



LOOPME LTD
GROUP STRATEGIC REPORT,
DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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LOOPME LTD
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for the Year Ended 31 December 2021

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LOOPME LTD
COMPANY INFORMATION
for the Year Ended 31 December 2021

DIRECTORS:

T K Henriksson
G Coleman
S Upstone
M Van de Bergh
T McDonnell

REGISTERED OFFICE:

C/O OHS Secretaries Limited
9th Floor
107 Cheapside
London
EC2V 6DN

REGISTERED NUMBER:

07979184 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

BANKERS:

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

Wells Fargo Bank
33 King William Street
London EC4R 9AT

LOOPME LTD
STRATEGIC REPORT
for the Year Ended 31 December 2021

The directors present their strategic report of the Company and the Group for the year ended 31 December 2021.

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 awareness, consideration, purchase intent, foot traffic, online sales and offline sales.

REVIEW OF BUSINESS

LoopMe's turnover increased by 56% in 2021 compared with the prior year despite the continuing impact of the Covid-19 global pandemic. Furthermore, LoopMe's Adjusted EBITDA increased by 56% to \$16.9m with \$9.9m profit after tax.

The following table reconciles our profit / (loss) for the year to our Adjusted EBITDA for the periods presented:

	2021 \$'000	2020 \$'000
Profit of the financial year	9,855	6,913
Tax expense/(benefit)	2,152	(922)
Finance costs	365	785
Gain on disposal of fixed assets	(4)	-
Fixed asset depreciation	160	144
Operating lease expenses	925	1,018
Amortisation	3,043	2,817
Share based payment expense	198	71
Revaluation of warrants	223	-
Earnings before interest, tax, depreciation, rent, share based payments, foreign exchange differences and amortisation (Adjusted EBITDA)	<u>16,917</u>	<u>10,826</u>

Profitability grew in 2021 compared with the prior year as the Company continued to benefit from the significant investments into both product development and geographical expansion that were made in earlier years.

Alongside profitability, a key KPI for LoopMe in 2021 was turnover growth and with the 56% year on year growth achieved we have been successful in delivering this. In particular, our Exchange product had great momentum achieving growth of 148% in 2021. Our working capital has also significantly increased compared with the prior year as a result of the rise in sales.

The Company's net debt position has been further strengthened with full repayment of the loan held with Harbert European Growth Capital in November 2021.

KEY PERFORMANCE INDICATORS

The directors primarily consider financial KPIs in their evaluation of the performance of the business. These include:

	2021 \$'000	2020 \$'000
Revenue	96,492	61,772
Revenue % increase	56%	36%
Operating profit	12,231	6,443

LOOPME LTD
STRATEGIC REPORT
for the Year Ended 31 December 2021

Operating profit %	13%	10%
Operating profit % increase	90%	235%
Earnings before interest, tax, depreciation, rent, share based payments, foreign exchange differences and amortisation (Adjusted EBITDA)	16,917	10,826

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 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.

Despite the global pandemic, LoopMe continued to grow in 2021 and saw performance significantly ahead of the budget. However, the situation will be under review constantly to allow LoopMe to be prepared for various scenarios. We are confident in the Group's ability to continue as a going concern.

SECTION 172 (1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The directors give careful consideration to these factors in discharging their duties under section 172. A description of how the directors have performed their Section 172 duties during the financial year stakeholder engagement is included below. These activities are generally undertaken at either a UK, or Group-wide level.

**LOOPME LTD
STRATEGIC REPORT
for the Year Ended 31 December 2021**

Employees

The Group depends on the commitment, talent, creative activities and technical skills of its people. Engagement and clear communication are particularly important during a period of significant growth.

Engagement with the workforce is achieved through:

- The systematic provision of information covering matters that concern both the business in general, and employees specifically. This is achieved through event-specific electronic communication (e.g. the LoopMe mid and year-end results); regular UK and Group-wide emails and business line or business unit specific emails; and several electronic platforms for employee reference, including an intranet;
- Monthly employee engagement surveys;
- Townhalls, including monthly calls for the global leadership population;
- Consultation with specific groups/individual employees regularly so that their views can be considered in making decision about the matters that affect them;
- Disclosure of gender pay gap and pay comparison; and
- The establishment of a Diversity, Equity and Inclusion Council, which is employee led.

Customers

The Group engages with its customers through dedicated client relationship teams, as well as global client management teams established in regional offices to maintain strong customer relationships. The Company develops various services, with an emphasis on innovation for clients and managing any conflicts of interest with multiple agencies. Due diligence is undertaken for all new clients and written contracts must be in place before commencing any significant work.

