

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 13, 2022

Loop Media, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada

(State or Other Jurisdiction  
of Incorporation)

000-55591

(Commission  
File Number)

47-3975872

(IRS Employer  
Identification No.)

700 N. Central Ave., Suite 430 Glendale,  
CA  
(Address of Principal Executive Offices)

91203  
(Zip Code)

Registrant's telephone number, including area code: (213) 436-2100

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	LPTV	The NYSE American, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On December 13, 2022, Loop Media, Inc. (the "Company") issued a press release and hosted an earnings call to announce the Company's financial results for its fiscal fourth quarter and fiscal year ended September 30, 2022. A copy of the press release and the earnings call transcript are attached hereto as Exhibit 99.1 and 99.2, respectively.

The information in this Current Report on Form 8-K under Item 2.02, including the information contained in Exhibits 99.1 and 99.2, is being furnished to the Securities and Exchange Commission, and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by a specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) The following exhibit is furnished with this report:

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Press Release issued by Loop Media, Inc., dated December 13, 2022</a>
<a href="#">99.2</a>	<a href="#">Transcript of December 13, 2022 conference call</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**LOOP MEDIA, INC.**

Dated: December 15, 2022

By: /s/ Jon Niermann

Name: Jon Niermann

Title: Chief Executive Officer

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## Loop Media Reports Fiscal Fourth Quarter and Full Year 2022 Financial Results

- Q4 Revenue up 5x YoY to \$12.2 Million; FY2022 Revenue up 6x to \$30.8 million -

**GLENDALE, CA – December 13, 2022** – Loop Media, Inc. (“Loop Media” or “Loop” or the “Company”) (NYSE American: LPTV), a leading multichannel streaming platform that provides curated music video and branded entertainment channels for businesses and consumers, is reporting financial and operating results for its fiscal fourth quarter and full fiscal year ended September 30, 2022.

### Summary Fiscal Fourth Quarter 2022 vs. Fiscal Fourth Quarter 2021

- Revenue increased 5x to \$12.2 million.
- Gross profit increased significantly to \$4.7 million, while gross margin also increased significantly to 38.5%.
- Net loss was \$14.6 million or \$(0.28) per share, compared to a loss of \$13.1 million or \$(0.31) per share.
- Adjusted EBITDA (a non-GAAP financial measure defined below) remained relatively flat at \$(2.7) million.
- As of September 30, 2022, the Company had 18,240 quarterly active units, or QAUs, operating on its platform.

### Summary Fiscal Year 2022 vs. Fiscal Year 2021

- Revenue increased 6x to \$30.8 million.
- Gross profit increased significantly to \$11.4 million, while gross margin more than doubled to 36.9%.
- Net loss was \$29.5 million or \$(0.61) per share, compared to a loss of \$31.0 million or \$(0.76) per share.
- Adjusted EBITDA was \$(10.3) million compared to \$(7.8) million.

### Management Commentary

“Fiscal 2022 was a transformative year for Loop as we accelerated into our next phase of growth, capping off the year with a successful public offering and uplist to the NYSE American,” said Jon Niermann, CEO of Loop Media. “Most key financial metrics including revenue and gross margin have expanded significantly, and our growth this year has been exceptional due to increased penetration of Loop Players into the market, as well as the ramp of our Partner Platform business launched in May.”

“There are more than 32 million small and medium sized businesses that can leverage our Loop players compared to the 18,000 currently in circulation, which we believe positions us for continued revenue growth, margin expansion, and turning adjusted EBITDA positive in fiscal 2023.”

### Fiscal Fourth Quarter 2022 Financial Results

Revenue in the fourth quarter increased 5x to \$12.2 million compared to \$2.4 million in the year-ago period. The increase was driven by significantly more Loop Players deployed into the market, as well as the benefit from Loop’s Partner Platform business that was launched in May 2022.

Gross profit in the fourth quarter of 2022 increased significantly to \$4.7 million compared to \$0.2 million for the same period in 2021. Gross margin also increased significantly to 38.5% compared to 8.1% in the year-ago period. The increase was primarily driven by leveraging the increase in revenue with cost of sales and improved advertising revenue productivity generated by Loop players.

