



**LOOPME LTD**  
**GROUP STRATEGIC REPORT,**  
**DIRECTORS' REPORT AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



**LOOPME LTD**  
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**for the Year Ended 31 December 2019**

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**LOOPME LTD**  
**COMPANY INFORMATION**  
**for the Year Ended 31 December 2019**

**DIRECTORS:** T K Henriksson  
G Coleman  
S Upstone  
M Van de Bergh  
S Ledwidge

**REGISTERED OFFICE:** C/O OHS Secretaries Limited  
9<sup>th</sup> Floor  
107 Cheapside  
London  
EC2V 6DN

**REGISTERED NUMBER:** 07979184 (England and Wales)

**AUDITORS:** KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

**BANKERS:** Silicon Valley Bank  
Alphabeta,  
14-18 Finsbury Square  
London EC2A 1BR

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**LOOPME LTD**  
**STRATEGIC REPORT**  
**for the Year Ended 31 December 2019**

The directors present their strategic report of the Company and the Group for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

LoopMe was founded in 2012 with the mission of closing the loop on brand advertising. We specialize in mobile video and rich media, using a powerful combination of attribution, Artificial Intelligence and analytics to deliver outstanding campaign performance against brand outcomes, being consideration, purchase intent, foot traffic and offline sales.

**REVIEW OF BUSINESS**

LoopMe's revenue increased by 50% in 2019 compared with the prior year as the investment secured in October 2018 was successfully deployed to grow the business. In December 2019, the convertible loan notes issued as part of the prior year investment were fully converted into Series A-6 shares.

The following table reconciles our loss for the year to our Adjusted EBITDA for the periods presented:

	2019	2018
	\$	\$
Loss of the financial year	(3,530,423)	(3,944,747)
Tax on loss	(2,379,842)	(872,313)
Finance Costs	1,587,698	920,580
Interest income	(48,225)	-
(Profit) / Loss on disposal of fixed assets	(141)	4,693
Fixed Asset Depreciation	136,843	132,070
Leasehold Depreciation	1,046,557	956,898
Amortisation	2,554,851	2,070,998
Share based payment expense	65,903	85,886
Exceptionals	78,576	389,552
Earnings before interest, tax, depreciation, rent and amortisation (Adjusted EBITDA)	<u>(488,203)</u>	<u>(256,383)</u>

LoopMe have updated their accounting policies regarding Adjusted EBITDA to remove non-cash foreign exchange gains & losses; and to recognise leasehold depreciation below EBITDA. Leasehold depreciation is inclusive of short term leases not subject to disclosure under Operating Leases. This change has been made to reflect the way LoopMe is measured both internally and externally by our finance partners and investors. The revised adjusted EBITDA ensures greater comparability against peers and allows the users of this financial report to compare horizontally. Adjusted EBITDA in the prior year financial statements showed \$(1,217,974) under previous accounting policies.

LoopMe continued to invest in its client facing teams with US headcount expanding by 26% in the year and, following the registration of a new subsidiary in Singapore, LoopMe also continued its expansion in to Asia Pacific.

Research and development undertaken throughout 2019 has enabled LoopMe to enhance its products' capabilities. Increasing the efficiency and consistency of its artificial intelligence capitalised above has enabled optimized customer experience.

LoopMe's main KPI for 2019 was ensuring revenue growth and with the 50% year on year growth achieved we have been successful in delivering this.

**PRINCIPAL RISKS AND UNCERTAINTIES**

We operate in a dynamic and competitive market, influenced by trends in both the overall advertising market as well as the online video advertising industry. The competitive dynamics of our market are unpredictable because our market is in an early stage of development, rapidly evolving, fragmented and subject to potential disruption by new technological innovations.

Many of our competitors and potential competitors have significant client relationships, much larger financial resources and longer operating histories than we have and may be less severely affected by

**LOOPME LTD**  
**STRATEGIC REPORT**  
**for the Year Ended 31 December 2019**

changes in consumer preferences, regulations or other developments that may impact the online video advertising industry as a whole in the future.

The overall direction of advertising spend is typically determined by the advertiser or advertising agency. Accordingly, our ability to increase spend transacted through our platform requires us to maintain and expand our relationships with brand advertisers, including the ad agencies that represent them.

Attracting new buyers and publishers to our platform requires significant time and expense, and we may not be successful in establishing new relationships or in maintaining or advancing our current relationships. Our platform is relatively new and we are often required to spend substantial time and effort educating potential clients about our solutions, including providing demonstrations and comparisons against other available services. Some clients undertake a significant evaluation process that frequently involves not only our platform but also the offerings of our competitors. This process can be costly and time-consuming. As a result, it is difficult to predict when we will obtain new customers and begin generating revenue from these new customers. As part of our sales cycle, we may incur significant expenses.