Shareholders

It is essential that the Board is kept informed of the Group's performance and that the Group's Board acts in the best interest of the Group. The Group's Board members attend board meetings where they receive formal updates in relation to the Group's operational and financial performance and growth opportunities consistent with the delivery of the Group's strategy. In addition, they are kept informed about the Group's day-to-day management through various management forums of which the CEO, CTO and CFO are members. This assists the Group in making decisions and reviewing performance.

LOOPME LLC

Following the escalation of conflict between Russia and Ukraine, LoopMe have reviewed the position of the subsidiary entity LoopMe LLC and have activated its business continuity and subsequently disaster recovery action plans to ensure continued company operations and safety and well being of any stakeholders connected with LLC.

The Company has considered both short term actions and longer term strategies to mitigate any risks to the business. Business continuity actions have been activated from 1 January 2022.

Relocation of key personnel

From 1 January 2022 LoopMe Group relocated those workers deemed most important for business continuity to other global locations. Workers have been operating remotely with 10% of the development team on rotation outside of Ukraine.

IT Infrastructure - Hosting

LoopMe Group operate as a cloud-based data provider network. No applications are held or operate locally to Ukraine.

IT Infrastructure - Internet connectivity

LoopMe Group has private satellite internet connectivity for LLC. Development staff are provided 4G wireless cards. Any disruption to internet infrastructure of Ukraine of the Dnipro district would not prevent the on going operations.

Electrical connectivity

LoopMe Group has private generators at the physical office of LLC such that any disruption to the electrical grid would not prevent the operations of LLC workers.

**LOOPME LTD
STRATEGIC REPORT
for the Year Ended 31 December 2021**

New Development Centre

LoopMe Group has plans to create operations in Krakow, Poland which are expected to be active in March 22. This is an acceleration of LoopMe Group's ongoing risk mitigation activities by operating multi-location development centres, which has been active prior to the recent conflict in Ukraine. The Company intends to benefit from the high calibre developer resources located in Poland as well as the tax incentives available for investment.

Disaster Recovery

LoopMe has activated disaster recovery steps, focused on the safety and well being of stakeholders to LoopMe Group.

LoopMe Group has offered support and guidance to all staff who wish to enter new jurisdictions and ensuring status is achieved to enter alternative jurisdictions.

LoopMe Group is further tracking live the location, status, and safety of every person based in Ukraine, or anyone who has left Ukraine and is now based in another country.

Intellectual property

LLC nor any worker has no ownership of the intellectual property of LoopMe Group.

OUTLOOK

The directors continue to focus on achieving the strategic targets of the Group. The Group intends to focus on organic and new business growth and have three Group objectives:

- Creating the best value for clients by closing the loop on brand advertising
- Continuing to develop in-house technology to optimise media delivery and create measurable, incremental uplift driving outcomes for brands
- Doing the right thing for clients and colleagues, creating a respectful and responsible team, demanding and delivering excellence

Longer term, LoopMe is committed to extending its customer base further by developing its position in existing markets as well as expanding into new territories. This will be matched with the continued development and delivery of its product offering to the highest quality.

ON BEHALF OF THE BOARD:

S Upstone
01/03/2022 00:10:50

Stephen Upstone
.....
S Upstone - Director

28 February 2022

**LOOPME LTD
DIRECTORS' REPORT
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2021.

DIVIDENDS

As was the case in 2020, no dividends will be distributed for the year ended 31 December 2021.

RESEARCH AND DEVELOPMENT

LoopMe's unique Artificial Intelligence (AI) and mobile data platform enables brands to deliver more effective digital video advertising campaigns. 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 2021 to the date of this report.

T K Henriksson
S Upstone
M Van de Bergh
G Coleman
T McDonnell

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

The auditor BDO LLP will be deemed to be reappointed at the forthcoming Annual General Meeting.

EMPLOYMENT OF DISABLED PEOPLE STATEMENT

It is the policy of the Company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continued employment.

The directors are committed to maintain and develop communication and consultation procedures with employees, who in turn are encouraged to become aware of and involve themselves in the performance of their own division and the Company as a whole.

Consultation and involvement policies vary from division to division according to legal consideration and the size of the business.

ENGAGEMENT WITH EMPLOYEES AND BUSINESS RELATIONSHIPS

Information on how the Company engages with its employees and key business relationships can be found in the Strategic report.

**LOOPME LTD
DIRECTORS' REPORT
for the Year Ended 31 December 2021**

STREAMLINED ENERGY AND CARBON REPORTING

The Group has not disclosed detailed energy and carbon information as it is a low energy user with <40MWh energy use. The Group note that their Scope 2 electricity purchased is 1.06 metric tonnes and Scope 3 fuel consumed for transport not owned by the company is nil. Some of the ways the Group are working to reduce its ecological footprint are noted below.

