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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **December 31, 2022**
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: **001-41508**

LOOP MEDIA, INC.
(Exact name of registrant as specified in its charter)

Nevada	**47-3975872**
(State or other jurisdiction of incorporation)	(IRS Employer Identification Number)

700 N. Central Ave., Suite 430, Glendale, CA	**91203**
(Address of principal executive offices)	(Zip Code)

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

N/A
(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

Securities 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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). [X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

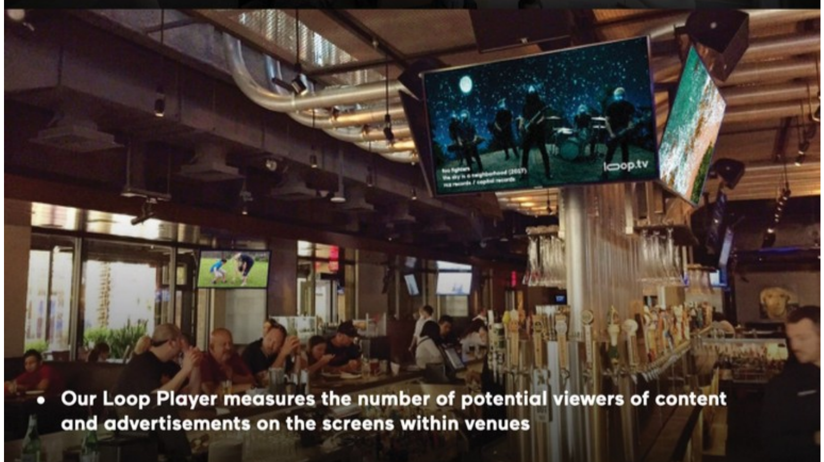
Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
Emerging growth company ☐	

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes ☒No

As of February 6, 2023, the registrant had 56,381,209 shares of common stock issued and outstanding.


• Licensed music videos from Universal, Sony and Warner Music
• Owned music video library dating back to the 1950s


• Our Loop Player measures the number of potential viewers of content and advertisements on the screens within venues


where is loop's DOOH audience?
The entire Loop Platform includes out-of-home Loop Players and screens across the United States.
Currently over 26,000 screens* across our owned and operated (O&O) Platform and approximately 17,000 screens across our Partner Platforms.
*measured on a Quarterly Active User basis; current as of January 1, 2023

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PART I — FINANCIAL INFORMATION

Item 1 Financial Statements.

LOOP MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2022 (UNAUDITED)	September 30, 2022
Current assets		
Cash	$ 7,753,644	$ 14,071,914
Accounts receivable, net	15,474,223	12,590,970
Prepaid expenses and other current assets	1,232,830	1,496,566
Deferred offering costs	68,832	—
Content assets - current	1,863,697	745,633
Total current assets	26,393,226	28,905,083
Non-current assets		
Deposits	63,889	63,889
Content assets - non current	1,634,847	678,659
Property and equipment, net	2,372,546	1,633,169
Operating lease right-of-use assets	33,917	76,696
Intangible assets, net	562,222	590,333
Total non-current assets	4,667,421	3,042,746
Total assets	$ 31,060,647	$ 31,947,829
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 6,372,516	$ 7,453,801
Accrued liabilities	3,289,498	5,620,873
Accrued royalties	8,419,287	4,559,088
Payable on acquisition	—	250,125
License content liabilities - current	1,429,109	1,092,819
Deferred Income	143,139	140,764
Lease liability - current	30,425	75,529
Non-revolving line of credit	1,652,031	—
Total current liabilities	21,336,005	19,192,999
Non-current liabilities		
Non-revolving line of credit	—	1,494,469
Non-revolving line of credit, related party	2,873,160	2,575,753
Revolving line of credit	4,666,022	3,030,516
Total non-current liabilities	7,539,182	7,100,738
Total liabilities	28,875,187	26,293,737
Commitments and contingencies (Note 9)	—	—
Stockholders' equity		
Common Stock, $0.0001 par value, 105,555,556 shares authorized, 56,381,209 and 56,381,209 shares issued and outstanding as of December 31, 2022, and September 30, 2022, respectively	5,638	5,638
Additional paid in capital	103,761,125	101,970,318
Accumulated deficit	(101,581,303)	(96,321,864)
Total stockholders' equity	2,185,460	5,654,092
Total liabilities and stockholders' equity	$ 31,060,647	$ 31,947,829

See the accompanying notes to the consolidated financial statements

LOOP MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended December 31,	
	2022	2021
Revenue	$ 14,825,831	$ 2,996,034
Cost of revenue	9,139,800	1,444,977
Gross profit	5,686,031	1,551,057
Operating expenses		
Sales, general and administrative	7,958,134	4,360,683
Stock-based compensation	1,790,807	1,516,594
Depreciation and amortization	187,716	32,403
Total operating expenses	9,936,657	5,909,680
Loss from operations	(4,250,626)	(4,358,623)
Other income (expense)		
Interest income	—	200
Interest expense	(1,007,583)	(504,117)
Gain (Loss) on extinguishment of debt, net	—	490,051
Change in fair value of derivatives	—	98,745
Total other income (expense)	(1,007,583)	84,879
Loss before income taxes		
Income tax (expense)/benefit	(1,230)	(251)
Net loss	$ (5,259,439)	$ (4,273,995)
Basic and diluted net loss per common share	(0.09)	$ (0.10)
Weighted average number of basic and diluted common shares outstanding	56,381,209	44,490,047

See the accompanying notes to the consolidated financial statements

LOOP MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED DECEMBER 30, 2022, and 2021
(UNAUDITED)

	Preferred Stock Series B		Common Stock		Additional Paid	Accumulated	
	Shares	Amount	Shares	Amount	in Capital	Deficit	Total
Balances, September 30, 2022	**—**	**$ —**	**56,381,209**	**$ 5,638**	**$ 101,970,318**	**$ (96,321,864)**	**$ 5,654,092**
Stock-based compensation					1,790,807		1,790,807
Net loss	—	—	—	—	—	(5,259,439)	(5,259,439)
Balances, December 31, 2022	**—**	**$ —**	**56,381,209**	**$ 5,638**	**$ 103,761,125**	**$ (101,581,303)**	**$ 2,185,460**

	Preferred Stock Series B		Common Stock		Additional Paid	Accumulated	
	Shares	Amount	Shares	Amount	in Capital	Deficit	Total
Balances, September 30, 2021	**200,000**	**$ 20**	**44,490,003**	**$ 4,449**	**$ 69,824,754**	**$ (66,842,416)**	**$ 2,986,807**
Stock-based compensation	—	—	—	—	1,549,406	—	1,549,406
Net loss	—	—	—	—	—	(4,273,995)	(4,273,995)
Balances, December 31, 2021	**200,000**	**$ 20**	**44,490,003**	**$ 4,449**	**$ 71,374,160**	**$ (71,116,411)**	**$ 262,218**

