

22 July 2021



LOOPUP GROUP PLC

("LoopUp" or the "Group")

Update on Trading and Strategic Transition

LoopUp Group plc (AIM: LOOP), the cloud platform for premium external communications, provides an update on its continued strategic transition and trading for the six months ended 30 June 2021.

Trading Update

Over the past twelve months, the Group has been executing on its strategy to expand its technology and business activities from a traditional base of Remote Meetings services into a broader, more valuable cloud platform for premium external and specialist communications. These platform capabilities now also include Cloud Telephony and Managed Events & Webcasts, both of which provide strong opportunities for long-term growth.

Group trading in H1 2021 highlights this strategic transition. In Cloud Telephony, we have seen a material acceleration in new customer wins, with 15 now secured so far this year, and we are optimistic about our pipeline of opportunities as detailed below. In contrast, our Remote Meetings business continues to see customers move to our more cost-effective committed term subscription and minimum spend contracts (now approximately 62% of total revenue), as well as sustained intense competition particularly outside of our professional services primary segment. We anticipate the positive trend for Cloud Telephony and challenging trend for Remote Meetings will both continue in the second half with a consequent effect on performance.

Specifically, the Group expects H1 2021 revenue to be no less than £11.5 million, approximately 13% below management expectations. EBITDA is expected to be no less than £1.0 million, driven by a balance of investment in the Group's platform transition alongside careful cost control, with staff and overhead costs running approximately 20 percent below average FY 2020 levels. Thanks to the accelerating momentum in Cloud Telephony, combined with new scalable indirect routes to market outlined below, the Group anticipates a return to top line monthly growth during H2 2021 and material annual growth in FY 2022 and beyond.

Cloud Telephony: Material Acceleration in New Customer Wins

The Group has achieved a material increase in Cloud Telephony new customer wins, accelerating from three during Q1 to 15 now secured year-to-date. Collectively, these represent a Total Contract Value ("TCV") ranging from a minimum of £1.7 million for initially committed deployment phases to an expected potential of c.£5.1 million as intended rollouts proceed.

A central theme underlying the majority of these customer wins is the broad international coverage of LoopUp's Cloud Telephony offering. In this respect, the Group remains comfortably ahead of its stated target to be a fully-licensed telecommunications service provider in at least 60 country jurisdictions by the end of 2021. The Group's global platform and IP backbone now interconnects with 18 carefully selected regional Tier-1 carriers to deliver redundant and 'highest quality routing' service to customers.

The Group's pipeline of directly sourced new Cloud Telephony opportunities remains strong with a TCV of £117 million, and the percentage of opportunities at an advanced stage has increased to 17% of pipeline value, from 7% at the end of March 2021.

Cloud Telephony: Indirect Distribution Pipeline Building

The Group is party to a growing number of material negotiations with major Microsoft partners, systems integrators and carriers, who are seeking a platform partner with differentiated geographic coverage to

bring Microsoft Teams Calling to their international customer bases. Our value proposition is powerful in that it enables these organisations to work with a single platform partner globally – LoopUp – rather than multiple, country-specific or regional carriers.

Negotiations with several of these potential go-to-market partners are now at advanced stages, and the Group believes that such alliances present a highly scalable and valuable additional route-to-market in Cloud Telephony. We will update the market as these opportunities convert in due course.

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

“The first half of the year has underlined the validity and potential of our shift to a broader, more valuable platform strategy, particularly in the Cloud Telephony arena where our internationally-differentiated offering is really resonating with both customers and channel partners. We are taking the right steps to rebalance our Remote Meetings business alongside investing in the meaningful opportunity for growth that Cloud Telephony represents.

The acceleration of new customer wins is a significant endorsement of our Cloud Telephony solution, and while the Group as a whole continues to execute on its transition, the size, potential and value of our shift to a broader platform strategy continues to build.”

Market abuse regulation:

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

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About LoopUp Group plc

LoopUp (LSE AIM: LOOP) is a cloud communications platform for external and specialist communications. We focus on capabilities that complement foundational unified communications platforms, such as Microsoft Teams: global cloud telephony, premium managed events and webcasts, and business-critical external remote meetings. Our flagship cloud telephony proposition enables customers to eliminate disparate on-premises phone systems and multiple telecommunications service providers, and consolidate their global telecommunications into a single cloud implementation. LoopUp's global IP backbone interconnects with 18 carefully selected regional carrier partners and the Group has market-leading coverage as a licensed telecommunications service provider. The Group is headquartered in London, with offices in San Francisco, New York, Boston, Chicago, Denver, Milton Keynes, Madrid, Berlin, Malmo, Hong Kong, Barbados and Australia, and is listed on the AIM market of the London Stock Exchange (LOOP). For further information, please visit: www.loopup.com.