

11 March 2024

LOOPUP GROUP PLC
(“LoopUp”, the “Company” or the “Group”)

Trading Update

Proposed cancellation of admission of Ordinary Shares to trading on AIM

Proposed Re-registration as a Private Limited Company

Proposed Post-Cancellation Fundraising

LoopUp Group plc (AIM: LOOP), the multinational cloud telephony provider, today provides an in-line trading update.

Alongside this, the Group announces the proposed cancellation of the admission of its ordinary shares to trading on AIM (the "Cancellation"), re-registration of the Company as a private limited company (the "Re-registration") and a proposal to undertake a post-Cancellation fundraising as a private company.

Growing Cloud Telephony is the Group's primary focus and priority to maximise forward-looking value creation. Driven by remote and hybrid working, Gartner forecasts this market growing to \$29 billion by 2026, and the Group is delivering triple digit growth on multiple metrics.

Following an extensive review by the directors of the Company (the "Directors" or the "Board") of the benefits and drawbacks to the Group and its shareholders ("Shareholders") of retaining the admission of the Company's ordinary shares ("Ordinary Shares") to trading on AIM, and particularly the ability of the Company to raise necessary funds within public versus private markets given the relatively early stage of development of the Group's fast-growing Multinational Cloud Telephony business, the Directors have concluded that the Cancellation and Re-registration are in the best interests of the Company and its Shareholders as a whole. Further details are set out below in this announcement.

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

"Helping our multinational customers to manage the complexity of moving their global communications into the cloud is what we're best at and where we see our future. Unlike many Remote Meetings companies, LoopUp successfully navigated the pandemic, and having pivoted the business to focus on Multinational Cloud Telephony, we're seeing strong traction in this high growth area – a market forecast to reach \$29 billion by 2026. In FY-23 we saw triple digit growth in contract bookings, recurring revenue, customers, contracts, and we've experienced absolute zero churn.

The priority for us now is to ensure we have the right funding to continue this growth and deliver on our potential. We have exhaustively explored all options to arrive at today's announcement, with the Board unanimously concluding that this proposal to de-list and conduct a private fundraising is in the best interests of the Group and of our Shareholders as a whole.

At this stage in our growth journey, taking the business private will provide us with the flexibility to invest in our future growth, underpinned by a significant near-term cash injection that certain private investors stand ready to make and a medium-term pathway to venture and private equity sponsorship."

A circular ("Circular") will be sent to Shareholders today, setting out the background to and reasons for the proposed Cancellation and the Re-registration, as well as details of the shareholder authorities required to enable a fundraising proposed to take place following the Re-registration and new articles of association. The Circular will also contain a notice convening a general meeting ("General Meeting"), at which Shareholders are invited to consider the proposed resolutions therein.

Trading Update – in-line with market expectations

Group revenue:

- FY-23 revenue is expected to be c.£21.2 million (now stated without Hybridium as a discontinued line of business), an increase of 34% over like-for-like revenue in FY-22

Strong traction continues in Multinational Cloud Telephony – our primary focus:

- LoopUp is currently certified on Microsoft's Operator Connect cloud telephony partner program in 64 countries, the broadest geographic coverage amongst all c.89 partners in the Operator Connect program globally, and 28% more than the nearest competitor
- 133% growth in revenue from £1.2 million in FY-22 to £2.8 million in FY-23¹
- 101% growth in customers from 78 at end FY-22 to 157 at end FY-23
- 172% growth in contracts from 169 contracts at end FY-22 to 459 at end FY-23
- 104% growth in booked Annual Contract Value (ACV)² from c.£1.6 million at end FY-22 to c.£3.3 million at end FY-23
- 107% growth in Annual Recurring Revenue (ARR) run-rate from c.£1.3 million at end FY-22 to c.£2.7 million at end FY-23
- Zero gross churn in FY-23, and indeed ever in the Group's Cloud Telephony
- Net Revenue Retention (NRR)³ of 152%
- Strong pipeline of future sales opportunities (c.£100 million ACV)

Legacy Meetings business:

- 25% growth in revenue from £14.7 million in FY-22 to £18.4 million in FY-23, heavily influenced by the transition of PGI customers to LoopUp in October 2022, and underlying systematic and ongoing decline

Bank of Ireland and Group cash position:

- The Group's outstanding debt of approximately £6.0 million with Bank of Ireland matures and becomes due on 30 September 2024
- As at 31 December 2023, gross cash was £845,000 and net debt was £5.3m⁴
- The Group requires significant cash investment to refinance existing debt with Bank of Ireland, to provide necessary short-term working capital for the Group and to drive growth of the Multinational Cloud Telephony business
- The Group is in productive discussions with Bank of Ireland with a view to agreeing a new two year term facility conditional on the Cancellation, Re-registration and proposed fundraising being completed.

Background - Strategic Context

Prior to the pandemic, LoopUp's Meetings business experienced steady and profitable growth. The pandemic led to a shift towards remote and hybrid working, and free Meetings capabilities in broader unified communications platforms such as Microsoft Teams led to a material and rapid decline in the market for standalone Meetings products such as LoopUp.

Accordingly, LoopUp switched its strategic focus to the rapidly growing field of Cloud Telephony, where the Group was able to leverage its global voice network that it had built over the prior 15 years for premium audio meetings in the international legal and financial markets. Gartner sized the Cloud Telephony market at \$22 billion in 2022 and forecasts its growth to \$29 billion by 2026, driven by the changing dynamics of a post-pandemic world where on-premise solutions lack flexibility for remote and hybrid working. The same remote and hybrid working dynamic that led to the move away from telephony-based conference calling to VoIP-based video systems like Teams and Zoom, also accelerated the opportunity for Cloud Telephony associated with unified communications platforms.

The Group's strategy, for the last three years, has therefore been focused on its primary Cloud Telephony business - creating a defensible and differentiated multinational positioning. The solution, integrated into Microsoft Teams, enables users to make phone calls to external phone numbers and

¹ Excluding legacy and discontinued Skype for Business platform revenue

² ACV is the minimum contracted annual revenue during the initial term of the customer contract.

³ NRR is calculated as the ratio of ARR at the end of FY-23 to ARR at the end of FY-22, from the cohort of customers in place at the end of FY-22

⁴ Excluding debt held by a subsidiary associated with Hybridium

receive phone calls to their own work phone numbers, all seamlessly via their Teams-enabled devices. LoopUp targets multinational mid-market and enterprise organisations with the value proposition of consolidating their global telephony procurement and management with one vendor partner - LoopUp - rather than multiple geographic-specific carriers, each with their own contract, tariffs, management tools and support processes. LoopUp removes this complexity for its customers.

By strategically prioritising Cloud Telephony, the Group has been able to adapt to the changing demands of the post-pandemic workplace, and LoopUp's Multinational Cloud Telephony business is growing strongly - with triple digit growth in FY-23 in bookings, recurring revenue, customers and contracts. With that said, the Cloud Telephony business is relatively early stage and currently consumes cash, as indeed does the Group as a whole in spite of material cash generation from the Group's declining legacy Meetings business.

Cash requirement to refinance business and capitalise on Multinational Cloud Telephony

To capitalise on the opportunity for LoopUp's Multinational Cloud Telephony business, and service the outstanding debt of approximately £6.0 million with Bank of Ireland which matures on 30 September 2024, the Group intends to raise approximately £9 million. Further details are set out below.

Details of the proposed Cancellation and Re-registration

The Board has assessed the various potential sources of capital available to the Group to raise the necessary £9 million short-term cash requirement, plus additional funding required for its medium-term growth plans in Multinational Cloud Telephony.

The Board has extensively reviewed and evaluated the benefits and drawbacks for the Group and its Shareholders in retaining the admission to trading of the Ordinary Shares on AIM. This review has focused on a comparative assessment of the various potential sources of capital available to the Group to raise the necessary £9 million short-term cash requirement, as well as to fund its medium-term growth plans in Multinational Cloud Telephony, noting the relatively early stage and current cash consumptive nature of this high growth business.