See the accompanying notes to the consolidated financial statements

LOOP MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three months ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (5,259,439)	$ (4,273,995)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	661,335	358,248
Depreciation and amortization expense	187,716	32,403
Amortization of content assets	682,167	311,055
Amortization of right-of-use assets	42,779	38,555
Bad debt expense	—	20,000
Gain on extinguishment of debt, net	—	(490,051)
Change in fair value of derivative	—	(98,745)
Stock-based compensation	1,790,807	1,549,406
Change in operating assets and liabilities:		
Accounts receivable	(2,883,253)	(1,373,259)
Prepaid income tax	—	(1,842)
Inventory	12,091	108,325
Prepaid expenses	251,644	(70,555)
Deposit	—	(29,590)
Accounts payable	(1,375,043)	317,686
Accrued liabilities	(2,331,374)	713,534
Accrued royalties	3,860,199	44,193
Licensed content liability	(2,420,129)	(581,000)
Operating lease liabilities	(45,104)	(39,349)
Deferred income	2,375	(12,782)
NET CASH USED IN OPERATING ACTIVITIES	(6,823,229)	(3,477,763)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(618,032)	—
NET CASH USED IN INVESTING ACTIVITIES	(618,032)	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	—	1,250,000
Proceeds from non-revolving line of credit, net of repayments	1,429,441	—
Debt issuance costs	(301)	—
Deferred offering costs	(56,024)	—
Payment of acquisition related consideration	(250,125)	—
Repayment of stockholder loans	—	(272,687)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,122,991	977,313
Change in cash and cash equivalents	(6,318,270)	(2,500,450)
Cash, beginning of period	14,071,914	4,162,548
Cash, end of period	$ 7,753,644	$ 1,662,098
SUPPLEMENTAL DISCLOSURES OF CASH FLOW STATEMENTS		
Cash paid for interest	$ 508,118	$ 43,130
Cash paid for income taxes	$ 1,230	$ 251
SUPPLEMENTAL DISCLOSURES OF NON CASH INVESTING AND FINANCING ACTIVITIES		
Unpaid deferred offering costs	$ 12,808	$ —
Unpaid additions to property and equipment	$ 280,950	$ —
Investment in licensed content and internally developed content	$ 2,756,420	$ —

See the accompanying notes to the consolidated financial statements

LOOP MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022
(UNAUDITED)

NOTE 1 – BUSINESS

Loop Media, Inc., a Nevada corporation, (collectively, "Loop Media," the "Company," "we," "us" or "our") is a multichannel digital video platform media company that uses marketing technology, or "MarTech," to generate our revenue and offer our services. Our technology and vast library of videos and licensed content enable us to curate and distribute short-form videos to out-of-home ("OOH") dining, hospitality, retail, convenience stores and other locations and venues to enable them to inform, entertain and engage their customers. Our technology provides third-party advertisers with a targeted marketing and promotional tool for their products and services and, in certain instances, allows us to measure the number of potential viewers of such advertising and promotional materials. We also allow our OOH clients to access our service without advertisements by paying a monthly subscription fee.

We offer hand-curated music video content licensed from major and independent record labels, including Universal Music Group ("Universal"), Sony Music Entertainment ("Sony"), and Warner Music Group ("Warner" and collectively with Universal and Sony, the "Music Labels"), as well as non-music video content, which is predominantly licensed or acquired from third parties, including action sports clips, drone and atmospheric footage, trivia, news headlines, lifestyle channels and kid-friendly videos, as well as movie, television and video game trailers, amongst other content. We distribute our content and advertising inventory to digital screens located in OOH locations primarily through (i) our owned and operated platform (the "O&O Platform") of Loop Media-designed "small-box" streaming Android media players ("Loop Players") and legacy ScreenPlay computers and (ii) through screens on digital platforms owned and operated by third parties (each a "Partner Platform" and collectively, the "Partner Platforms," and together with the O&O Platform, the "Loop Platform"). As of December 31, 2022, we had 26,903 QAUs (described below) operating on our O&O Platform. We launched our Partner Platforms business beginning in May 2022 with one partner on approximately 17,000 of the partner's screens, and are in the process of finalizing an additional approximately 13,500 screens in a second Partner Platform for a total of approximately30,500 screens across our Partner Platforms in the near term. We expect to begin earning revenue on these additional screens in our second fiscal quarter ending March 31, 2023. Our legacy subscription-based business complements these newer businesses.

We define 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 an DOOH venue-owned computer screening our content) that is online, used on our O&O Platform, 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 subscription service on our O&O Platform at any time during the 90-day period. We use "QAU" to refer to the number of such active units during such period. We do not count towards our QAUs any Loop Players or screens used on our Partner Platform.

Liquidity and management's plan

In accordance with Accounting Standards Update, or ASU, No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40)*, our management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Although it is difficult to predict our liquidity requirements, as of December 31, 2022, based upon our current operating plan, we believe that we will have sufficient cash to meet our projected operating requirements for at least the next twelve months following the issuance of the first quarter consolidated financial statements based on the balance of cash and the projected cash flows from operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of September 30, 2022, which has been derived from our audited financial statements, and (b) our unaudited condensed consolidated interim financial statements for the three months ended December 31, 2022, have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X of the Securities Act of 1933. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended December 31, 2022, are not necessarily indicative of results that may be expected for the year ending September 30, 2023.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended September 30, 2022, included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on December 20, 2022.

Basis of presentation

The consolidated financial statements include our accounts and our wholly-owned subsidiaries, EON Media Group Pte. Ltd. and Retail Media TV, Inc. The unaudited condensed consolidated financial statements are prepared using the accrual basis of accounting in accordance with US GAAP. All inter-company transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions used in the revenue recognition of performance obligations, allowance for doubtful accounts, fair value of stock-based compensation awards, income taxes and going concern.

Segment reporting

We report as one reportable segment because we do not have more than one operating segment. Our business activities, revenues and expenses are evaluated by management as one reportable segment.

Cash

Cash and cash equivalents include all highly liquid monetary instruments with original maturities of three months or less when purchased. These investments are carried at cost, which approximates fair value. Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash deposits. We maintain our cash in institutions insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, our cash and cash equivalent balances may be uninsured or in amounts that exceed the FDIC insurance limits. We have not experienced any loses on such accounts. On December 31, 2022, and September 30, 2022, we had no cash equivalents.

As of December 31, 2022, and September 30, 2022, approximately $7,253,644 and $13,821,914 of cash exceeded the FDIC insurance limits, respectively.