We are subject to a complex array of federal, state, and international laws relating to the collection, use, retention, disclosure, security, and transfer of personal data. Many jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions, including regulating the level of notice and consent required to collect and process end-user data. The global data protection landscape is rapidly evolving, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future.

The Directors do not expect any events such as Brexit to have a significant impact on the business. The company strategy of worldwide growth and the opening of offices in new regions means that the company is geographically diverse across the world and will not be significantly affected by external factors in one region.

In light of the current situation with regard to COVID-19, management have considered reasonable possible downside to both forecasts and cashflows. We have had a strong start to 2020 with performance ahead of 2020 budget and have not yet seen any negative impact to the business. However we have reviewed and prepared for various scenarios such that we will be able to manage the business as the market changes and are confident in the Group's ability to continue as a going concern.

**ON BEHALF OF THE BOARD:**

marco@loopme.com  
01/06/2020 12:59:41

*Marco van de Bergh*

.....  
M Van de Bergh - Director

01/06/2020

Date: .....

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**LOOPME LTD**  
**DIRECTORS' REPORT**  
**for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2019.

**DIVIDENDS**

As was the case in 2018, no dividends will be distributed for the year ended 31 December 2019.

**RESEARCH AND DEVELOPMENT**

LoopMe's unique Artificial Intelligence (AI) and mobile data platform enables brands to deliver more effective digital video advertising campaigns. The platform has analysed over 9 billion devices to date, processing trillions of data points each day. Agencies and brands use the platform and these tools to optimize their advertising and improve both campaign results and experiences for their customers. As AI technology and the market evolves, we adapt our platform and continuously improve it to ensure it remains at the forefront of the advertising industry.

**FUTURE DEVELOPMENTS**

As LoopMe continues to grow we continue to hire more staff each month to fulfil client demand. We will work towards growth, diversity and strong customer relationships.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

T K Henriksson  
S Ledwidge  
S Upstone  
M Van der Bergh

Other changes in directors holding office are as follows:

G H John resigned on 1 February 2019  
G Coleman was appointed on 21 February 2019

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- The director has taken all the steps that ought to have been taken as director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**ON BEHALF OF THE BOARD:**

marco@loopme.com  
01/06/2020 12:59:41

...*Marco van de Bergh*.....  
M Van de Bergh - Director

Date: 01/06/2020 .....

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**LOOPME LTD**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT**  
**AND THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOPME LTD  
for the Year Ended 31 December 2019**

**Opinion**

We have audited the financial statements of Loopme Limited ("the company") for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Material uncertainty relating to going concern**

We draw attention to note 2 in the financial statements, which indicates that, given its current cash position and rate of cash utilisation, the company is reliant on its ability to continue to secure new revenue contracts from customers and there can be no certainty that this will continue in the current economic environment impacted by Covid-19. These events and conditions, along with other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOPME LTD  
for the Year Ended 31 December 2019**

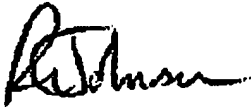
**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Johnson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP  
15 Canada Square  
London  
E14 5GL

1 June 2020

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**LOOPME LTD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 31 December 2019**

		2019	2018
	Notes	\$	\$
<b>TURNOVER</b>	3	45,270,688	30,208,359
Operating expenditure		<u>(50,041,901)</u>	<u>(33,912,507)</u>
<b>OPERATING LOSS</b>	5	(4,771,213)	(3,704,148)
Interest payable and similar expenses	6	(1,187,277)	(1,112,912)
Interest income	7	48,225	-
<b>LOSS BEFORE TAXATION</b>		(5,910,265)	(4,817,060)
Tax on loss	8	<u>2,379,842</u>	<u>872,313</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(3,530,423)</u>	<u>(3,944,747)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Exchange differences on retranslation of subsidiaries		<u>(194,580)</u>	<u>(51,717)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(3,725,003)</u></u>	<u><u>(3,996,464)</u></u>

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**LOOPME LTD**  
**CONSOLIDATED BALANCE SHEET**  
**31 December 2019**

		2019		2018	
Notes	\$	\$	\$	\$	\$
<b>FIXED ASSETS</b>					
Intangible assets	9		4,226,993		3,879,276
Tangible assets	10		<u>258,946</u>		<u>134,216</u>
			4,485,939		4,013,492
<b>CURRENT ASSETS</b>					
Deferred tax	17	1,358,982		-	
Debtors	12	18,155,131		11,984,784	
Cash at bank and in hand		<u>6,810,843</u>		<u>12,637,897</u>	
			26,324,956		24,622,681
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>17,948,603</u>		<u>17,725,636</u>	
<b>NET CURRENT ASSETS</b>					
			<u>8,376,353</u>		<u>6,897,045</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			12,862,292		10,910,537
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>1,192,510</u>		<u>11,083,687</u>
<b>NET ASSETS/(LIABILITIES)</b>					
			<u>11,669,782</u>		<u>(173,150)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		402		290
Share premium			25,585,549		10,096,387
Share based payments	21		399,439		320,778
Retranslation reserve			(751,576)		(556,996)
Retained earnings			<u>(13,564,032)</u>		<u>(10,033,609)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>					
			<u>11,669,782</u>		<u>(173,150)</u>