Specifically, the Board does not believe that an equity fundraising for the £9 million short-term cash requirement would be possible through public markets, particularly in view of the Group's current market capitalisation. Based on the outcome of the Group's most recent fundraising in September 2022 and current indications from the major contributors to that fundraising (i.e. private investors rather than institutional investors), the Directors believe that the Group would only be able to raise the necessary £9 million investment as a private company.

The Group has already received indications of intentions to invest a total of £6.2 million from four private investors, provided that such investment is made into a private company, that at least £9 million is raised in total and that the Group's existing debt with Bank of Ireland is refinanced before its maturity on 30 September 2024.

Furthermore, the Board believes that the scale of medium-term funding that will be needed to maximise Shareholder value is more likely to be found as a private company and specifically from the venture capital and/or private equity investment communities.

While the Board believes that the admission to trading of the Ordinary Shares on AIM was suitable for the steadily-growing and profitable Meetings business of the Group prior to the pandemic, the Board no longer believes this is the case for the relatively early stage and cash consumptive nature of the Group's high growth Multinational Cloud Telephony business.

Therefore, as a result of this review, the Board has unanimously concluded that the proposed Cancellation and Re-registration is in the best interests of the Group and its Shareholders as a whole.

Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly,

the notice of General Meeting set out in the Circular contains a special resolution to approve the Cancellation (the "Cancellation Resolution").

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 clear business days prior to such date. In addition, a period of at least five clear business days following Shareholders' approval of the Cancellation is required before the Cancellation may become effective.

In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 11 April 2024. Accordingly, if the Cancellation Resolution is passed by the Shareholders, the Cancellation will become effective at 7.00 a.m. on 11 April 2024.

Process for Re-registration

Following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that new articles of association (the "New Articles") be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company will be summarised in the Circular. Under the Companies Act 2006, the Re-registration and the adoption of the New Articles must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting (the "Re-registration Resolution").

If the Cancellation Resolution and the Re-registration Resolution are approved at the General Meeting, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Re-registration Resolution or that any such application to cancel the Re-registration Resolution has been determined and confirmed by the Court.

Takeover Code

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Takeover Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met- for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Takeover Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Takeover Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

The Takeover Panel has confirmed to the Company that, on the basis of the current residency of the Directors, the Company will not have its place of central management and control in the United Kingdom

following the Cancellation and Re-registration. As a result, in the event that the Cancellation and Re-registration are approved by Shareholders at the General Meeting and become effective, the Takeover Code will cease to apply to the Company immediately following the Re-registration and Shareholders will no longer be afforded the protections provided by the Takeover Code. This includes the requirement for a mandatory cash offer to be made if either:

- a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Following the fundraising set out below, it is very likely that the four private investors who have together indicated an intention to invest a total of £6.2 million will together hold shares in the Company carrying more than 30 per cent. of the Company's voting rights but at that point the Takeover Code will not apply to the Company.

Details of the protections afforded by the Takeover Code (which will cease to apply following the Cancellation and Re-registration) will be set out in the Circular.

Fundraising

Following the Cancellation and Re-registration, the Group intends to raise approximately £9 million, of which:

- £3.0 million is required as a partial repayment to Bank of Ireland in order to refinance the balancing c.£3.0 million in a fresh 2 year term facility on terms to be finalised in due course; and
- approximately £6.0 million is required for the short-term working capital needs of the Group and to drive growth of the Multinational Cloud Telephony business.

The Group has already received intentions to invest in aggregate £6.2 million, subject to the completion of the Cancellation and the Re-registration, the total fundraise size reaching at least £9.0 million, and the refinancing with Bank of Ireland (or another lender) being concluded.

The Group intends to liaise about this proposed fundraising with certain interested parties following this announcement. Those Shareholders who are interested to receive further information about the proposed fundraising should contact ir@loopup.com.