Accounts receivable

Accounts receivable represent amounts due from customers. We assess the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customers, current economic trends and analysis of historical bad debts. As of December 31, 2022, and September 30, 2022, we had recorded an allowance for doubtful accounts of $604,920 and $646,013, respectively.

Concentration of credit risk

During the three-months ended December 31, 2022, we hadthree customers which each individually comprised greater than 10% of net revenue. These customers represented 16%, 15% and 11% respectively. No other customer accounted for more than 10% of net revenue during the periods presented.

As of December 31, 2022,three customers accounted for a total of 39% of our accounts receivable balance or 14%, 14%, and 11%, respectively. No other customer accounted for more than 10% of total accounts receivable.

We grant credit in the normal course of business to our customers. Periodically, we review past due accounts and make decisions about future credit on a customer-by-customer basis. Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

Inventory

Inventories are valued at the lower of cost or net realizable value. We purchase inventory from a vendor and all inventory purchased is deemed finished goods. Cost is determined using the first-in-first-out basis for finished goods. Net realizable value is determined on the basis of anticipated sales proceeds less the estimated selling expenses. Management compares the cost of inventories with the net realizable value and an allowance is made to write down inventories to net realizable value, if lower. As of December 31, 2022, and September 30, 2022, we had recorded no valuation allowance.

Prepaid expenses

Expenditures paid in one accounting period which will not be consumed until a future period such as insurance premiums and annual subscription fees are accounted for on the balance sheet as a prepaid expense. When the asset is eventually consumed, it is charged to expense.

Content Assets

We capitalize the fixed content fees and corresponding liability when the license period begins, the cost of the content is known, and the content is accepted and available for streaming. If the licensing fee is not determinable or reasonably estimable, no asset or liability is recorded, and licensing costs are expensed as incurred. We amortize licensed content assets into cost of revenue, using the straight-line method over the contractual period of availability. The liability is paid in accordance with the contractual terms of the arrangement. Internally-developed content costs are capitalized in the same manner as licensed content costs, when the cost of the content is known and the content is ready and available for streaming. We amortize internally-developed content assets into cost of revenue, using the straight-line method over the estimated period of streaming.

Long-lived assets

We evaluate the recoverability of long-lived assets, including intangible assets, for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner that an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, we recognize an impairment loss only if their carrying amount is not recoverable through the undiscounted cash flows. The impairment loss is based on the difference between the carrying amount and estimated fair value as determined by discounted future cash flows. Our finite long-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, which range from two to nine years.

Property and equipment, net

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the asset's estimated useful life. Our capitalization policy is to capitalize property and equipment purchases greater than $3,000, as well as internally-developed software enhancements. Expenditures for maintenance and repairs are expensed as incurred. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition is reflected in earnings.

Loop players are capitalized as fixed assets and depreciated over the estimated period of use.

See below for estimated useful lives:

Equipment	3-5 years
Software	3 years

Operating leases

We determine if an arrangement is a lease at inception. Operating lease right-of-use assets ("ROU assets") and short-term and long-term lease liabilities are included on the face of the consolidated balance sheet.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. We have lease agreements with lease and non-lease components, which are accounted for as a single lease component. For lease agreements with terms less than twelve months, we have elected the short-term lease measurement and recognition exemption, and we recognize such lease payments on a straight-line basis over the lease term.

Fair value measurement

We determine the fair value of our assets and liabilities using a hierarchy established by the accounting guidance that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

- Level 2 inputs to the valuation methodology included quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in inactive markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 inputs to the valuation methodology is one or more unobservable inputs which are significant to the fair value measurement.

The carrying amount of our financial instruments, including cash, accounts receivable, deposits, short-term portion of notes receivable and notes payable, and current liabilities approximate fair value due to their short-term nature. We do not have financial assets or liabilities that are required under US GAAP to be measured at fair value on a recurring basis. We have not elected to use fair value measurement option for any assets or liabilities for which fair value measurement is not presently required.

We record assets and liabilities at fair value on a nonrecurring basis as required by US GAAP. Assets recognized or disclosed at fair value in the condensed consolidated financial statements on a nonrecurring basis include items such as property and equipment, operating lease assets, goodwill, and other intangible assets, which are measured at fair value if determined to be impaired.

On September 26, 2022, our convertible debentures converted to common stock as part of our public offering, uplist to the NYSE stock exchange, and in accordance with the terms of the original debt agreements. As of September 30, 2022, the remaining balance of the derivative liability was written off as part of the conversion to equity. Thus, there is no fair value measurement of the Derivative Liability balance as of December 31, 2022.

The following table summarizes changes in fair value measurements of the Derivative Liability during the three months ended December 31, 2021:

Balance as of September 30, 2021	$	1,058,633
Change in fair value		(98,745)
Balance as of December 31, 2021	$	959,888

Advertising costs

We expense all advertising costs as incurred. Advertising and marketing costs for the three months ended December 31, 2022, and 2021, were $2,968,140 and $1,129,527, respectively.

Revenue recognition

We recognize revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, when it satisfies a performance obligation by transferring control over a product to a customer. Revenue is measured based on the consideration we expect to receive in exchange for those products. In instances where final acceptance of the product is specified by the client, revenue is deferred until all acceptance criteria have been met. Revenues are recognized under Topic 606 in a manner that reasonably reflects the delivery of our products and services to clients in return for expected consideration and includes the following elements:

- executed contracts with our customers that we believe are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation of the transaction price to each performance obligation; and
- recognition of revenue only when we satisfy each performance obligation.

Performance obligations and significant judgments

Our revenue can be categorized into two revenue streams with the following performance obligations and recognition patterns:

Advertising revenue

Advertising revenue accounts for 94% of our revenue and includes revenue from direct and programmatic advertising as well as sponsorships. For all advertising revenue sources, we evaluate whether we should be considered the principal (i.e., report revenues on a gross basis) or an agent (i.e., report revenues on a net basis). We are considered the principal in our arrangements with content providers in our O&O Platform business and with our arrangements with our third-party partners in our Partner Platforms business and thus report revenues on a gross basis, wherein the amounts billed to our advertising demand partners, advertising agencies, and direct advertisers and sponsors are recorded as revenues, and amounts paid to content providers and third-party partners are recorded as expenses. We are considered the principal because we control the advertising space, are primarily responsible to our advertising demand partners and other parties filling our advertising inventory, have discretion in pricing and advertising fill rates and typically have an inventory risk.

For advertising inventory provided to advertisers through the use of an advertising demand partner or agency whose fees or commission is calculated based on a stated percentage of gross advertising spending, our revenues are reported net of agency fees and commissions.

For advertising revenue, we recognize revenue at the time the digital advertising impressions are filled and the advertisements are played and, for sponsorship revenue, we generally recognize revenue ratably over the term of the sponsorship arrangement as the sponsored advertisements are played.