Total selling, general, and administrative (“SG&A”) expenses in the fourth quarter of 2022 were \$14.8 million compared to \$5.1 million for the same period in 2021. The increase in SG&A was primarily due to an increase in headcount, greater customer acquisition and retention spend, and higher public company costs related to the Company’s public offering and up-listing to the NYSE American. As a percentage of revenue, SG&A was reduced significantly as the Company improved its operating leverage.

Net loss in the fourth quarter of 2022 was \$14.6 million or \$(0.28) per share, compared to a loss of \$13.1 million or \$(0.31) per share for the same period in 2021.

Adjusted EBITDA in the fourth quarter of 2022 remained relatively flat at \$(2.7) million compared to the same period in 2021.

On September 30, 2022, cash and cash equivalents were \$14.1 million compared to \$4.2 million on September 30, 2021. The increase was primarily driven by net proceeds from the Company’s sale of common stock of approximately \$12.1 million in September 2022. As of September 30, 2022, the Company had total debt of \$7.1 million compared to \$4.4 million at September 30, 2021.

### Conference Call

The Company will conduct a conference call today, December 13, 2022, at 5:00 p.m. Eastern time to discuss financial and operating results for its fiscal fourth quarter and full fiscal year ended September 30, 2022.

Loop’s management will host the conference call, followed by a question and answer period.

Date: December 13, 2022

Time: 5:00 p.m. Eastern Time

Live webcast registration link: [here](#)

Toll-free dial-in number: 1-833-630-1956

If you have any difficulty registering or connecting with the conference call, please contact Elevate IR at (720) 330-2829.

The conference call will also be available for replay on the investor relations section of the Company’s website at [www.loop.tv/investors](http://www.loop.tv/investors).

### About Loop Media

**Loop Media, Inc.** (“Loop Media”) (NYSE American: LPTV) is a leading multichannel streaming platform that provides curated music video and branded entertainment channels for businesses. Through its proprietary “Loop Player” for businesses, Loop Media is a leading company in the U.S. licensed to stream music videos directly to venues out-of-home (“OOH”).

Loop Media’s digital video content reaches millions of consumers in OOH locations including bars/restaurants, office buildings, retail businesses, college campuses, airports and on free ad-supported TV platforms like Roku and at local gas stations on GSTV terminals and in 400,000 hotel rooms in over 1300 hotels in the United States.

Loop is fueled by one of the largest and most important libraries that includes music videos, movie trailers and live performances. Loop Media’s non-music channels cover a multitude of genres and moods and include movie trailers, sports highlights, lifestyle and travel videos, viral videos and more. Loop Media’s streaming services generate revenue from advertising, sponsorships, integrated marketing and branded content from free-ad-supported-television (“FAST”) and from subscription offerings.

To learn more about Loop Media products and applications, please visit us online at [Loop.tv](http://Loop.tv)

Follow us on social:

Instagram: [@loopforbusiness](https://www.instagram.com/loopforbusiness)

Twitter: [@loopforbusiness](https://twitter.com/loopforbusiness)

LinkedIn: <https://www.linkedin.com/company/looptv/>

### Safe Harbor Statement and Disclaimer

This news release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, Loop Media’s expected 2023 results, ability to compete in the highly competitive markets in which it operates, statements regarding Loop Media’s ability to develop talent and attract future talent, the success of strategic actions Loop Media is taking, and the impact of strategic transactions. Forward-looking statements give our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward-looking words including "will," "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although Loop Media believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. Loop Media takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by Loop Media. Loop Media’s SEC filings are available at [www.sec.gov](http://www.sec.gov).

### Non-GAAP Measures

Loop Media uses non-GAAP financial measures, including adjusted EBITDA and quarterly active units or QAUs, as supplemental measures of the performance of the Company’s business. Use of these financial measures has limitations, and you should not consider them in isolation or use them as substitutes for analysis of Loop Media’s financial results under generally accepted accounting principles in the United States of America (“U.S. GAAP”). The tables below provide a reconciliation of adjusted EBITDA to the most nearly comparable measure under U.S. GAAP.