The Group intends, irrespective of any share price movement in the interim, to raise the funds at 1.75 pence per share, which would represent a discount of c.14.6 per cent. to the closing price on 7 March 2024, being the last practicable date prior to posting this Announcement, of 2.05 pence, although the Directors may adjust this price depending on the investment offers which are presented to the Group as part of the proposed fundraising. There is no guarantee that the proposed fundraising will be concluded on the terms indicated, or at all.

Bank of Ireland Refinancing

In June 2023, the Group successfully extended its debt facility with Bank of Ireland by twelve months, such that it matures on 30 September 2024. This debt facility currently has an outstanding principal of c. £6.0 million.

The Group is in productive discussions with Bank of Ireland, concerning a renegotiation of its debt facility, whereby:

- £3.0 million would be repaid to Bank of Ireland immediately following a successful fundraising;
- the remaining c. £3.0 million balance would be refinanced into a fresh 2-year term with:
 - no repayments during the first year, £1 million repaid in 12 equal monthly instalments during the second year; and a bullet repayment of the remaining balance at maturity;

- liquidity and interest ratio covenants in line with the Group's business plan and market norms; and
- warrants that would be granted no earlier than 12 months into the two year term if the loan remains outstanding.

Finalisation of a new facility remains subject to definitive legal documentation as well as the completion of the Cancellation, Re-registration and the proposed fundraising. There is no guarantee that the revised facility with Bank of Ireland will be concluded on the terms indicated, or at all.

General Meeting

The Company is convening the General Meeting to consider and, if thought fit, pass: (i) a special resolution to approve the Cancellation, (ii) a special resolution to approve the Re-registration (including approving the New Articles), (iii) an ordinary resolution for an authority to allot in connection with the proposed fundraising, and (iv) a special resolution for authority to disapply pre-emption rights in connection with the proposed fundraising. The resolution to approve the Cancellation and the Re-registration are inter-conditional meaning that these resolutions are conditional on both of these resolutions being passed by Shareholders at the General Meeting.

Should the Cancellation and Re-registration be approved by Shareholders at the General Meeting, the Group will implement a matched bargain facility with a third party facility provider who would facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation and Re-registration.

The General Meeting will be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at 11 a.m. on 27 March 2024.

Formal notice convening the General Meeting and setting out the resolutions to be considered at it will be set out in the Circular which is expected to be posted to Shareholders today. A form of proxy will be enclosed with the Circular for use in connection with the General Meeting. Shareholders are requested to complete and return this form of proxy as soon as possible and, in any event, so as to be received by the Company's registrar, Neville Registrars, by post at Neville House, Steelpark Road, Halesowen, B62 8HD by no later than 11 a.m. on 25 March 2024.

A copy of the Circular, the notice of General Meeting, the form of proxy and the New Articles will be made available on the Company's website at www.loopup.com.

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.

LoopUp Group plc
Steve Flavell, co-CEO

via FTI

Panmure Gordon (UK) Limited
Dominic Morley / Ivo Macdonald (Corporate Finance)

+44 (0) 20 7886 2500

Cavendish Capital Markets Limited
Giles Balleny / Dan Hodkinson (Corporate Finance)
Dale Bellis (Sales)

+44 (0) 20 7397 8900

FTI Consulting, LLP
Matt Dixon / Emma Hall / Jammille Smith

+44 (0) 20 3727 1000

About LoopUp Group plc

LoopUp (LSE AIM: LOOP) enables multinational enterprises to consolidate their global telephony provision into a single, consistently managed cloud implementation rather than disparate implementations from multiple carriers. The Group is listed on the AIM market of the London Stock Exchange and is headquartered in London, with offices in the US, Spain, Germany, Hong Kong, Barbados and Australia. For further information, please visit: www.loopup.com.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting of the Circular	11 March 2024
Latest time for receipt of proxy appointments in respect of the General Meeting	11 a.m. on 25 March 2024
General Meeting	11 a.m. on 27 March 2024
Last day of dealings in Ordinary Shares on AIM	10 April 2024
Cancellation	7.00 a.m. on 11 April 2024
Expected re-registration as a private company	week commencing 22 April 2024

Notes:

- 1) All of the times referred to in this announcement refer to London time, unless otherwise stated.
- 2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.