Legacy and other business revenue

Legacy and other business revenue accounts for the remaining 6% of total revenue and includes streaming services, subscription content services, and hardware delivery, as described below:

- Delivery of streaming services including content encoding and hosting. We recognize revenue over the term of the service based on bandwidth usage. Revenue from streaming services is insignificant.
- Delivery of subscription content services in customized formats. We recognize revenue straight-line over the term of the service.
- Delivery of hardware for ongoing subscription content delivery through software. We recognize revenue at the point of hardware delivery. Revenue from hardware sales is insignificant.

Transaction prices for performance obligations are explicitly outlined in relevant agreements; therefore, we do not believe that significant judgments are required with respect to the determination of the transaction price, including any variable consideration identified.

Customer acquisition costs

We record commission expense associated with subscription revenue. Commissions are included in operating expenses. We have elected the practical expedient that allows us to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that we otherwise would have recognized is one year or less.

Cost of revenue

Cost of revenue represents the amortized cost of ongoing licensing and hosting fees, which is recognized over time based on usage patterns. The depreciation expense associated with the Loop players is not included in cost of sales.

Deferred income

We bill subscription services in advance of when the service period is performed. The deferred income recorded at December 31, 2022, and September 30, 2022, represents our accounting for the timing difference between when the subscription fees are received and when the performance obligation is satisfied. For the three months ended December 31, 2022, and 2021, revenue of $191,331 and $140,764, respectively, was recognized from the deferred revenue balance at the beginning of each period.

Net loss per share

We account for net loss per share in accordance with ASC subtopic 260-10,*Earnings Per Share* ("ASC 260-10"), which requires presentation of basic and diluted earnings per share ("EPS") on the face of the statement of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during each period. It excludes the dilutive effects of any potentially issuable common shares.

Diluted net loss per share is calculated by including any potentially dilutive share issuances in the denominator.

The following securities are excluded from the calculation of weighted average diluted shares at December 31, 2022, and September 30, 2022, respectively, because their inclusion would have been anti-dilutive.

	December 31, 2022	**September 30, 2022**
Options to purchase common stock	8,171,786	8,174,583
Warrants to purchase common stock	5,300,033	5,300,033
Restricted Stock Units (RSUs)	890,000	890,000
Series A preferred stock	—	—
Series B preferred stock	—	—
Convertible debentures	—	—
Total common stock equivalents	14,361,819	14,364,616

Shipping and handling costs

A shipping and handling fee is charged to customers and recorded as revenue at the time of sale. The associated cost of shipping and handling is recorded as a cost of revenue at the time of service.

Income taxes

We account for income taxes in accordance with ASC Topic 740, *Income Taxes.* ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. We have no material uncertain tax positions for any of the reporting periods presented.

We recognize accrued interest and penalties related to unrecognized tax benefits as part of income tax expense. We have also made a policy election to treat the income tax with respect to global intangible low-tax income as a period expense when incurred.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes, as part of its initiative to reduce complexity in accounting standards. The amendments in the ASU are effective for fiscal years beginning after December 15, 2020, including interim periods therein. The adoption of this standard in the first quarter of 2022 had no impact on our consolidated financial statements.

Stock-based compensation

Stock-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. We measure the fair value of the stock-based compensation issued to non-employees using the stock price observed in the trading market (for stock transactions) or the fair value of the award (for non-stock transactions), which were more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty’s performance is complete.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have no effect on the previously reported financial position, results of operations, or cash flows. Previously reported accounts payable and accrued liabilities have now been disaggregated into accounts payable, accrued liabilities, and accrued royalty. Further, stock-based compensation and depreciation and amortization expenses have now been segregated from sales, general and administrative expenses and separately reported within operating expenses.

Recently adopted accounting pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)*. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. The ASU is effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted for periods beginning after December 15, 2020. Adoption of the ASU can either be on a modified retrospective or full retrospective basis. We adopted this ASU as of October 1, 2022, and there is no material impact as of December 31, 2022.

Recent accounting pronouncements

In September 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* This guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. This guidance also requires enhanced disclosures regarding significant estimates and judgments used in estimating credit losses. The new guidance is effective for fiscal years beginning after December 15, 2022. We are currently evaluating the impact of this standard on our condensed consolidated financial statements and related disclosures.

NOTE 3 – CONTENT ASSETS

Content Assets

The content we stream to our users is generally acquired by securing the intellectual property rights to the content through licenses from, and paying royalties or other consideration to, rights holders or their agents. The licensing can be for a fixed fee or can be a revenue sharing arrangement. The licensing arrangements specify the period when the content is available for streaming, the territories, the platforms, the fee structure and other standard content licensing terms defining the rights and/or restrictions for how the licensed content can be used by Loop. We also develop original content internally, which is capitalized when the content is ready and available for streaming, and generally amortized over a period of two years.

As of December 31, 2022, content assets were $1,863,697 recorded as Content asset, net – current and $1,634,847 recorded as Content asset, net – noncurrent, of which $313,180 was internally-developed content asset, net.

We recorded amortization expense in cost of revenue, in the consolidated statements of operations, related to capitalized content assets:

	Three months ended December 31,	
	2022	2021
Licensed Content Assets	$ 669,678	$ 311,055
Internally-Developed Assets	12,489	—
Total	$ 682,167	$ 311,055

Our content license contracts are typically two years. The amortization expense for the next two years for capitalized content assets as of December 31, 2022:

	Remaining in Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Licensed Content Assets	$ 1,401,028	$ 1,686,050	$ 98,285
Internally-Developed Assets	52,801	70,401	—
Total	$ 1,453,829	$ 1,756,451	$ 98,285

License Content Liabilities

On December 31, 2022, we had $2,605,535 of obligations comprised of $1,429,109 in License content liability – current and $1,179,426 in accounts payable on the Consolidated Balance Sheets. Payments for content liabilities for the three months ended December 30, 2022, were $1,092,819. The expected timing of payments for these content obligations is $2,608,535 payable in fiscal year 2023.

NOTE 4. PROPERTY AND EQUIPMENT

Our property and equipment, net consisted of the following as of December 31, 2022, and September 30, 2022:

	December 31, 2022	September 30, 2022
Equipment	$ 2,820,389	$ 1,962,743
Software	445,393	404,058
	3,265,782	2,366,801
Less: accumulated depreciation	(893,236)	(733,632)
Total property and equipment, net	$ 2,372,546	$ 1,633,169

For the three months ended December 30, 2022, and 2021, depreciation expense, calculated using straight line method, charged to operations amounted to $159,605 and $4,292, respectively.