The Company defines an “active unit” as (i) an ad-supported Loop Player (or DOOH location using our ad-supported service through our “Loop for Business” application or using a DOOH venue-owned computer screening our content) that is online, playing content, and has checked into the Loop analytics system at least once in the 90-day period or (ii) a DOOH location customer using our paid subscription service at any time during the 90-day period. The Company uses “QAU” to refer to the number of such active units during such period.

### Loop Media Investor Contact

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### Loop Media Press Contact

Jon Lindsay Phillips  
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## LOOP MEDIA, INC. CONSOLIDATED BALANCE SHEETS

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	\$ 14,071,914	\$ 4,162,548
Accounts receivable, net	12,590,970	1,571,226
Inventory	17,669	223,048
Prepaid expenses and other current assets	1,478,897	1,662,843
Content assets - current	<u>745,633</u>	<u>850,263</u>
<b>Total current assets</b>	28,905,083	8,469,928
<b>Non-current assets</b>		
Deposits	63,889	34,289
Content assets - non current	678,659	365,360
Property and equipment, net	1,633,169	38,936
Operating lease right-of-use assets	76,696	237,094
Intangible assets, net	590,333	702,778
Goodwill	<u>—</u>	<u>1,970,321</u>
<b>Total non-current assets</b>	3,042,746	3,348,778
<b>Total assets</b>	<u>\$ 31,947,829</u>	<u>\$ 11,818,706</u>
<b><u>LIABILITIES AND STOCKHOLDERS’ EQUITY</u></b>		

<b>Current liabilities</b>		
Accounts payable	\$ 7,453,801	\$ 1,147,585
Accrued liabilities	5,620,873	434,858
Accrued royalties	4,559,088	633,463
Payable on acquisition	250,125	250,125
License content liabilities - current	1,092,819	985,000
Note payable - current	—	25,714
Deferred Income	140,764	191,331
Convertible debt related party - current, net	—	530,226
Lease liability - current	75,529	167,101
<b>Total current liabilities</b>	<u>19,192,999</u>	<u>4,365,403</u>
<b>Non-current liabilities</b>		
Non-revolving line of credit, related party	2,575,753	—
Non-revolving line of credit	4,524,985	—
Convertible debt – related party, less current portion, net	—	2,458,194
Convertible debt, less current portion, net	—	404,319
Note payable – non-current	—	460,924
Derivative liability	—	1,058,633
Lease liability	—	75,530
<b>Total non-current liabilities</b>	<u>7,100,738</u>	<u>4,457,600</u>
<b>Total liabilities</b>	<u>26,293,737</u>	<u>8,823,003</u>
<b>Commitments and contingencies</b>	—	—
<b>Stockholders' equity</b>		
Series B Convertible Preferred stock, \$0.0001 par value, 3,333,334 shares authorized, 0 and 200,000 shares issued and outstanding as of March 31, 2022 and September 30, 2021, respectively. Liquidation preference of \$1.50 per share before any payment to Series A Preferred or Common stock	—	20
Common Stock, \$0.0001 par value, 105,555,556 shares authorized, 56,381,209 and 44,490,003 shares issued and outstanding as of March 31, 2022 and September 30, 2021, respectively	5,638	4,449
Additional paid in capital	101,970,318	69,833,650
Accumulated deficit	(96,321,864)	(66,842,416)
<b>Total stockholders' equity</b>	<u>5,654,092</u>	<u>2,995,703</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 31,947,829</u>	<u>\$ 11,818,706</u>