The financial statements were approved by the Board of Directors on .....  
and were signed on its behalf by:

marco@loopme.com  
01/06/2020 12:59:41

...*Marco van de Bergh*.....  
M Van de Bergh - Director

**LOOPME LTD**  
**COMPANY BALANCE SHEET**  
**31 December 2019**

		2019		2018	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		3,219,868		3,056,280
Tangible assets	10		125,556		53,542
Investments	11		<u>3,922,737</u>		<u>190</u>
			7,268,161		3,110,012
<b>CURRENT ASSETS</b>					
Debtors	12	16,712,083		14,155,473	
Cash at bank and in hand		<u>4,291,495</u>		<u>8,782,037</u>	
		21,003,578		22,937,510	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>12,743,542</u>		<u>13,218,472</u>	
<b>NET CURRENT ASSETS</b>					
			<u>8,260,036</u>		<u>9,719,038</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			15,528,197		12,829,050
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>908,454</u>		<u>8,734,603</u>
<b>NET ASSETS</b>					
			<u>14,619,743</u>		<u>4,094,447</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital.	18		306		227
Share premium			19,491,079		7,956,552
Share based payments.			304,293		252,792
Retained earnings			<u>(5,175,935)</u>		<u>(4,115,124)</u>
<b>SHAREHOLDERS' FUNDS</b>					
			<u>14,619,743</u>		<u>4,094,447</u>
Company's loss for the financial year			<u>(1,060,811)</u>		<u>(681,980)</u>

The financial statements were approved by the Board of Directors on .....  
and were signed on its behalf by:

.....  
S Upstone - Director

**LOOPME LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 31 December 2019**

	Called up share capital \$	Retained earnings \$	Share premium \$
<b>Balance at 1 January 2018</b>	305	(6,748,067)	10,582,900
<hr/>			
<b>Changes in equity</b>			
Issue of share capital	1	-	142
Shared based payments	-	-	-
Transfer between reserves	-	153,902	-
Exchange differences on retranslation of subsidiaries	(16)	505,303	(486,655)
Loss for the financial year	-	(3,944,747)	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	290	(10,033,609)	10,096,387
<hr/>			
<b>Changes in equity</b>			
Issue of share capital	104	-	15,140,587
Shared based payments	-	-	-
Exchange differences on retranslation of subsidiaries	8	-	348,575
Loss for the financial year	-	(3,530,423)	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	402	(13,564,032)	25,585,549
<hr/>			
	Share based payments \$	Retranslation reserve \$	Total equity \$
<b>Balance at 1 January 2018</b>	447,952	(505,279)	3,777,811
<hr/>			
<b>Changes in equity</b>			
Issue of share capital	-	-	143
Share based payments	85,886	-	85,886
Transfer between reserves	(153,902)	-	-
Exchange differences on retranslation of subsidiaries	(59,158)	(51,717)	(92,243)
Loss for the financial year	-	-	(3,944,747)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	320,778	(556,996)	(173,150)
<hr/>			
<b>Changes in equity</b>			
Issue of share capital	-	-	15,140,691
Share based payments	65,903	-	65,903
Exchange differences on retranslation of subsidiaries	12,758	(194,580)	166,761
Loss for the financial year	-	-	(3,530,423)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	399,439	(751,576)	11,669,782

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**LOOPME LTD**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Share premium £	Share based payments £	Total equity £
<b>Balance at 1 January 2018</b>	<u>225</u>	<u>(3,554,427)</u>	<u>7,843,520</u>	<u>332,000</u>	<u>4,621,318</u>
<b>Changes in equity</b>					
Issue of share capital	2	-	113,032	-	113,034
Share based payments	-	-	-	42,075	42,075
Transfer between reserves	-	121,283	-	(121,283)	-
Total comprehensive income	<u>-</u>	<u>(681,980)</u>	<u>-</u>	<u>-</u>	<u>(681,980)</u>
<b>Balance at 31 December 2018</b>	227	(4,115,124)	7,956,552	252,792	4,094,447
<b>Changes in equity</b>					
Issue of share capital	79	-	11,534,527	-	11,534,606
Share based payments	-	-	-	51,501	51,501
Total comprehensive income	<u>-</u>	<u>(1,060,811)</u>	<u>-</u>	<u>-</u>	<u>(1,060,811)</u>
<b>Balance at 31 December 2019</b>	<u><u>306</u></u>	<u><u>(5,175,935)</u></u>	<u><u>19,491,079</u></u>	<u><u>304,293</u></u>	<u><u>14,619,743</u></u>