The lockdown period and the associated reduction in business travel has had a positive effect in reducing LoopMe's energy use and carbon emissions across the organisation. As global lockdown measures have begun to ease, LoopMe aims to continue its focus on measuring its carbon footprint impact caused through travel and making a concerted effort to keep this to an acceptable level. Each of LoopMe's offices operates a recycling system ensuring that paper, plastic and cardboard are recycled.

In 2021, LoopMe's employees were involved in environmental protection projects such as local community clear-ups. The Group will be placing a greater emphasis on this as it focuses its efforts on implementing a Corporate Social Responsibility strategy across the organisation, which will include a pillar on how LoopMe can become more environmentally conscious as an organisation.

REVALUATION OF WARRANTS

The Group have revalued warrant shares based on valuations completed during each of the investment rounds.

ON BEHALF OF THE BOARD:

S Upstone
01/03/2022 00:10:50

Stephen Upstone.....
S Upstone - Director

28 February 2022

LOOPME LTD
STATEMENT OF DIRECTORS RESPONSIBILITIES
for the Year Ended 31 December 2021

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 the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

LOOPME LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOPME LTD
for the Year Ended 31 December 2021

Opinion on the financial statements

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 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LoopMe Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity and consolidated cash flow statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report, directors' report and the financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If,

LOOPME LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOPME LTD
for the Year Ended 31 December 2021

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

LOOPME LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOPME LTD
for the Year Ended 31 December 2021

As part of our audit fieldwork, we reviewed and held meetings with the relevant internal management to form our opinion on the extent of Company compliance. In addition, our testing also included, but was not limited to:

- Testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud. A particular focus was recognition of revenue in the correct accounting period, which involved enhanced procedures tailored around year-end.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included targeted testing of specific journal entries based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to trade debtor, cash, accrued income or deferred income as well as a focus on large and unusual transactions based on our knowledge of the business.
- Critically assessing the accounting policies and areas of the financial statements which include judgement and estimates, as set out in the financial statements. Our work included an assessment on the appropriateness of the judgements made in making accounting estimates and if those are indicative of a potential bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

David Butcher

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David Butcher (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LOOPME LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 December 2021

	Notes	2021 \$'000	2020 \$'000
TURNOVER	3	96,492	61,772
Other operating income	6	-	1,477
Operating expenditure		<u>(84,261)</u>	<u>(56,806)</u>
OPERATING PROFIT		12,231	6,443
Interest payable and similar expenses	7	<u>(224)</u>	<u>(452)</u>
PROFIT BEFORE TAXATION		12,007	5,991
Taxation	8	<u>(2,152)</u>	<u>922</u>
PROFIT FOR THE FINANCIAL YEAR		9,855	6,913
OTHER COMPREHENSIVE INCOME / (LOSS)			
Exchange differences on retranslation of subsidiaries		<u>67</u>	<u>(496)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,922</u>	<u>6,417</u>

The notes on page 18-35 form part of these financial statements

LOOPME LTD
CONSOLIDATED BALANCE SHEET (COMPANY NUMBER: 07979184)
31 December 2021

		2021		2020	
	Notes	\$'000	\$'000	\$'000	\$'000
FIXED ASSETS					
Intangible assets	9		4,594		4,353
Tangible assets	10		<u>239</u>		<u>178</u>
			4,833		4,531
CURRENT ASSETS					
Deferred tax	17	1,229		2,093	
Debtors	12	37,992		23,059	
Cash at bank and in hand		<u>17,901</u>		<u>11,718</u>	
		57,122		36,870	
CREDITORS					
Amounts falling due within one year	13	<u>32,432</u>		<u>21,885</u>	
NET CURRENT ASSETS			<u>24,690</u>		<u>14,985</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			29,523		19,516
CREDITORS					
Amounts falling due after more than one year	14		<u>544</u>		<u>351</u>
NET ASSETS			<u>28,979</u>		<u>19,165</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Share premium			26,270		26,574
Share based payments	22		685		490
Retranslation reserve			(1,181)		(1,248)
Retained earnings			<u>3,205</u>		<u>(6,651)</u>
SHAREHOLDERS' FUNDS			<u>28,979</u>		<u>19,165</u>

The financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:

S Upstone
01/03/2022 00:10:50

Stephen Upstone
.....
S Upstone - Director

The notes on page 18-35 form part of these financial statements

LOOPME LTD
COMPANY BALANCE SHEET (COMPANY NUMBER: 07979184)
31 December 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9		3,403		3,196
Tangible assets	10		86		94
Investments	11		<u>3,923</u>		<u>3,923</u>
			7,412		7,213
CURRENT ASSETS					
Deferred Tax	17	492		744	
Debtors	12	31,792		20,578	
Cash at bank and in hand		<u>2,751</u>		<u>3,487</u>	
		35,035		24,809	
CREDITORS					
Amounts falling due within one year	13	<u>22,568</u>		<u>16,154</u>	
NET CURRENT ASSETS			<u>12,467</u>		<u>8,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,879		15,868
CREDITORS					
Amounts falling due after more than one year	14		<u>403</u>		<u>258</u>
NET ASSETS			<u>19,476</u>		<u>15,610</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Share premium			19,463		19,512
Share based payments			507		360
Retained earnings			<u>(494)</u>		<u>(4,262)</u>
SHAREHOLDERS' FUNDS			<u>19,476</u>		<u>15,610</u>
Company's profit for the financial year			<u>3,768</u>		<u>914</u>

The financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:

S Upstone
01/03/2022 00:10:50

Stephen Upstone

.....
S Upstone - Director

The notes on page 18-35 form part of these financial statements

LOOPME LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2021

	Called up share capital \$'000	Retained earnings \$'000	Share premium \$'000
Balance at 1 January 2020	-	(13,564)	25,586
Changes in equity			
Issue of share capital	-	-	27
Shared based payments	-	-	-
Exchange differences on retranslation of subsidiaries	-	-	961
Profit for the financial year	-	6,913	-
Balance at 31 December 2020	-	(6,651)	26,574
Changes in equity			
Issue of share capital	-	-	30
Shared based payments	-	-	-
Fees on secondary transaction	-	-	(96)
Exchange differences on retranslation of subsidiaries	-	1	(238)
Profit for the financial year	-	9,855	-
Balance at 31 December 2021	-	3,205	26,270

	Share based payments \$'000	Retranslation reserve \$'000	Total equity \$'000
Balance at 1 January 2020	400	(752)	11,670
Changes in equity			
Issue of share capital	-	-	27
Share based payments	71	-	71
Exchange differences on retranslation of subsidiaries	19	(496)	484
Profit for the financial year	-	-	6,913
Balance at 31 December 2020	490	(1,248)	19,165
Changes in equity			
Issue of share capital	-	-	30
Share based payments	198	-	198
Fees on secondary transaction	-	-	(96)
Exchange differences on retranslation of subsidiaries	(3)	67	(173)
Profit for the financial year	-	-	9,855
Balance at 31 December 2021	685	(1,181)	28,979

The notes on page 18-35 form part of these financial statements

LOOPME LTD
COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Share based payments £'000	Total equity £'000
Balance at 1 January 2020	-	(5,176)	19,491	305	14,620
Changes in equity					
Issue of share capital	-	-	21	-	21
Share based payments	-	-	-	55	55
Total comprehensive income	-	914	-	-	914
Balance at 31 December 2020	-	(4,262)	19,512	360	15,610
Changes in equity					
Issue of share capital	-	-	23	-	23
Share based payments	-	-	-	147	147
Fees on secondary transaction	-	-	(72)	-	(72)
Total comprehensive income	-	3,768	-	-	3,768
Balance at 31 December 2021	-	(494)	19,463	507	19,476

The notes on page 18-35 form part of these financial statements

LOOPME LTD
CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021

		2021	2020
	Notes	\$'000	\$'000
Cash generated from operating activities			
Cash generated from operations	23	12,269	8,635
Tax (paid)/received, net		(273)	711
Interest paid		<u>(252)</u>	<u>(351)</u>
Net cash generated from operating activities		<u>11,744</u>	<u>8,995</u>
Cash generated from investing activities			
Purchase of tangible fixed assets	10	(219)	(66)
Purchase of intangible fixed assets	9	<u>(3,319)</u>	<u>(2,791)</u>
Net cash outflow from investing activities		<u>(3,538)</u>	<u>(2,857)</u>
Cash generated from financing activities			
Repayments of borrowings		(871)	(2,552)
Proceeds from receipt of government grants	6	-	1,477
Proceeds from issuance of shares	18	30	27
Prepaid equity transaction fees		<u>(1,068)</u>	<u>-</u>
Net cash outflow from financing activities		<u>(1,909)</u>	<u>(1,048)</u>
Cash and cash equivalents at beginning of year		11,718	6,811
Net increase in cash and cash equivalents		6,297	5,090
Exchange losses on cash and cash equivalents		<u>(114)</u>	<u>(183)</u>
Cash and cash equivalents at end of year		<u>17,901</u>	<u>11,718</u>

The notes on page 18-35 form part of these financial statements

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

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 with the Group reporting profit after tax of \$9.9m for the year ended 31 December 2021 (2020: \$6.9m) and operating cash inflow of \$11.7m (2020: \$9.0m cash inflow). In doing so the group has considered the following:

The Directors have assessed the Group's cash balance of \$17.9m as at 31 December 2021, available financing facilities, contracted revenue, and the increased cash generating ability of the business. The Directors have prepared detailed cash flow forecasts for the period ending December 2023 which indicate that, taking into account reasonably possible downsides, and excluding potential revenue from new product development, the Group expects to have sufficient cash reserves in that period.

