-term challenges facing the business, we are in a vibrant market, where industry drivers of responsible corporate travel, employee productivity and cost efficiency lead to substantial forward-looking market growth expectations and the need for the industry to continue to innovate. Our differentiated product experience focuses on the particular needs of the professional services world, which are materially distinct from the market in general. We already enjoy considerable success in this market, where we are proud to work with more than 20 of the world's top-100 law firms

and over 20 of the world's top-100 private equity firms, and we are excited to reinforce our focus on this large and growing market segment."

The Group will announce its preliminary FY2019 results on 19 March 2020.

Market abuse regulation:

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

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About LoopUp Group plc:

LoopUp (LSE AIM: LOOP) is a premium remote meetings solution. LoopUp helps technology leaders to unlock the true potential of remote meetings in their organisations by combining simple, progressive software with best-in-class audio reliability. Over 2,000 organisations worldwide trust LoopUp's award-winning SaaS solution with their remote meetings, including more than 20 of the world's top-100 law firms and top-100 private equity firms, and enterprises such as Travelex, Kia Motors, Planet Hollywood and National Geographic. The Group is headquartered in London, with offices in San Francisco, New York, Boston, Chicago, Dallas, Los Angeles, Denver, Cardiff, Milton Keynes, Madrid, Berlin, Malmö, Hong Kong, Sydney and Barbados, and is listed on the AIM market of the London Stock Exchange (LOOP). For further information, please visit: www.loopup.com.

¹ Source: Mergermarket Global & Regional M&A Report 2019