NOTE 5. INTANGIBLE ASSETS

Our intangible assets, each definite lived assets, consisted of the following as of December 31, 2022, and September 30, 2022:

	Useful life	December 31, 2022	September 30, 2022
Customer relationships	nine years	$ 1,012,000	$ 1,012,000
Content library	two years	198,000	198,000
Total intangible assets, gross		1,210,000	1,210,000
Less: accumulated amortization		(647,778)	(619,667)
Total		(647,778)	(619,667)
Total intangible assets, net		$ 562,222	$ 590,333

Amortization expense charged to operations amounted to $28,111 and $32,403, respectively, for the three months ended December 31, 2022, and 2021.

Annual amortization expense for the next five years and thereafter is estimated to be $84,333 (remaining in fiscal year 2023), $112,444, $112,444, $112,444, $112,444, and $28,113, respectively. The weighted average life of the intangible assets subject to amortization is 5 years on December 31, 2022.

NOTE 6 – OPERATING LEASES

Operating leases

We have operating leases for office space and office equipment. Many leases include one or more options to renew, some of which include options to extend the leases for a long-term period, and some leases include options to terminate the leases within 30 days. In certain of our lease agreements, the rental payments are adjusted periodically to reflect actual charges incurred for capital area maintenance, utilities, inflation and/or changes in other indexes.

	December 31, 2022	September 30, 2022
Short term portion	$ 30,425	$ 75,529
Long term portion	—	—
Total lease liability	$ 30,425	$ 75,529

Maturity analysis under these lease agreements are as follows:

2023	$ 33,806
Total undiscounted cash flows	33,806
Less: 10% Present value discount	(3,381)
Lease liability	$ 30,425

	Three months ended December 31,	
	2022	2021
Operating lease expense	$ 44,444	$ 44,444
Short-term lease expense	2,400	2,100
Total lease expense	$ 46,844	$ 46,544

Operating lease expense is included in sales, general and administration expenses in the consolidated statement of operations.

For the three months ended December 30, 2022, cash payments against lease liabilities totaled $40,346, and accretion on lease liability of $1,665.

For the three months ended December 31, 2021, cash payments against lease liabilities totaled $35,289, accretion on lease liability of $5,889.

Weighted-average remaining lease term and discount rate for operating leases are as follows:

Weighted-average remaining lease term	0.41 years
Weighted-average discount rate	10 %

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of December 31, 2022, and September 30, 2021:

	December 31, 2022	September 30, 2022
Accounts payable	$ 6,372,516	$ 7,453,801
Performance bonuses	1,711,563	2,970,000
Insurance liabilities	332,360	602,970
Professional fees	95,674	505,169
Commissions	101,304	425,321
Interest payable	180,411	348,150
Marketing	384,417	344,309
Other accrued liabilities	483,769	424,954
Accrued liabilities	3,289,498	5,620,873
Accrued royalties	8,419,287	4,559,088
Total accounts payable and accrued expenses	$ 18,081,301	$ 17,633,762

NOTE 8 – DEBT

Lines of Credit as of December 31, 2022:

Related party lines of credit:		**Net Carrying Value Current**	**Net Carrying Value Long Term**	**Unpaid Principal Balance**	**Contractual Interest Rates Cash**	**Contractual Maturity Date**	**Warrants issued**
$4,022,986 non-revolving line of credit, amended December 12, 2022	(1)	$ —	$ 2,873,160	$ 4,022,986	12%	4/25/2024	383,141
Total related party lines of credit, net		$ —	$ 2,873,160	$ 4,022,986			
Lines of credit:							
$2,200,000 non-revolving line of credit, May 13, 2022	(2)	$1,652,031	$ —	$ 2,200,000	12%	11/13/2023	314,286
$6,000,000 revolving line of credit, July 29, 2022		—	4,666,022	5,973,001	Greater of 4% or Prime	7/29/2024	—
Total lines of credit, net		$1,652,031	$ 4,666,022	$ 8,173,001			

Lines of Credit as of September 30, 2022:

Related party lines of credit:		**Net Carrying Value Current**	**Net Carrying Value Long Term**	**Unpaid Principal Balance**	**Contractual Interest Rates Cash**	**Contractual Maturity Date**	**Warrants issued**
$4,022,986 non-revolving line of credit, April 25, 2022	(1)	$ —	$ 2,575,753	$ 4,022,986	12%	10/25/2023	383,141
Total related party lines of credit, net		$ —	$ 2,575,753	$ 4,022,986			
Lines of credit:							
$2,200,000 non-revolving line of credit, May 13, 2022	(2)	$ —	$ 1,494,469	$ 2,200,000	12%	11/13/2023	314,286
$6,000,000 revolving line of credit, July 29, 2022		—	3,030,516	4,543,560	Greater of 4% or Prime	7/29/2024	—
Total lines of credit, net		$ —	$ 4,524,985	$ 6,743,560			

The following table presents the interest expense related to the contractual interest coupon and the amortization of debt discounts on the lines of credit:

	Three months ended December 31, 2022	Three months ended December 31, 2021
Interest expense	$ 340,379	$ —
Amortization of debt discounts	661,335	—
Total	$ 1,001,714	$ —

For the fiscal years ended September 30,	
2023	$ —
2024	12,195,987
2025	—
2026	—
2027	—
Lines of credit, related and non related party	12,195,987
Less: Debt discount on lines of credit payable	(3,004,774)
Total Lines of credit payable, related and non related party, net	$ 9,191,213

Non-Revolving Lines of Credit

On February 23, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement (the “Prior Excel Loan Agreement”) with Excel Family Partnership, LLLP (“Excel”), an entity managed by Bruce Cassidy, a member of our Board of Directors, for aggregate principal amount of $1,500,000, which was amended on April 13, 2022, to increase the aggregate principal amount to$2,000,000 (the “$2m Loan”). Effective as of April 25, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement with Excel (the “Excel Non-Revolving Loan Agreement”) for an aggregate principal amount of $4,022,986 (the “Excel Non-Revolving Loan”). The Excel Non-Revolving Loan matureseighteen (18) months from the date of the Excel Non-Revolving Loan Agreement and accrues interest, payable semi-annually in arrears, at a fixed rate of interest equal to twelve (12) percent per year. On April 25, 2022, we used $2,000,000 of the proceeds of the Excel Non-Revolving Loan to prepay all of the remaining outstanding principal and interest of the $2m Loan and the Prior Excel Loan Agreement was terminated in connection with such prepayment. Under the Excel Non-Revolving Loan Agreement, we granted to the lender a security interest in all of our present and future assets and properties, real or personal, tangible or intangible, wherever located, including products and proceeds thereof (which was subsequently subordinated in connection with our Revolving Loan Agreement (as defined below)). In connection with the Excel Non-Revolving Loan, on April 25, 2022, we issued a warrant for an aggregate of up to 383,141 shares of our common stock. The warrant has an exercise price of$5.25 per share, expires on April 25, 2025, and shall be exercisable at any time prior to the expiration date. Effective as of December 14, 2022, we entered into a Non-Revolving Line of Credit Agreement Amendment and a Non-Revolving line of Credit Promissory Note Amendment with Excel to extend the maturity date from eighteen (18) months to twenty-four (24) months from the date of the Excel Non-Revolving Loan.