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**LOOPME LTD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**for the Year Ended 31 December 2019**

	Notes	2019 \$	2018 \$
<b>Cash generated from operating activities</b>			
Cash outflow from operations	23	(1,439,365)	(762,722)
Tax received		1,034,046	571,691
Interest paid		<u>(382,281)</u>	<u>(602,964)</u>
Net cash outflow from operating activities		<u>(787,600)</u>	<u>(793,995)</u>
<b>Cash generated from investing activities</b>			
Purchase of tangible fixed assets		(253,702)	(76,162)
Purchase of intangible fixed assets		<u>(2,754,401)</u>	<u>(3,082,110)</u>
Net cash outflow from investing activities		<u>(3,008,103)</u>	<u>(3,158,272)</u>
<b>Cash generated from financing activities</b>			
Proceeds from borrowings		-	16,255,346
Repayments of borrowings		(2,387,688)	(2,749,644)
Proceeds from issuance of shares		<u>15,032</u>	<u>143,739</u>
Net cash (outflow)/inflow from financing activities		<u>(2,372,655)</u>	<u>13,649,441</u>
<b>Cash and cash equivalents at beginning of year</b>			
		12,637,897	3,108,073
Net (decrease) /increase in cash and cash equivalents		(6,168,361)	9,697,174
Exchange gains / (losses) on cash and cash equivalents		<u>341,305</u>	<u>(167,350)</u>
<b>Cash and cash equivalents at end of year</b>		<u><b>6,810,843</b></u>	<u><b>12,637,897</b></u>

**LOOPME LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

LoopMe Ltd is a private company, limited by shares, incorporated and domiciled in England and Wales in the UK. The Company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The group have chosen to use US dollars as their presentation currency as over 50% of the transactions made are in US dollars and GBP remains as the presentation currency for LoopMe Ltd. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have also been consistently applied within the same accounts. There were no material departures from the Financial Reporting Standard 102.

**Disclosure exemptions**

In preparing the consolidated financial statements, advantage has been taken of the disclosure exemptions available in FRS 102 with no disclosure for Group Financial Instruments. Furthermore, no Statement of cash flows or Financial instrument disclosure has been presented for the parent company.

**Going Concern**

The consolidated financial statements are prepared on a going concern basis notwithstanding that the Group has reported a loss of \$3,530,423 for the year ended 31 December 2019 (2018: \$3,944,747), and operating cash outflow of \$787,600 (2018: \$793,955). In doing so the group has considered the following:

The directors have assessed the Group's cash balance of \$6.8m as at 31 December 2019, contracted revenue, and the impact of Covid-19 within its client base. The Directors have prepared detailed cash flow forecasts for the 19 month period ending December 2021 which indicate that, taking into account reasonably possible downsides except for the Covid 19 future uncertainty set out below, the Group expects to have sufficient cash reserves in that period.

The Directors assessment has taken into account trading up to the point of signing these financial statements and to date revenues have proved resilient. While the directors expect the Group to continue to generate new revenues the impact of Covid-19 has meant there is significant uncertainty over predicting what will happen in the future. The Group's ability to remain cash positive depends on continuing to secure new revenue contracts from its customers and there can be no certainty over the economic impact of Covid-19 on the Group's customers and therefore their ability to continue to spend on marketing.

In performing their downside scenarios the directors have isolated certain discretionary costs that can be decreased to preserve cash. Reductions in discretionary items will be implemented where necessary including some necessary operational changes in travel, accommodation, and in person marketing events. The Directors are satisfied that in all scenarios except for the Covid 19 future uncertainty set out above the Company has sufficient liquidity to continue operating without additional financing or taking up government issued schemes.

The directors recognise that the Group's ability to continue to secure revenue contracts in the current economic environment impacted by Covid-19 constitutes a material uncertainty that may cast significant doubt on the Group's and Company's ability to

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continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. The Directors expect the Group to continue as a going concern and these financial statements do not include any adjustments that would result if the group and company were unable to continue as a going concern.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Group and all Group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**Turnover**

Turnover is recognised to the extent that it is probably that the economic benefits will flow to the group and the turnover can be reliably measured. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

**Intangible assets**

Capitalisation

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Software which is purchased and used by LoopMe over a 12 month period is also capitalised and amortised. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date the cost is incurred. The estimated useful lives are as follows:

Development costs	- 3 years
Software costs	- 3 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

**Tangible fixed assets**

Tangible fixed assets under the cost model are 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 is provided at the following annual rates in order to write off each asset over its estimated useful life.

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Fixtures and fittings	- 3 years
Computer equipment	- 3 years
Leasehold property	- Over the remaining lease term

**Impairment of non-current assets**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**Trade and Other debtors/Creditors**

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

**Loans**

Financial liabilities such as loan are classified according to the substance of the contractual arrangement. It is initially recognised at transaction price then subsequently measured at amortised cost, being transaction price less any amount settled based on effective interest rate.