**LOOP MEDIA, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Three months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	\$ 12,152,840	\$ 2,409,145
<b>Cost of revenue</b>	7,471,921	2,215,087
<b>Gross profit</b>	4,680,919	194,058
<b>Operating expenses</b>		
Selling, general and administrative	14,824,108	5,121,464
Impairment of goodwill and intangible assets	1,970,321	8,815,724
Total operating expenses	16,794,429	13,937,188
<b>Loss from operations</b>	(12,113,510)	(13,743,130)
<b>Other income (expense)</b>		
Interest income	—	1,470
Interest expense	(1,643,271)	(246,635)
Loss on extinguishment of debt, net	(1,153,219)	(13,905)
Gain (Loss) on settlement of obligation, net	—	(1,100)
Change in fair value of derivatives	349,935	159,017
Other income	—	2,728
Total other income (expense)	(2,446,555)	(98,425)
<b>Loss before income taxes</b>		
Income tax (expense)/benefit	1,727	714,742
<b>Net loss</b>	(14,558,338)	\$ (13,126,813)
<b>Basic and diluted net loss per common share</b>	(0.28)	\$ (0.31)
<b>Weighted average number of basic and diluted common shares outstanding</b>	51,452,458	42,474,397

**LOOP MEDIA, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Years ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	\$ 30,832,796	\$ 5,069,149
<b>Cost of revenue</b>	19,450,398	4,165,066
<b>Gross profit</b>	11,382,398	904,083

<b>Operating expenses</b>		
Selling, general and administrative	34,179,050	20,333,216
Impairment of goodwill and intangible assets	1,970,321	11,206,523
Total operating expenses	<u>36,149,371</u>	<u>31,539,739</u>
<b>Loss from operations</b>	(24,766,973)	(30,635,656)
<b>Other income (expense)</b>		
Interest income	200	10,123
Interest expense	(3,620,212)	(1,690,552)
Gain (Loss) on extinguishment of debt, net	(1,607,782)	564,481
Gain (Loss) on settlement of obligation, net	—	(1,100)
Change in fair value of derivatives	514,643	159,017
Other income	—	4,279
Total other expense	<u>(4,713,151)</u>	<u>(953,752)</u>
<b>Loss before income taxes</b>	676	614,912
Income tax benefit	—	—
<b>Net loss</b>	<u>(29,479,448)</u>	<u>\$ (30,974,496)</u>
<b>Basic and diluted net loss per common share</b>	(0.61)	\$ (0.76)
<b>Weighted average number of basic and diluted common shares outstanding</b>	48,167,932	40,807,445

**LOOP MEDIA, INC.**  
**Adjusted EBITDA Reconciliation**

	<b>Years ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
GAAP net loss	\$ (29,479,448)	\$ (30,974,496)
Adjustments to reconcile to EBITDA:		
Interest expense	3,620,212	1,690,552
Interest income	(200)	(10,123)
Depreciation and amortization expense*	1,592,458	2,557,959
Income tax benefit	(676)	(614,912)
Stock-based compensation**	9,355,342	8,374,265
Non-recurring uplist expense	1,575,000	—
Impairment of goodwill and intangible assets	1,970,321	11,206,523
Loss on extinguishment of debt, net	1,607,782	—
Change in fair value of derivative	(514,643)	—
<b>Adjusted EBITDA</b>	<u>\$ (10,273,852)</u>	<u>\$ (7,770,232)</u>

\* Includes amortization of content license assets.

\*\* Includes options, RSUs and warrants

	<b>Years ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
GAAP net loss	\$ (14,558,338)	\$ (13,126,813)
Adjustments to reconcile to EBITDA:		
Interest expense	1,643,271	246,635
Interest income	—	(1,470)
Depreciation and amortization expense*	463,756	702,484
Income tax benefit	(1,727)	(714,742)
Stock-based compensation**	5,407,070	1,337,466
Non-recurring uplist expense	1,575,000	—
Impairment of goodwill and intangible assets	1,970,321	8,815,724
Loss on extinguishment of debt, net	1,153,219	—
Change in fair value of derivative	(349,935)	—
<b>Adjusted EBITDA</b>	<u>\$ (2,697,363)</u>	<u>\$ (2,740,716)</u>

\* Includes amortization of content license assets.