The Excel Non-Revolving Loan had a balance, including accrued interest, amounting to $4,111,492 and $4,226,181 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the Excel Non-Revolving Loan in the amount of $419,438 and $0 for the three months ended December 31, 2022, and 2021.

Effective as of May 13, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement (the “RAT Non-Revolving Loan Agreement”) with several institutions and individuals and RAT Investment Holdings, LP, as administrator of the loan (the “Loan Administrator”) for an aggregate principal amount of $2,200,000 (the “RAT Non-Revolving Loan”). The RAT Non-Revolving Loan matures eighteen (18) months from the effective date of the RAT Non-Revolving Loan Agreement and accrues interest, payable semi-annually in arrears, at a fixed rate of interest equal to twelve (12) percent per year. Under the RAT Non-Revolving Loan Agreement, we granted to the lenders under the RAT Non-Revolving Loan Agreement a security interest in all of our present and future assets and properties, real or personal, tangible or intangible, wherever located, including products and proceeds thereof, which security interest is *pari passu* with the Excel Non-Revolving Loan Agreement (which was subsequently subordinated in connection with our Revolving Loan Agreement). In connection with the RAT Non-Revolving Loan Agreement, on May 13, 2022, we issued a warrant (each a “Warrant” and collectively, the “Warrants”) to each lender under the RAT Non-Revolving Loan Agreement for an aggregate of up to 209,522 shares of our common stock (the “Warrant Shares”). Each Warrant has an exercise price of $5.25 per share, expires on May 13, 2025, and shall be exercisable at any time prior to the expiration date.

The warrants were accounted for as equity awards. We allocated the debt and warrant on a relative fair value basis to the proceeds received for the non-revolving lines of credit. We further allocated the fair value of $2,975,261 of the warrants at inception as a debt discount and recorded the straight-line amortization of debt discount as interest expense.

The RAT Non-Revolving Loan had a balance, including accrued interest, amounting to $2,235,441 and $2,301,260 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the RAT Non-Revolving Loan in the amount of $224,105 and $0 for the three months ended December 31, 2022, and 2021.

Revolving Loan Agreement

Effective as of July 29, 2022, we entered into a Loan and Security Agreement (the “Revolving Loan Agreement”) with Industrial Funding Group, Inc. (the “Initial Lender”) for a revolving loan credit facility for the initial principal sum of up to $4,000,000, and through the exercise of an accordion feature, a total sum of up to $10,000,000, evidenced by a Revolving Loan Secured Promissory Note, also effective as of July 29, 2022 (the “Revolving Loan”). Shortly after the effective date of the Revolving Loan, the Initial Lender assigned the Revolving Loan Agreement, and the loan documents related thereto, to GemCap Solutions, LLC (the “Senior Lender”). Availability for borrowing under the Revolving Loan Agreement is dependent upon our assets in certain eligible accounts and measures of revenue, subject to reduction for reserves that the Senior Lender may require in its discretion, and the accordion feature is a provision whereby we may request that the Senior Lender increase availability under the Revolving Loan Agreement, subject to its sole discretion. Effective as of October 27, 2022, we entered into Amendment Number 1 to the Revolving Loan Agreement with the Senior Lender to increase the principal sum available from $4,000,000 to $6,000,000. As of December 31, 2022, we had borrowed $5,973,001 under the Revolving Loan. The Revolving Loan matures on July 29, 2024, and began accruing interest on the unpaid principal balance of advances, payable monthly in arrears, on September 7, 2022, at an annual rate equal to the greater of (I) the sum of (i) the “Prime Rate” as reported in the “Money Rates” column of The Wall Street Journal, adjusted as and when such Prime Rate changes, plus (ii) zero percent (0.00%), and (II) four percent (4.00%). Under the Revolving Loan Agreement, we have granted to the Senior Lender a first-priority security interest in all of our present and future property and assets, including products and proceeds thereof. In connection with the loan, our existing secured lenders (the “Subordinated Lenders”) delivered subordination agreements (the “Subordination Agreements”) to the Senior Lender. We are permitted to make regularly scheduled payments, including payments upon maturity, to such subordinated lenders and potentially other payments subject to a measure of cash flow and receiving certain financing activity proceeds, in accordance with the terms of the Subordination Agreements. In connection with the delivery of the Subordination Agreements by the Subordinated Lenders, on July 29, 2022, we issued warrants to each Subordinated Lender on identical terms for an aggregate of up to 296,329 shares of our common stock. Each warrant has an exercise price of $5.25 per share, expires on July 29, 2025 (the "Expiration Date"), and shall be exercisable at any time prior to the Expiration Date. One warrant for 191,570 warrant shares was issued to Eagle Investment Group, LLC, an entity managed by Bruce Cassidy, a member of our Board of Directors, as directed by its affiliate, Excel Family Partners, LLLP, one of the Subordinated Lenders. The Subordinated Lenders receiving warrants for the remaining 104,759 warrant shares were also entitled to receive a cash payment of $22,000 six months from the date of the Subordination Agreements, representing one percent (1.00%) of the outstanding principal amount of the loan held by such Subordinated Lenders. This cash payment was made to such Subordinated Lenders on January 25, 2023.

The warrants were accounted for as equity awards. We allocated the debt and warrant on a relative fair value basis to the proceeds received for the revolving loan agreement. We further allocated the fair value of the $1,347,719 of the warrants at inception as a debt discount and recorded the straight-line amortization of debt discount as interest expense.

The Revolving Loan had a balance, including accrued interest, amounting to $6,029,465 and $4,587,255 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the Revolving Loan in the amount of $358,171 and $0 for the three months ended December 31, 2022, and 2021.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

We may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. There are no such loss contingencies that are included in the financial statements as of December 31, 2022.

NOTE 10 – RELATED PARTY TRANSACTIONS

Related parties are natural persons or other entities that have the ability, directly or indirectly, to control another party or exercise significant influence over the party making financial and operating decisions. Related parties include other parties that are subject to common control or that are subject to common significant influences.