**Pensions**

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has not further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid yet are shown in accruals as a liability in the Statement of Financial Position.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Taxation**

Taxation for the year comprises current tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the balance sheet date.

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**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into the entity presentation currency; GBP for the Company and USD for the Group, at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into presentation currency at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Classification of financial instruments issued by the group**

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Derivative financial instruments**

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being recorded in the profit or loss.

**Share-based payment transactions**

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

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**Leases**

Rental payable under operating leases, including any lease incentives received, are charged to the income statement on a straight line basis over the term of the relevant lease period except where another more systematic basis is more representative of the time pattern in which the economic benefits from the lease assets are consumed.

**Exceptionals**

Exceptionals are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**2.1 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant and they are reviewed on a regular basis. Actual results may differ from these estimates.

**Valuation of share options**

The fair value of equity settled share options is determined using the Black-Sholes method. The significant inputs into the model are share price at grant date, exercise price, expected option life, expected volatility and risk-free interest rate. Also, the directors have had to make an assumption about future staff attrition based on historical data.

The following judgements are considered to have significant risks of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year:

**Recoverable value of trade and other debtors**

The Group makes an estimate of recoverable value of trade and other debtors. Provision and write offs have been made based on customer status, customer credit rating, the aging profile of debtors and historical experience.

**Recognition of deferred tax assets**

The Group is subject to income tax in each country where the Group's entities operate. Deferred tax assets, consisting primarily of tax losses carried forward are only recognised when it is likely that a future taxable profit will be available. The group must use its judgement to determine the probability of future taxable profits being available. Future profits have been estimated as a percentage of expected turnover based on the current net profit ratio. Uncertainty in this estimation exists as actual performance may differ. A 37% change in management's estimate of future profits would result in a \$0.5m change to the deferred tax asset recognised.

**Research and Development cost**

In the research phase of a project, it is not possible to demonstrate the project will generate future economic benefit and hence all expenses on research shall be recognised as expenses when it is incurred. LoopMe Group recognise intangible assets from the development phase of a project and only if certain specific criteria are met. All capitalised costs are subsequently amortised on a straight line basis over the useful economic lives which is considered to be 3 years by LoopMe.

**Indicators of Impairment**

The Group makes a judgement at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

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**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis by geography is given below:

	2019	2018
	\$	\$
North America	30,636,877	17,988,982
International	<u>14,633,811</u>	<u>12,219,377</u>
	<u>45,270,688</u>	<u>30,208,359</u>

**4. EMPLOYEES AND DIRECTORS**

	2019	2018
	\$	\$
Wages and salaries	14,954,044	10,836,986
Social security costs	1,623,029	1,078,437
Pension costs	<u>87,890</u>	<u>51,683</u>
	<u>16,664,963</u>	<u>11,967,106</u>

The average monthly number of employees during the year was as follows:

	2019	2018
	<u>209</u>	<u>188</u>

	2019	2018
	\$	\$
Directors' remuneration	614,471	529,752
Directors' pension costs	<u>2,135</u>	<u>2,062</u>
	<u>616,605</u>	<u>531,814</u>

The aggregate of remuneration of the highest paid director was \$377,350 (2018: \$319,501).

**5. Expenses and auditor's remuneration**

The operating loss is stated after charging/(crediting):

		2019	2018
		\$	\$
Depreciation - owned assets	10	136,843	132,070
(Profit)/Loss on disposal of fixed assets		(141)	4,693
All amortisation	9	2,554,851	2,070,998
Foreign exchange differences		379,811	(227,557)

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Auditor's remuneration:	2019	2018
	\$	\$
Audit of the financial statements of the group	42,006	28,551
<b>6. INTEREST PAYABLE AND SIMILAR EXPENSES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Invoice discount facility interest	-	13,268
Loan note interest	557,539	278,019
Venture debt interest	<u>629,738</u>	<u>821,625</u>
	<u>1,187,277</u>	<u>1,112,912</u>
<b>7. INTEREST INCOME</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Interest income	48,255	-
<b>8. TAXATION</b>		
<b>Analysis of the tax credit</b>		
The tax credit on the loss for the year was as follows:	2019	2018
	\$	\$
Current tax:		
UK corporation tax	1,089,859	841,927
US and Ukraine tax	<u>1,289,983</u>	<u>30,386</u>
Net tax credit on loss	<u>2,379,842</u>	<u>872,313</u>
<b>Reconciliation of total tax credit included in profit and loss</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below	2019	2018
	\$	\$
Loss before tax	<u>(5,910,265)</u>	<u>(4,817,060)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19%	<u>(1,122,950)</u>	<u>(915,241)</u>
Effects of:		
Expenses not deductible for tax purposes	70,457	72,649
Depreciation and amortisation in excess of capital allowances	495,526	378,664
R&D tax credit	(1,164,130)	(940,256)
Effect of tax rates in foreign jurisdictions	631,239	562,257
Foreign tax	68,998	(30,386)
Deferred tax asset	17 (1,358,982)	_____
Net tax credit on loss	<u>(2,379,842)</u>	<u>(872,313)</u>

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The group has recognised deferred tax assets of \$1,358,982 in respect of unrelieved tax losses. The tax losses are expected to be realised within the next twelve months based on the current level of profitability of the business.