\*\* Includes options, RSUs and warrants

DECEMBER 13, 2022 / 10:00PM GMT, Q4 2022 Loop Media Inc Earnings Call

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EDITED TRANSCRIPT

Q4 2022 Loop Media Inc Earnings Call

EVENT DATE/TIME: DECEMBER 13, 2022 / 10:00PM GMT

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1

DECEMBER 13, 2022 / 10:00PM GMT, Q4 2022 Loop Media Inc Earnings Call

## CORPORATE PARTICIPANTS

**Jonathan Niermann** *Loop Media, Inc. - Co-Founder and Chief Executive Officer*

**Neil Watanabe** *Loop Media, Inc. - Chief Financial Officer*

**Bob Gruters** *Loop Media Inc. - Chief Revenue Officer*

## CONFERENCE CALL PARTICIPANTS

**Darren Aftahi** *ROTH Capital Partners - Analyst*

## PRESENTATION

### Operator

Good afternoon, everyone, and thank you for participating in today's conference call to discuss Loop Media's financial results for the fiscal fourth quarter and full-year ended September 30, 2022.

Joining us today are Loop's CEO, Mr. Jon Niermann, and the company's CFO, Mr. Neil Watanabe. By now, everyone should have access to the fiscal fourth quarter and full-year 2022 earnings press release, which was issued earlier today at approximately 4:05 p.m. Eastern Time. The release is available in the Investor Relations section of Loop's website at [www.loop.tv](http://www.loop.tv).

This call will also be available for a webcast replay on the company's website. Following management remarks, we will open the call for your questions. Certain comments made on this conference call and webcast are considered forward-looking statements under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in the forward-looking statements.

These forward-looking statements are also subject to other risks and uncertainties that are described from time to time in the company's filings with the SEC. Do not place any undue reliance on any forward-looking statements which are being made only as of the date of this call. Except as required by law, the company undertakes no obligation to revise or publicly release the results of any revision to any forward-looking statements.

Our presentation also includes certain non-GAAP financial measures, including adjusted EBITDA, are supplemental measures of performance of our business. Non-GAAP measures have been reconciled to the most directly comparable GAAP measures in accordance with SEC rules. You'll find reconciliation charts and other important information in the earnings press release and Form 8-K we furnished to the SEC. I would now like to turn the call over to Loop's CEO, Mr. Jon Niermann.

## Jonathan Niermann *Loop Media, Inc. - Co-Founder and Chief Executive Officer*

Thank you and good afternoon everyone. We are very pleased to be speaking with you on our first earnings conference call. 2022 has been a year of exceptional growth for Loop, as we've ramped distribution of our Loop Players and launched our new Retail Media Partner Platform business. Our financial profile has been completely reshaped from fiscal 2021, as we have increased revenue six times while delivering significantly higher gross margins. Although Loop was founded in 2016, we will look back on fiscal 2022 as a transformational year where our business was first truly delivered to the market, capped off by our significant transition from an OTC-listed company to the NYSE American in September.

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2

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Before getting into the details of our results, let's discuss the digital out-of-home market for those newer to our story and industry. The digital out-of-home market is revolutionizing out-of-home media consumption, similar to how cord-cutting has disrupted home cable viewership over the past five to seven years. According to the Outdoor Advertising Association of America, the digital out-of-home advertising market is predicted to hit \$33.37 billion by 2026, led by digital spin which is where Loop exists, while

ad spend on traditional areas like linear and cable TV is expected to fall annually.

Business owners have not had a viable streaming option the way consumers in their homes have, so cord-cutting from businesses has not generally been an option. Instead, most businesses are still utilizing outdated cable or satellite services, which are costly and less effective for out-of-home viewership given their long-form content. You don't go to a bar, restaurant, and sit to watch a full episode of Judge Judy or a Hollywood movie, for example, and this is where Loop comes in. Our hand-curated short-form content is perfectly suited for the out-of-home experience, as we have one of the largest libraries of content that includes music, videos, movie trailers, and live performances.

We also have non-music thematic content that can play without sound, such as the TikTok channel, trivia questions, drone footage, and other viral videos. This wide range of content enables us to target a very large market of business operators and out-of-home locations from small convenience stores to large university campuses. The scope of that opportunity has a compounding effect as it enables us to attract a wide group of advertisers that want access to highly-targeted viewership at these different types of venues.