Revolving Loan Agreement

Effective as of July 29, 2022, we entered into the Revolving Loan Agreement. In connection with the loan under the Revolving Loan Agreement, the Subordinated Lenders delivered Subordination Agreements to the Senior Lender. In connection with the delivery of the Subordination Agreements by the Subordinated Lenders, on July 29, 2022, we issued warrants to each Subordinated Lender on identical terms for an aggregate of up to 296,329 shares of our common stock. Each warrant has an exercise price of $5.25 per share, expires on July 29, 2025. One warrant for 191,570 warrant shares was issued to Eagle Investment Group, LLC, an entity managed by Bruce Cassidy, a member of our Board of Directors, as directed by its affiliate, Excel Family Partners, LLLP, one of the Subordinated Lenders.

Excel Non-Revolving Loan Agreement

On February 23, 2022, we entered into the Prior Excel Loan Agreement with Excel, an entity managed by Bruce Cassidy, a member of our Board of Directors, for the $2m Loan (aggregate principal amount of $1,500,000, which was amended on April 13, 2022, to increase the aggregate principal amount to $2,000,000. Effective as of April 25, 2022, we entered into the Excel Non-Revolving Loan Agreement for the Excel Non-Revolving Loan (aggregate principal amount of $4,022,986). The Excel Non-Revolving Loan matures eighteen (18) months from the date of the Excel Non-Revolving Loan Agreement and accrues interest, payable semi-annually in arrears, at a fixed rate of interest equal to twelve (12) percent per year. On April 25, 2022, we used $2,000,000 of the proceeds of the Excel Non-Revolving Loan to prepay all of the remaining outstanding principal and interest of the $2m Loan and the Prior Loan Agreement was terminated in connection with such prepayment. Under the Excel Non-Revolving Loan Agreement, we granted to the lender a security interest in all of our present and future assets and properties, real or personal, tangible or intangible, wherever located, including products and proceeds thereof (which was subsequently subordinated in connection with the Revolving Loan Agreement). In connection with the Excel Non-Revolving Loan, on April 25, 2022, we issued a warrant for an aggregate of up to 383,141 shares of our common stock. The warrant has an exercise price of $5.25 per share, expires on April 25, 2025, and shall be exercisable at any time prior to the expiration date. Effective as of December 14, 2022, we entered into a Non-Revolving Line of Credit Agreement Amendment and a Non-Revolving line of Credit Promissory Note Amendment with Excel to extend the maturity date from eighteen (18) months to twenty-four (24) months from the date of the Excel Non-Revolving Loan.

The Excel Non-Revolving Loan had a balance, including accrued interest, amounting to $4,111,492 and $4,226,181 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the Excel Non-Revolving Loan in the amount of $419,438 and $0 for the three months ended December 31, 2022, and 2021.

500 Limited

For the three months ended December 31, 2022, and 2021, we paid 500 Limited $116,200 and $103,200, respectively, for programming services provided to Loop. 500 Limited is an entity controlled by Liam McCallum, our Chief Product and Technology Officer.

NOTE 11 –STOCKHOLDERS' EQUITY (DEFICIT)

Convertible Preferred Stock

Of the 16,666,667 shares of preferred stock authorized, we had designated (i)3,333,334 shares of preferred stock as Series A Convertible Preferred Stock (the "Series A Preferred Stock") and (ii) 3,333,334 shares of preferred stock as Series B Convertible Preferred Stock (the "Series B Preferred Stock." As of December 31, 2022, and 2021, we had 0 and 0 shares of Series A Preferred Stock issued and outstanding, respectively. As of December 31, 2022, and 2021, we had 0 and 200,000 shares of Series B Preferred Stock issued and outstanding, respectively.

As of December 31, 2022, there were (i) no shares of Series A Preferred Stockissued and outstanding, and (ii) no shares of Series B Preferred Stock issued and outstanding. As of December 30, 2022, and September 30, 2022, we had0 and 200,000 shares of Series A convertible preferred stock issued and outstanding, respectively. Each share of Series A Preferred Stock has a liquidation preference of $1.50 per share, is entitled to 100 votes per share, and is convertible at any time at the discretion of the holder thereof into100 shares of common stock. Each share of Series B Preferred Stock has a liquidation preference of $1.50 per share, is entitled to 100 votes per share and is convertible at any time at the discretion of the holder thereof into 100 shares of common stock. We evaluated the features of the Convertible Preferred Stock under ASC 480 and classified them as permanent equity because the Convertible Preferred stock is not mandatorily or contingently redeemable at the stockholder's option and the liquidation preference that exists does not fall within the guidance of SEC Accounting Series Release No. 268 – *Presentation in Financial Statements of "Redeemable Preferred Stocks"* ("ASR 268").

Change in Number of Authorized and Outstanding Shares

On September 21, 2022, a 1 for 3 reverse stock split of our common stock became effective. All share and per share information in the accompanying consolidated financial statements and footnotes has been retroactively adjusted for the effects of the reverse split for all periods presented.

Common stock

Our authorized capital stock consists of 105,555,556 shares of common stock, $0.0001 par value per share, and 3,333,334 shares of preferred stock, $0.0001 par value per share. As of December 31, 2022, and 2021, there were56,381,209 and 44,490,006, respectively, shares of common stock issued and outstanding.

Three months ended December 31, 2022

See Note 12 – Stock Options and Warrants for stock compensation discussion.

Three months ended December 31, 2021

See Note 12 – Stock Options and Warrants for stock compensation discussion.

NOTE 12 – STOCK OPTIONS AND WARRANTS

Options

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from using our historical stock prices. We account for the expected life of options based on the contractual life of options for non-employees. For employees, we account for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification. The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options.

The following table summarizes the stock option activity for the three months ended December 31, 2022:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2022	8,174,563	$ 3.78	8.05	$ 9,188,491
Grants	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Forfeited	(2,777)	3.30	—	—
Outstanding at December 31, 2022	8,171,786	$ 3.78	7.80	$ 24,082,385
Exercisable at December 31, 2022	6,162,812	$ 3.44	7.49	$ 19,989,899

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than our stock price of $6.62 as of December 31, 2022, and $6.75 as of December 31, 2021, which would have been received by the option holders had those option holders exercised their options as of that date.

The following table presents information related to stock options as of December 31, 2022:

	Options outstanding		
Exercise price	Number of options	Weighted average remaining life in years	Options exercisable number of options
$ 2.58	382,790	3.66	382,790
1.98	1,472,892	5.84	1,472,891
2.67	833,333	7.46	753,333
3.30	2,621,053	7.87	1,838,504
1.71	100,000	8.17	99,999
8.52	83,333	8.33	83,333
8.25	200,000	8.34	105,556
7.05	16,667	8.56	7,870
7.20	16,667	8.57	7,870
7.50	16,667	8.59	16,666
6.90	278,727	8.76	169,357
7.05	25,000	8.82	7,292
8.25	141,667	9.31	—
7.74	45,000	9.37	—
7.05	8,333	9.53	—
7.86	6,667	9.67	—
4.95	1,922,990	9.73	1,217,351
	8,171,786		6,162,812

Stock-based compensation

We recognize compensation expense for all stock options granted using the fair value-based method of accounting. During the three months ended December 31, 2022, no stock options were granted. As of December 31, 2022, the total compensation cost related to nonvested awards not yet recognized is $8,851,714 and the weighted average period over which expense is expected to be recognized in months is 24.1.