A further \$1,381,758 of tax losses have not been recognised as the timing and utilisation of losses remains uncertain. Whilst projections indicate all losses will be utilised within 36 months, management have concluded that assets will not be recognised due to the increased uncertainty over the additional assets.

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge

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**9. INTANGIBLE FIXED ASSETS**

**Group**

	Software \$	Development costs \$	Totals \$
<b>COST</b>			
At 1 January 2019	97,805	8,496,874	8,594,679
Additions	-	2,754,401	2,754,401
Foreign currency difference	3,864	384,868	388,732
	<u>101,669</u>	<u>11,636,143</u>	<u>11,737,812</u>
At 31 December 2019			
<b>AMORTISATION</b>			
At 1 January 2019	43,875	4,671,528	4,715,403
Amortisation for year	32,816	2,522,035	2,554,851
Foreign currency difference	2,755	237,809	240,564
	<u>79,446</u>	<u>7,431,372</u>	<u>7,510,818</u>
At 31 December 2019			
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>22,223</u>	<u>4,204,771</u>	<u>4,226,994</u>
At 31 December 2018	<u>53,930</u>	<u>3,825,346</u>	<u>3,879,276</u>

**Company**

	Software £	Development costs £	Totals £
<b>COST</b>			
At 1 January 2019	75,025	6,696,041	6,771,066
Additions	-	2,168,376	2,168,376
	<u>75,025</u>	<u>8,864,417</u>	<u>8,939,442</u>
At 31 December 2019			
<b>AMORTISATION</b>			
At 1 January 2019	33,344	3,681,442	3,714,786
Amortisation for year	25,009	1,979,779	2,004,788
	<u>58,353</u>	<u>5,661,221</u>	<u>5,719,574</u>
At 31 December 2019			
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>16,672</u>	<u>3,203,196</u>	<u>3,219,868</u>
At 31 December 2018	<u>41,681</u>	<u>3,014,599</u>	<u>3,056,280</u>

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10. **TANGIBLE FIXED ASSETS**

**Group**

	Short leasehold \$	Fixtures and fittings \$	Computer equipment \$	Totals \$
<b>COST</b>				
At 1 January 2019	74,934	47,126	378,722	500,782
Additions	137,286	12,059	104,358	253,703
Disposals	-	-	(1,840)	(1,840)
Foreign currency difference	<u>3,082</u>	<u>1,713</u>	<u>39,046</u>	<u>43,841</u>
At 31 December 2019	<u>215,302</u>	<u>60,898</u>	<u>520,286</u>	<u>796,486</u>
<b>DEPRECIATION</b>				
At 1 January 2019	49,544	38,572	278,450	366,566
Charge for year	39,857	8,195	88,791	136,843
Eliminated on disposal	-	-	(443)	(443)
Foreign currency difference	<u>1,837</u>	<u>1,531</u>	<u>31,206</u>	<u>34,574</u>
At 31 December 2019	<u>91,238</u>	<u>48,298</u>	<u>398,004</u>	<u>537,540</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>124,064</u>	<u>12,600</u>	<u>122,282</u>	<u>258,946</u>
At 31 December 2018	<u>25,390</u>	<u>8,554</u>	<u>100,272</u>	<u>134,216</u>

**Company**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2019	41,963	37,138	110,008	189,109
Additions	82,680	4,459	35,557	122,696
Disposals	-	-	(1,403)	(1,403)
At 31 December 2019	<u>124,643</u>	<u>41,597</u>	<u>144,162</u>	<u>310,402</u>
<b>DEPRECIATION</b>				
At 1 January 2019	23,909	30,397	81,261	135,567
Charge for year	21,526	5,464	22,626	49,616
Eliminated on disposal	-	-	(337)	(337)
At 31 December 2019	<u>45,435</u>	<u>35,861</u>	<u>103,550</u>	<u>184,846</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>79,208</u>	<u>5,736</u>	<u>40,612</u>	<u>125,556</u>
At 31 December 2018	<u>18,054</u>	<u>6,741</u>	<u>28,747</u>	<u>53,542</u>

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**11. FIXED ASSET INVESTMENTS**