Looked no further than our significant and consistent ramp in active units over the past year to gauge how quickly businesses are adopting our Loop Player. Our quarterly active units were up 45% from fiscal Q3 alone and up three times from one year ago. Simply put, the word is getting out on Loop, in part due to the launch of our Affiliate Sales Program and Partner Platform business. Earlier this fiscal year, we established an Affiliate Program to incentivize third parties that have connections with out-of-home venues to market and distribute our Loop Players. These third parties act as an outsourced sales force that supplement our internal sales efforts with a very cost-effective structure. This creates a highly-efficient model to scale our distribution.

We also launched our Partner Platform business earlier this fiscal year, which allows us to offer curated-content to third parties and advertised on their screens and hardware, without a physical Loop Player. We launched this business in May with one partner on 17,000 of their screens and are in the process of finalizing an additional approximately 13,500 screens and a second partner platform for a total of approximately 30,500 screens across our Partner Platforms business in the near term. We have focused our Partner Platforms business in the retail media space, which continues to show strong potential for revenue growth.

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3

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Quickly touching on the Loop platform, we have continued to cost effectively expand our content library over the past year. Loop runs a revenue sharing business, so there is minimal upfront content cost. For example, in October, we partnered with TikTok to launch a new dedicated channel from them that brings their highly engaging content to over 18,000 Loop Players across the country. TikTok is the leading destination for short-form mobile video. Together, we have curated a new channel that captures the diversity and popularity of this world-class platform, which is currently only available on Loop.

Also, in October, we added four new channels from Blossom, Wired2Fish, Breezy Golf, and NEWSnet, which adds to our already 200-plus music and non-music channel library. As I mentioned earlier, continuing to broaden our content offering helps us diversify the locations we serve as well as our advertising partners. Last week, we announced a strategic partnership with actv8me, a global ad monetization, engagement, and attribution measurement platform. This alliance will give our brand advertisers new monetization and attribution capabilities to target, reach, and engage consumers inside of businesses, enabling measurable outcomes, which is so key for advertisers.

For example, when consumers enter or exit a geo-fenced boundary line at a specified retail location, they will be prompted with a calculated message that inspires an immediate response. Using Loop Media's geographic footprint and actv8me's technology, advertisers will create a unique experience for consumers and continually reconnect and be at the forefront of the consumers' mind. This partnership is just as significant for all stakeholders in digital out-of-home as it is for Loop, given the new and different experiences we are bringing to the marketplace.

Looking ahead, although the broader advertising industry has experienced well-documented softness in recent months, the digital out-of-home advertising market, including the retail media sector, continues to grow and is the main area of focus as referenced earlier. We are not experiencing the same trends to the same extent as other companies that operate in display ads or web search, and our strong growth and margin expansion this past fiscal year reflect that. More than 32 million small- and medium-sized businesses can leverage our Loop Players compared to only the 18,000 we currently have in circulation. This positions us well for continued revenue growth and turning adjusted EBITDA positive in the back half of fiscal 2023.

So, the quick math on that will tell you that there is tremendous Greenfield ahead of us in the digital out-of-home video streaming market. With that, I will turn the call over to Neil to take you through the financial results. Neil?

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**Neil Watanabe Loop Media, Inc. - Chief Financial Officer**

Thank you, Jon, and good afternoon everyone. As we review our financial results, I want to remind everyone that our comparisons and variance commentary refer to the prior quarter or year, unless otherwise specified. As reported in our earnings press release, revenues for the fourth quarter increased five times to \$12.2 million compared to \$2.4 million in the year ago quarter. The dramatic increase was driven by significantly more Loop Players deployed in the market, as well as the benefit from our Partner Platform business that was launched in May of 2022.