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.

At the time of writing, there is increased armed aggression from the Russian military in the Ukraine. Following the escalation of these tensions between Russia and Ukraine, LoopMe Group has reviewed its position with regards to the subsidiary entity LLC in Ukraine. LLC is centred in Dnipro with 98 Private Entrepreneurs ("PEs") and three employees, substantially focused on software development.

Following the escalation of tensions, LoopMe has activated its business continuity and subsequently disaster recovery action plans to ensure continued company operations and safety and well being of any stakeholders connected with LLC.

Consideration has been given to Group's financial position, the forecasted financial performance and sensitivity to it in light of the implementation of these plans, such as timing of new product releases and stress tests. There has been no resulting change to the Directors view on the Group's ability to continue as a going concern.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES (CONTINUED)

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

LoopMe Group generates revenue from both a managed service and self service offering, both of which can be delivered programmatically via a Demand Side Platform or directly. Revenue generated from both types are recognised when the evidence of an arrangement exists, service has been provided to the customer, and it is probable that the economic benefits associated with the transaction will flow to the entity. 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.

Revenue is recognized on a gross basis for managed service and managed service programmatic. This is due to LoopMe being primarily liable for delivering the campaign and managing the campaign performance. LoopMe has latitude in establishing the price and LoopMe's margin is subject to risk of cost fluctuation.

Revenue is recognized on a net basis for self service and self service programmatic. This is as LoopMe is not considered to have the primary obligation for campaign delivery and LoopMe does not maintain inventory risks. The media purchased is selected by the client whilst using the LoopMe platform.

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.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES (CONTINUED)

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.

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 no 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.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES (CONTINUED)

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 have been enacted or substantively enacted by the balance sheet date.

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.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES (CONTINUED)

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.

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.

Government Grant

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes \$0 (2020: \$93,573) under the UK Government Coronavirus Job Retention Scheme ("Furlough") and a further \$0 (2020: \$1,387,124) under the US Paycheck Protection Scheme. Both schemes are granted with no future performance-related conditions on the recipient therefore are recognised based on the performance model as required by FRS 102 24.5B. Both grants are recognised when the grant proceeds become receivable.

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-Scholes 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.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

2.1 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.

3. TURNOVER

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

An analysis by business unit is given below:

	2021 \$'000	2020 \$'000
North America	58,358	39,983
UK	34,357	19,798
Rest of World	<u>3,777</u>	<u>1,991</u>
	<u><u>96,492</u></u>	<u><u>61,772</u></u>

4. EMPLOYEES

	2021 \$'000	2020 \$'000
Wages and salaries	16,471	15,753
Social security costs	1,557	1,609
Cost of defined benefit scheme	<u>126</u>	<u>109</u>
	<u><u>18,154</u></u>	<u><u>17,471</u></u>

Employee costs of \$3.0m were capitalised in 2021 (2020: \$2.7m).

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

2021	2020
<u><u>202</u></u>	<u><u>204</u></u>

A defined contribution pension scheme is operated by the group on behalf of the employees of one of the subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to \$126k (2020: \$107k). Group contributions amounting to \$23k (2020: \$21k) were payable to the fund at year end and are included in creditors.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

5. DIRECTORS' REMUNERATION

Directors' who are deemed to be key management are disclosed below.

	2021 \$'000	2020 \$'000
Directors' emoluments	1,397	917
Company contributions to defined contribution pension schemes	<u>2</u>	<u>2</u>
	<u>1,399</u>	<u>919</u>

There were 2 directors in the group's defined contribution pension scheme (2020: 2).

Emoluments of highest paid director were \$769k (2020: \$506k). Company pension contributions of \$1.1k (2020: \$1.2k) were made to a pension scheme on his behalf. In the current financial year and the preceding financial year the highest paid director did not receive shares under the long term incentive schemes and did not exercise shares.

6. OPERATING PROFIT

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

		2021 \$'000	2020 \$'000
Depreciation – owned assets	Notes 10	160	144
Gain on disposal of fixed assets		(4)	-
Amortisation	9	3,043	2,817
Foreign exchange differences		89	300
Research and Development		3,000	2,948
Government Grants		-	(1,477)

Auditor's remuneration:

	2021 \$'000	2020 \$'000
Audit of the financial statements of the group	82	51

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 \$'000	2020 \$'000
Revolving credit facility interest	163	148
Venture debt interest	<u>61</u>	<u>304</u>
	<u>224</u>	<u>452</u>

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

8. TAXATION

Analysis of the tax charge/credit

The tax charge/credit on the profit for the year was as follows:

	2021 \$'000	2020 \$'000
Current tax:		
Current credit on UK profits of the year	6	388
Current charge on foreign income for the year	<u>(1,359)</u>	<u>(182)</u>
Total Current tax	(1,353)	206
Deferred tax:		
Deferred (charge)/credit on UK profit	(335)	996
Deferred tax charge on Foreign profit	(464)	(280)
Net tax on profit	<u>(2,152)</u>	<u>922</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

The difference is explained below

	2021 \$'000	2020 \$'000
Profit before tax	<u>12,007</u>	<u>5,991</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	2,281	1,138
Effects of:		
Expenses not deductible for tax purposes	73	259
Depreciation and amortisation in excess of capital allowances	581	541
R&D tax credit	(1,364)	(1,153)
Effect of tax rates in foreign jurisdictions	(1,239)	(1,174)
Foreign tax charge	1,021	183
Deferred tax movement	17 <u>799</u>	<u>(716)</u>
Net tax on profit / (loss)	<u>2,152</u>	<u>(922)</u>

Factors that may affect future tax charges

The March 2021 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2022, and this change was substantively enacted on 3 March 2021. This will maintain the company's future current tax charge.

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

9. INTANGIBLE FIXED ASSETS

Group	Software	Development costs	Total
	\$'000	\$'000	\$'000
COST			
At 1 January 2021	105	15,028	15,133
Additions	261	3,058	3,319
Foreign currency difference	-	(192)	(192)
At 31 December 2021	<u>366</u>	<u>17,894</u>	<u>18,260</u>
AMORTISATION			
At 1 January 2021	105	10,675	10,780
Amortisation for year	-	3,043	3,043
Foreign currency difference	(1)	(155)	(156)
At 31 December 2021	<u>104</u>	<u>13,563</u>	<u>13,667</u>
NET BOOK VALUE			
At 31 December 2021	<u>262</u>	<u>4,331</u>	<u>4,594</u>
At 31 December 2020	<u>-</u>	<u>4,353</u>	<u>4,353</u>
 Company			
	Software	Development costs	Total
	£'000	£'000	£'000
COST			
At 1 January 2021	75	11,035	11,110
Additions	194	2,223	2,417
At 31 December 2021	<u>269</u>	<u>13,258</u>	<u>13,257</u>
AMORTISATION			
At 1 January 2021	75	7,839	7,914
Amortisation for year	-	2,210	2,210
At 31 December 2021	<u>75</u>	<u>10,049</u>	<u>10,124</u>
NET BOOK VALUE			
At 31 December 2021	<u>194</u>	<u>3,209</u>	<u>3,403</u>
At 31 December 2020	<u>-</u>	<u>3,196</u>	<u>3,196</u>

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS

Group

	Short leasehold \$'000	Fixtures and Fittings \$'000	Computer equipment \$'000	Total \$'000
COST				
At 1 January 2021	236	67	532	835
Additions	31	-	188	219
Disposals	-	-	(27)	(27)
Foreign currency difference	(2)	(1)	6	3
At 31 December 2021	<u>265</u>	<u>66</u>	<u>699</u>	<u>1,030</u>
DEPRECIATION				
At 1 January 2021	152	57	448	657
Charge for the year	49	6	105	160
Disposals	-	-	(27)	(27)
Foreign currency difference	(2)	(1)	4	1
At 31 December 2021	<u>199</u>	<u>62</u>	<u>530</u>	<u>791</u>
NET BOOK VALUE				
At 31 December 2021	<u>66</u>	<u>4</u>	<u>169</u>	<u>239</u>
At 31 December 2020	<u>84</u>	<u>10</u>	<u>84</u>	<u>178</u>

Company

	Short leasehold £'000	Fixtures and Fittings £'000	Computer equipment £'000	Total £'000
COST				
At 1 January 2021	135	42	161	338
Additions	23	-	27	50
Disposals	-	-	(18)	(18)
At 31 December 2021	<u>158</u>	<u>42</u>	<u>170</u>	<u>370</u>
DEPRECIATION				
At 1 January 2021	76	38	130	244
Charge for the year	33	2	24	59
Disposal	-	-	(19)	(19)
At 31 December 2021	<u>109</u>	<u>40</u>	<u>135</u>	<u>284</u>
NET BOOK VALUE				
At 31 December 2021	<u>49</u>	<u>2</u>	<u>35</u>	<u>86</u>
At 31 December 2020	<u>59</u>	<u>4</u>	<u>31</u>	<u>94</u>

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

11. FIXED ASSET INVESTMENTS

Company

	Group undertakings £'000
COST	
At 1 January 2021	3,923
At 31 December 2021	<u>3,923</u>
NET BOOK VALUE	
At 31 December 2021	<u>3,923</u>
At 31 December 2020	<u>3,923</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