**Company**

	Group undertakings £
<b>COST</b>	
At 1 January 2019	190
Shares in LoopMe Singapore	57
Capital Contribution in LoopMe Inc	<u>3,922,490</u>
At 31 December 2019	<u>3,922,737</u>
 <b>NET BOOK VALUE</b>	
At 31 December 2019	<u>3,922,737</u>
 At 31 December 2018	 <u>190</u>

The Group or the Company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**LoopMe Singapore**

Registered office: 261 Waterloo Street, #03-36, Waterloo Centre, Singapore, 180261  
Nature of business: Mobile advertising

	2019	2018
Class of shares: Ordinary		
Types of holding: Direct	£	£
Percentage of holding	100%	-
Aggregate capital and reserves	5,646	-
Loss of the year	<u>(334,379)</u>	-

**LoopMe Inc**

Registered office: 22 West 19<sup>th</sup> Street, Level 3, New York, NY 10011  
Nature of business: Mobile advertising

	2019	2018
Class of shares: Ordinary		
Types of holding: Direct	£	£
Percentage of holding	100%	100%
Aggregate capital and reserves	(259,146)	(2,124,472)
Loss of the year	<u>(2,504,607)</u>	<u>(2,209,758)</u>

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**LoopMe LLC**

Registered office: 2nd Floor, 37 Komsomolska Str, 49131, Dnepropetrovsk, Ukraine  
 Nature of business: Software development

Class of shares: Ordinary	2019	2018
Types of holding: Direct	£	£
Percentage of holding	100%	100%
Aggregate capital and reserves	212,985	48,037
Profit of the year	<u>130,642</u>	<u>54,921</u>

**12. TRADE AND OTHER DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	\$	\$	£	£
Trade debtors	16,576,908	10,431,925	4,109,306	2,989,611
Amounts owed by group undertakings	-	-	11,533,741	10,113,634
Other debtors	269,442	303,399	108,183	96,902
Corporation tax relief receivable	901,072	918,001	686,437	723,439
Prepayments	<u>407,709</u>	<u>331,459</u>	<u>274,416</u>	<u>231,887</u>
	<u>18,155,131</u>	<u>11,984,784</u>	<u>16,712,083</u>	<u>14,155,473</u>

All debtors listed above are considered current with the exception of the amounts owed by group undertakings for the Company which are deemed non-current.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	\$	\$	£	£
Other loans	2,475,341	8,708,447	1,909,715	6,862,773
Trade creditors	8,386,056	3,556,247	6,304,309	2,750,692
Amounts owed to group undertakings	-	-	262,155	33,501
Social security and other taxes	232,475	192,459	177,100	151,669
VAT	201,424	326,006	154,544	256,912
Other creditors	235,363	123,830	87,157	65,006
Accrued expenses	<u>6,417,944</u>	<u>4,818,647</u>	<u>3,848,562</u>	<u>3,097,919</u>
	<u>17,948,603</u>	<u>17,725,636</u>	<u>12,743,542</u>	<u>13,218,472</u>

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**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	\$	\$	£	£
Other loans	878,243	10,775,196	669,045	8,491,494
Derivatives	314,267	308,491	239,409	243,109
	<u>1,192,510</u>	<u>11,083,687</u>	<u>908,454</u>	<u>8,743,603</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2019	2018
	\$	\$
Amounts falling due within one year or on demand:		
Other loans	<u>2,475,341</u>	<u>8,708,447</u>
Amounts falling due between two and five years:		
Other loans 2 – 5 years	<u>878,243</u>	<u>10,775,196</u>

All of the convertible loan notes held in the prior year were converted to equity in the October 2019 as Series A6 shares.

The remaining loan is held with Harbert European Growth Capital and incurs interest of 10% payable monthly. The loan will be repaid in full by November 2021.

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

<b>Group</b>	Non-cancellable operating leases	
	2019	2018
	\$	\$
Within one year	754,376	266,168
Between one and five years	<u>1,013,989</u>	<u>-</u>
	<u>1,768,365</u>	<u>266,168</u>

During the year \$761,229 was recognised as an expense in the profit and loss account in respect of operating leases (2018: \$707,870).

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<b>Company</b>	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	190,488	144,850
Between one and five years	<u>362,199</u>	<u>-</u>
	<u>552,687</u>	<u>144,850</u>

**17. DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets and liabilities are attributable to the Group as follows with no deferred tax asset and liabilities attributed to the Company.

	Assets		Liabilities	
	2019	2018	2019	2018
	\$	\$	\$	\$
Unused tax losses	<u>1,358,982</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,358,982</u>	<u>-</u>	<u>-</u>	<u>-</u>

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of \$3,393,647 (2018: \$9,061,236).

Losses recognised are expected to be utilised within the next reporting period against profits for LoopMe Inc. Additional unrecognised losses for the Group are expected to be utilised within 36 months.