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4

DECEMBER 13, 2022 / 10:00PM GMT, Q4 2022 Loop Media Inc Earnings Call

Going a layer deeper on our Loop Player penetration, as of September 30, 2022, we had approximately 18,200 quarterly active units in the market compared to 12,600 active units on June 30, 2022, a roughly 45% sequential increase in just three months. It's important to note that this does not include any Partner Platform screens. As Jon mentioned, we are finalizing a new deal that will bring our total Partner Platform screens to 30,500 in the near term. We did not have any Partner Platform screens one year ago as we launched that initiative in May of 2022.

Gross profit in the fiscal fourth quarter increased significantly to \$4.7 million compared to \$0.2 million in the year ago period. Gross margin also increased significantly to 38.5% compared to 8.1% for the same period in 2021. The increase was primarily driven by our ability to leverage the increased revenue with cost of sales and improved advertising revenue productivity generated by our Loop Players.

Total SG&A expenses in the fiscal fourth quarter were \$14.8 million compared to \$5.1 million for the same period in 2021. The increase in SG&A was primarily due to an increase in headcount, greater customer acquisition and retention spend, and higher public company costs related to our up-list to the New York Stock Exchange American. As a percentage of revenue, SG&A was reduced significantly in 2022 over 2021 as we improved our operating leverage.

Net loss in the fiscal fourth quarter of 2022 was \$14.6 million or a loss of \$0.28 per share compared to a net loss of \$13.1 million or a loss of \$0.31 per share for the comparable period in 2021. Adjusted EBITDA in the fiscal fourth quarter remained relatively flat at a negative \$2.7 million compared to the same period in 2021.

Quickly reviewing our full-year results, for the fiscal year 2022, our revenues increased six times to \$30.8 million compared to \$5.1 million. Gross profit in fiscal year 2022 increased significantly to \$11.4 million compared to \$0.9 million in fiscal year 2021, with gross margin rates more than doubling to 36.9% in fiscal 2022 compared to 17.8%. Net loss was \$29.5 million compared to a loss of \$31.0 million in fiscal 2021. Significant investments were made in 2022 to position the company for growth and becoming a public company trading on a major exchange. We also made efforts to clean up our balance sheet and impair goodwill on certain assets, which is reflected as a non-cash charge.

Adjusted EBITDA for fiscal year 2022 was a negative \$10.3 million compared to a negative \$7.8 million in the fiscal year 2021. Turning to our balance sheet, cash and cash equivalents were \$14.1 million on September 30, 2022 compared to \$4.2 million on September 30, 2021. The increase was primarily driven by net proceeds from our sale of common stock of approximately \$12.1 million in September of 2022. As of September 30, 2022, we have \$7.1 million of total debt compared to \$4.4 million on September 30, 2021.

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5

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In conjunction with our capital raise in September, we effected a reverse stock split and up listed to the NYSE American, which represents an important milestone for both our company and shareholders. We believe that this new listing will enable us to generate greater long-term value for shareholders by increasing our liquidity and improving access to institutional capital, as we continue to deliver on our growth and profitability objectives.

As you can see from many of our key business metrics and improved financial results, this is not the same Loop Media that closed out fiscal 2021. Instead, we are a very lean company today with a deep bench of key talent across the organization with a more substantial growth and margin profile, a fortified balance sheet, and better financial controls. As we look ahead, we plan to continue executing our expansion plan and delivering another year of strong growth in fiscal 2023, while expanding gross margins and turning adjusted EBITDA positive by the end of the year.

This concludes our prepared remarks and we would now like to open it up for questions. Operator, back to you.

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## QUESTIONS AND ANSWERS

### Operator

Thank you. We will now begin the question-and-answer session. (Operator Instructions) Today's first question comes from Darren Aftahi with ROTH Capital Partners. Please go ahead.

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### Darren Aftahi ROTH Capital Partners - Analyst

Hey, guys. Thanks for taking my questions. Nice results. Couple if I may. First, Jon, your comments about maybe not being as susceptible to slow down in ad spend, could you maybe speak to why you think that's the case right now when everybody else seems like there's just a pullback in ad -- digital ad space and ad tech in general?