Class of shares: Ordinary	2021	2020
Types of holding: Direct	£'000	£'000
Proportion of voting rights and ordinary share capital held	100%	100%
Aggregate capital and reserves	(697)	(316)
Profit/(Loss) of the year	<u>130</u>	<u>(393)</u>

LoopMe Inc

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

Class of shares: Ordinary	2021	2020
Types of holding: Direct	£'000	£'000
Proportion of voting rights and ordinary share capital held	100%	100%
Aggregate capital and reserves	2,820	(1,815)
Profit of the year	<u>3,080</u>	<u>4,537</u>

LOOPME LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

11. FIXED ASSET INVESTMENTS (CONTINUED)

LoopMe LLC

Registered office: 2nd Floor, 37 Komsomolska Str, 49131, Dnepropetrovsk, Ukraine

Nature of business: Software development

Class of shares: Ordinary	2021	2020
Types of holding: Direct	£'000	£'000
Proportion of voting rights and ordinary share capital held	100%	100%
Aggregate capital and reserves	392	185
Profit of the year	<u>192</u>	<u>187</u>

12. TRADE AND OTHER DEBTORS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 £'000	2020 £'000
Trade debtors	36,323	22,017	9,416	5,102
Amounts owed by group undertakings	-	-	21,283	14,852
Other debtors	186	182	35	35
Corporation tax relief receivable	-	390	-	287
Prepayments	<u>1,483</u>	<u>470</u>	<u>1,058</u>	<u>302</u>
	<u>37,992</u>	<u>23,059</u>	<u>31,792</u>	<u>20,578</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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 £'000	2020 £'000
Other loans	-	849	22	1,874
Trade creditors	15,358	10,286	11,258	7,409
Amounts owed to group undertakings	-	-	441	229
Social security and other taxes	229	269	170	197
VAT	253	1,055	191	776
Other creditors	930	153	101	52
Accrued expenses	<u>15,662</u>	<u>9,273</u>	<u>10,385</u>	<u>5,617</u>
	<u>32,432</u>	<u>21,885</u>	<u>22,568</u>	<u>16,154</u>

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 £'000	2020 £'000
Other loans	-	30	-	22
Derivatives	<u>544</u>	<u>321</u>	<u>403</u>	<u>236</u>
	<u><u>544</u></u>	<u><u>351</u></u>	<u><u>403</u></u>	<u><u>258</u></u>

15. LOANS

An analysis of the maturity of loans is given below:

	2021 \$'000	2020 \$'000
Amounts falling due within one year or on demand:		
Other loans	<u>-</u>	<u>849</u>
Amounts falling due between two and five years:		
Other loans 2 – 5 years	<u>-</u>	<u>30</u>

The current loan was held with Harbert European Growth Capital and incurred interest of 10% payable monthly. The loan was repaid in full in November 2021.

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2021 \$'000	2020 \$'000
Within one year	413	801
Between two and five years	<u>-</u>	<u>326</u>
	<u><u>413</u></u>	<u><u>1,127</u></u>

During the year \$757k was recognised as an expense in the profit and loss account in respect of operating leases (2020: \$752k).

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16. LEASING AGREEMENTS (CONTINUED)

Company	Non-cancellable operating leases	
	2021 £'000	2020 £'000
Within one year	160	200
Between one and five years	-	160
	<u>160</u>	<u>360</u>

17. DEFERRED TAX ASSETS

Deferred tax assets are attributable as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 £'000	2020 £'000
Opening balance	2,093	2,877	744	569
Deferred Tax asset utilised	(1,024)	(985)	(252)	-
Deferred Tax asset recognised	<u>160</u>	<u>-</u>	<u>-</u>	<u>175</u>
	<u>1,229</u>	<u>2,093</u>	<u>492</u>	<u>744</u>

Losses recognised have been utilised within the reporting period against profits for LoopMe Ltd and LoopMe Inc. Deferred Tax asset has been recognised in LoopMe Singapore in the year as it is now probable it will be utilised.

18. CALLED UP SHARE CAPITAL

Group				
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021 \$	2020 \$
12,701,193	Ordinary	£0.00001	149	145
5,055,201	Series A-1 shares	£0.00001	68	68
154,302	Series A-2 shares	£0.00001	2	2
2,336,631	Series A-3 shares	£0.00001	32	32
19,884	Series A-4 shares	£0.00001	-	-
2,841,030	Series A-5 shares	£0.00001	38	39
7,902,322	Series A-6 shares	£0.00001	107	108
			<u>396</u>	<u>394</u>

During the year 187,506 Ordinary shares were issued for cash of \$30,382.