**18. CALLED UP SHARE CAPITAL**

**Group**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
12,274,033	Ordinary	\$0.00001	162	158
5,055,201	Series A-1 shares	\$0.00001	66	63
154,302	Series A-2 shares	\$0.00001	2	2
2,336,631	Series A-3 shares	\$0.00001	31	30
2,841,030	Series A-5 shares	\$0.00001	37	36
7,902,322	Series A-6 shares	\$0.00001	104	1
			<u>402</u>	<u>290</u>

During the year 94,761 Ordinary shares were issued for cash of \$14,868 and 7,841,067 A-6 Preference shares were issued on the conversion of the outstanding convertible loan notes.

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**Company**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
12,274,033	Ordinary	£0.00001	124	123
5,055,201	Series A-1 shares	£0.00001	50	50
154,302	Series A-2 shares	£0.00001	2	2
2,336,631	Series A-3 shares	£0.00001	23	23
2,841,030	Series A-5 shares	£0.00001	28	28
7,902,322	Series A-6 shares	£0.00001	79	1
			306	227

During the year 94,761 Ordinary shares were issued for cash of £11,754 and 7,841,067 A-6 Preference shares were issued on the conversion of the outstanding convertible loan notes.

The Company's Ordinary shares have attached to them full voting and dividend rights and capital distribution rights as set out in the articles of association. They do not confer any rights of redemption.

The Series A Shares have attached to them full voting and dividend rights and capital distribution rights set out in the company's articles of association. They confer preferential rights in the event of a sale, a distribution of assets upon liquidation or a return of capital. They do not confer any rights on redemption.

**19. ULTIMATE PARENT COMPANY**

LoopMe Ltd is the ultimate parent company for LoopMe Group.

**20. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**21. RETIRED BENEFIT SCHEME**

	2019	2018
	\$	\$
Charge to profit or loss in respect of defined contribution scheme	87,890	51,683

A defined contribution pension scheme is operated for qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

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**22. SHARE-BASED PAYMENT TRANSACTIONS**

LoopMe issues share options to employees as compensation for their service over a specific period of time. The usual terms include a vesting period of four years with one year of cliff starting from the date of employment.

The terms and conditions of the outstanding grants are as follows:

<u>Option Scheme</u>	<u>Method of accounting settlement</u>	<u>Number of instruments</u>	<u>Vesting conditions</u>	<u>Vesting period</u>
2014	Equity	413,541	Non-market conditions	4 years
2017	Equity	300,480	Non-market conditions	4 years
2018	Equity	561,493	Non-market conditions	4 years
2019	Equity	618,205	Non-market conditions	4 years

The number and weighted average exercise prices of share options are as follows:

	<u>Weighted average exercise price 2019</u>	<u>Number of options 2019</u>	<u>Weighted average exercise price 2018</u>	<u>Number of options 2018</u>
Outstanding at the beginning of the year	\$0.145	2,030,963	\$0.146	1,668,335
Exercised during the year	\$0.159	(94,670)	\$0.148	(30,305)
Granted during the year	\$0.230	675,480	\$0.228	777,220
Expired during the year	\$0.211	(718,054)	\$0.138	(384,287)
Outstanding at the end of the year		<u>1,893,719</u>		<u>2,030,963</u>
Exercisable at the end of the year		<u>-</u>		<u>-</u>

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The average remaining vesting period of the options as at 31 December 2019 is three years.

The total expenses recognised for the year and the total reserve recognised at the end of the year arising from share based payments are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Total share-based payment expense	<u>65,903</u>	<u>85,886</u>
Total carrying amount of reserve	<u>399,439</u>	<u>320,778</u>

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**23. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Notes	2019	2018
		\$	\$
Loss before tax	5	(5,910,265)	(4,817,060)
(Profit)/Loss on disposal of fixed assets	5	(141)	4,693
Share based payments	20	65,903	85,886
Depreciation	5	136,843	132,070
Amortisation	5	2,554,851	2,070,998
Interest payable and similar expense		1,187,277	1,112,912
Interest income		(48,225)	-
Exchange differences		<u>319,953</u>	<u>(41,105)</u>
		(1,693,804)	(1,451,606)
(Increase)/Decrease in trade and other debtors		(6,010,469)	2,037,796
Increase/(Decrease) in trade and other creditors		<u>6,264,908</u>	<u>(1,348,912)</u>
<b>Cash outflow from operations</b>		<u>(1,439,365)</u>	<u>(762,722)</u>

**24. POST BALANCE SHEET EVENT**

In January 2020, LoopMe Group secured a new \$10,000,000 Revolving Credit Facility with Wells Fargo Capital Finance. The Facility was obtained to provide ongoing working capital financing requirements of the Group with final repayment date January 2023 and is subject to various financial covenants.

Interest on outstanding borrowing of the Facility is payable monthly at a rate equal to 2.5% plus 1 Month London Interbank Offered Rate for Dollars.



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