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### Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer

Sure, Darren. What we're focused on and where we're seeing the growth, if you kind of look at the metrics in the ad industry, is digital out-of-home and CTV, Connected Television, are two of the areas that are bright spots in advertising right now as compared to some of the more traditional ones that I referenced, such as cable TV or traditional outdoor. A lot of the ones you read about are kind of linked to social media, et cetera, which we aren't participating in that area -- banner ads and that type of thing.

So, as the industry transitions and as they're looking to do more with their media mix, the digital out-of-home space is where we live and where a lot of those dollars are going. So, because we are focused on that area, that's why we're making those comments and feel good about that.

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6

DECEMBER 13, 2022 / 10:00PM GMT, Q4 2022 Loop Media Inc Earnings Call

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### Darren Aftahi ROTH Capital Partners - Analyst

Great. Could you expand a little bit on the actv8me relationship? I guess, said another way, just given the geo-fencing and sort of contextual relevance, like -- I know you said in the release, it's going to be launched in early 2023, but is this like an additional calling card for why a business would want to use Loop? Like, said another way, it sounds like actv8me can actually integrate in sort of offers, if you will, and could actually be a lift to the underlying business. Am I misreading that kind of the release? I'm just kind of curious about how, like, broadly you'll be deploying that technology within Loop and if my thinking is correct.

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**Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer**

Yes, you know, one of -- I think one of the things that we're excited about there is businesses are always looking for ways to engage their consumers. That's such an important part to increase dwell time. And consumers, clearly, are always very interested in interacting and this is really kind of a first phase of interaction. So with the QR code, you're able to have that kind of immediately interaction and able to do that. I've got Bob Gruters, our CRO, along with me. He did that deal and architected that. And he's -- is it okay -- you want Bob to reference -- Bob, you want to jump in and expand?

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**Bob Gruters Loop Media Inc. - Chief Revenue Officer**

One of the reasons that we wanted to enter into the partnership is to provide more flexibility to advertisers to take advantage of our medium for performance as well as branding. And so, this allows us to have an interactive moment to provide offers that are malleable and can be changed and then sequentially, be offered to people the way an advertiser would want to engage with the product journey and the lifecycle journey. So for us, this opens up doors and provides more adaptability for our media, for any of the advertisers that are looking to grab into that retail media footprint. It opens up more doors for us.

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**Darren Aftahi ROTH Capital Partners - Analyst**

Great. Two more if I may. I know you're not giving guidance, but I think consensus for the December quarter that we're in, is revenue is sitting at \$13.6 million to \$13.7 million. I'm just kind of curious, your comfort level with those numbers.

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**Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer**

You are correct that we're not giving guidance, but we feel comfortable with the figure that you mentioned. So, without kind of expanding on what that means, we feel good, very good about this quarter where we're headed, out of the gate for fiscal 2023.

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**Darren Aftahi ROTH Capital Partners - Analyst**

Got it. And then just last one for me, given the financing closed late September, I'm curious where some of that capital is going to be deployed in the current quarter. Is that mostly going to go to R&D, customer acquisition? If you could just kind of enlighten us on that, that'd be great. Thanks.

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**Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer**

Yes, sure. Key areas of growth for us are customer acquisition and marketing. So, you'll see a majority of that go there. Loop is very fortunate that we don't have high R&D costs. We did all of our development in-house for our technology. We also have very affordable content deals. So, we're not one of those companies that has to dump a bunch of money in those areas, which allow us to really invest towards customer acquisition which we are aggressively doing.

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DECEMBER 13, 2022 / 10:00PM GMT, Q4 2022 Loop Media Inc Earnings Call

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**Darren Aftahi ROTH Capital Partners - Analyst**

Thanks, guys. Appreciate it.

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**Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer**

Thanks, Darren.

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**Operator**

This concludes our question-and-answer session. I would like to turn the conference back over to Jon Niermann for closing remarks.

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**Jonathan Niermann Loop Media, Inc. - Co-Founder and Chief Executive Officer**

I want to thank everyone for joining the call today and also pay a special thanks to our dedicated team that continues to push Loop forward to deliver on our growth and profitability objectives. We look forward to speaking with many of you at various investor events over the next couple of months. Again, thank you very much for joining us.

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**Operator**

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.

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