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18. CALLED UP SHARE CAPITAL (CONTINUED)

Company

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
12,701,193	Ordinary	£0.00001	127	125
5,055,201	Series A-1 shares	£0.00001	51	51
154,302	Series A-2 shares	£0.00001	2	2
2,336,631	Series A-3 shares	£0.00001	23	23
19,884	Series A-4 shares	£0.00001	-	-
2,841,030	Series A-5 shares	£0.00001	28	28
7,902,323	Series A-6 shares	£0.00001	79	79
			<u>310</u>	<u>308</u>

During the year 187,506 Ordinary shares were issued for cash of £22,510.

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 CONTROLLING PARTY

LoopMe Ltd is the ultimate parent company and controlling party for LoopMe Group. The directors do not consider there to be an ultimate controlling party 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.

Payments of \$50,000 (2020: \$50,000) were made during the year by LoopMe Ltd to BGF Investments LP. An employee of BGF Investments LP is also a director of LoopMe Ltd. All transactions were conducted on an arm's length basis on normal trading terms.

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21. RETIRED BENEFIT SCHEME

	2021 \$'000	2020 \$'000
Charge to profit or loss in respect of defined contribution scheme	<u>126</u>	<u>107</u>

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.

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	293,126	Non-market conditions	4 years
2017	Equity	276,158	Non-market conditions	4 years
2018	Equity	351,679	Non-market conditions	4 years
2019	Equity	140,951	Non-market conditions	4 years
2020	Equity	508,703	Non-market conditions	4 years
2021	Equity	234,602	Non-market conditions	4 years

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

	Weighted average exercise price <u>2021</u>	Number of options <u>2021</u>	Weighted average exercise price <u>2020</u>	Number of options <u>2020</u>
Outstanding at the beginning of the year	\$0.220	1,986,000	\$0.183	1,893,719
Exercised during the year	\$0.140	(172,453)	\$0.096	(144,983)
Granted during the year	\$2.072	257,993	\$0.144	495,656
Expired during the year	\$0.420	<u>(266,321)</u>	\$0.213	<u>(258,392)</u>
Outstanding at the end of the year		<u>1,805,219</u>		<u>1,986,000</u>
Exercisable at the end of the year		<u>1,327,338</u>		<u>1,278,718</u>

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:

	2021 \$'000	2020 \$'000
Share-based payment expense	<u>198</u>	<u>71</u>
Total carrying amount of reserve	<u>685</u>	<u>490</u>

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22. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The Black-Scholes option pricing model was used to value the equity-settled share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted. The following information was used in this valuation.

Equity-settled	2021	2020
Options pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	2.02	0.10
Exercise price (pence)	2.02	0.10
Weighted average contractual life (years)	10	10
Expected volatility	621.6%	84.78%
Risk-free interest rate	0.95%	0.19%

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 2021 is two years.

23. RECONCILIATION OF PROFIT AFTER TAXATION TO CASH GENERATED FROM OPERATIONS

	Notes	2021 \$'000	2020 \$'000
Profit after taxation		9,855	6,913
Government grants	6	-	(1,477)
Gain on disposal of fixed assets		(4)	-
Share based payments		198	71
Revaluation of warrants		223	-
Depreciation	6	160	144
Amortisation	6	3,043	2,817
Taxation	8	2,152	(922)
Interest payable and similar expense	7	224	452
Foreign Exchange		174	480
		16,025	8,478
Increase in trade and other debtors		(14,567)	(5,108)
Increase in trade and other creditors		10,811	5,265
Cash generated from operations		12,269	8,635

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24. NET DEBT RECONCILIATION

	Notes	1 January 2021 \$'000	Cashflows \$'000	Other non-cash changes \$'000	31 December 2021 \$'000
Cash at bank and in hand					
Cash and cash equivalents		<u>11,718</u>	<u>6,296</u>	<u>(113)</u>	<u>17,901</u>
Borrowings					
Loans	15	(879)	1,123	(244)	-
Derivatives	14	<u>(321)</u>	<u>-</u>	<u>(223)</u>	<u>(544)</u>
		<u>(1,200)</u>	<u>1,123</u>	<u>(467)</u>	<u>(544)</u>
Net Debt		<u>10,518</u>	<u>7,419</u>	<u>(580)</u>	<u>17,357</u>

Non-cash movements relate to foreign exchange losses and accrued effective interest on borrowings.

25. POST BALANCE SHEET EVENTS

LoopMe LLC

LoopMe has reviewed its position with regards to the subsidiary entity LLC in Ukraine, where, at the time of writing, there is increased armed aggression from the Russian military. LLC is centred in Dnipro with 98 Private Entrepreneurs and three employees.

Following the escalation of tensions LoopMe has activated its business continuity and subsequently disaster recovery action plans to ensure continued company operations and safety and well being of any stakeholders connected with LLC.

Mayfair Equity Partners

The Company announced on the 13th January 2022 that Mayfair Equity Partners, a leading tech and consumer growth investor, had agreed to acquire a majority shareholding in the Company, which completed 24 February 2022.