The stock-based compensation expense related to option grants was $1,382,000 and $1,549,406, for the three months ended December 31, 2022, and 2021, respectively.

Restricted Stock Units

On September 18, 2022, the Compensation Committee of our Board of Directors approved Restricted Stock Unit ("RSU") awards to certain officers and key employees pursuant to the terms of the Loop Media, Inc. Amended and Restated 2020 Equity Incentive Compensation Plan. On September 22, 2022, we granted an aggregate of 890,000 RSUs which vest over time subject to continued service. Each RSU was valued at the public offering price during our initial public offering of $5 per share, vesting 25% upon one year from the grant date and the remainder in equal quarterly installments over three (3) years.

As of December 31, 2022, the total compensation cost related to nonvested RSU awards not yet recognized was $4,079,167 and the weighted average period over which expense is expected to be recognized in months was 44.0.

Warrants

The following table summarizes the changes in warrants outstanding and the related prices for the shares of our common stock:

Warrants outstanding				Warrants exercisable		
Exercise prices		Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average remaining contractual life (years)
$	2.58	100,000	6.78	2.58	100,000	6.78
	2.57	666,666	3.93	2.57	666,666	3.93
	2.25	888,888	7.20	2.25	888,888	7.20
	8.25	107,952	1.92	8.25	107,952	1.92
	8.40	16,666	6.32	8.40	16,666	6.32
	8.25	2,191,149	1.75	8.25	2,191,149	1.75
	7.05	62,438	4.21	7.05	39,884	4.21
	5.25	383,141	2.32	5.25	383,141	2.32
	5.25	209,522	2.37	5.25	209,522	2.37
	9.00	66,666	2.38	9.00	66,666	2.38
	7.95	100,000	2.46	7.95	16,667	2
	5.25	296,329	2.58	5.25	296,329	2.58
	6.00	192,000	4.74	6.00	192,000	4.74
	6.00	18,616	4.75	6.00	18,616	4.75

The following table summarizes the warrant activity for the three months ended December 31, 2022:

	Number of shares	Weighted average exercise price per share
Outstanding at September 30, 2022	5,300,033	$ 5.82
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding at December 31, 2022	5,300,033	$

We record all warrants granted using the fair value-based method of accounting.

During the three months ended December 31, 2022,no warrants were issued. We recorded consulting expense of $130,682 as a result of current period vesting of previously issued warrants to various companies for consulting services.

NOTE 13 – INCOME TAXES

We calculate our interim income tax provision in accordance with ASC Topic 270, Interim Reporting and ASC Topic 740, Accounting for Income Taxes. At the end of each interim period, we estimate the annual effective tax rate and apply that rate to our ordinary year to date earnings. In addition, the tax effects of unusual or infrequently occurring items including changes in judgment about valuation allowances and effects of changes in enacted tax laws are recognized discretely in the interim period in which the change occurs. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including the expected operating (loss) income for the year, permanent and temporary differences as a result of differences between amounts measured and recognized in accordance with tax laws and financial accounting standards, and the likelihood of recovering deferred tax assets generated in the current fiscal year. The accounting estimates used to compute income tax expense may change as new events occur or additional information is obtained.

For the three months ended December 31, 2022, we recorded an income tax provision of $1,230. For the three months ended December 31, 2021, we recorded an income tax provision of $251 related to state and local taxes. The effective rate for both the three months ended December 31, 2022, and 2021, differ from the U.S. federal statutory rate of 21% as no income tax benefit was recorded for current year operating losses as we maintain a full valuation allowance on our deferred tax assets.

NOTE 14 – SUBSEQUENT EVENTS

Significant Agreements

We have recently renewed and updated the last of our three limited, non-exclusive licenses to digitally distribute certain music videos and related materials to our OOH clients in the United States owned or controlled by the major record labels; Universal Music Group, Sony Music Entertainment, and Warner Music Group (collectively, the “Music Labels”) and have now done so with all three Music Labels.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

STATEMENT ON FORWARD-LOOKING INFORMATION

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operations; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs and risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our financial statements which have been prepared in conformity with accounting principles generally accepted in the United States of America. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

The following discussion and analysis provides information which our management believes to be relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read together with our financial statements and the notes to the financial statements, which are included in this report.

Overview

We are a multichannel digital video platform media company that uses marketing technology, or "MarTech," to generate revenue and offer our services. Our technology and vast library of videos and licensed content enable us to curate and distribute short-form videos to out-of-home ("OOH") dining, hospitality, retail, convenience stores and other locations and venues to enable them to inform, entertain and engage their customers. In addition, our technology provides third-party advertisers with a targeted marketing and promotional tool for their products and services and, in certain instances, allows us to measure the number of potential viewers of such advertising and promotional materials. We also allow OOH clients to access our service without advertisements by paying a monthly subscription fee.

We offer hand-curated music video content licensed from major and independent record labels, including Universal Music Group ("Universal"), Sony Music Entertainment ("Sony"), and Warner Music Group ("Warner" and collectively with Universal and Sony, the "Music Labels"), as well as non-music video content, which is predominantly licensed or acquired from third parties, including action sports clips, drone and atmospheric footage, trivia, news headlines, lifestyle channels and kid-friendly videos, as well as movie, television and video game trailers, amongst other content. We distribute our content and advertising inventory to digital screens located in OOH locations primarily through (i) our owned and operated platform (the "O&O Platform") of Loop Media-designed "small-box" streaming Android media players ("Loop Players") and legacy ScreenPlay computers and (ii) through screens on digital networks owned and operated by third parties (each a "Partner Platform" and collectively the "Partner Platforms," and together with the O&O Platform, the "Loop Platform"). As of December 31, 2022, we had 26,903 QAUs operating on our O&O Platform. See "— Key Performance Indicators." We launched our Partner Platforms business beginning in May 2022 with one partner on approximately 17,000 of the partner's screens and are in the process of finalizing an additional approximately 13,500 screens in a second Partner Platform, for a total of approximately 30,500 screens across our Partner Platforms in the near term. We expect to begin earning revenue on these additional screens in our second fiscal quarter ending March 31, 2023.

Key Performance Indicators

We review our quarterly active units ("QAUs") and average revenue per unit player ("ARPU"), among other key performance indicators, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

Quarterly Active Units

We define 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 an DOOH venue-owned computer screening our content) that is online, used on our O&O Platform, 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 subscription service on our O&O Platform at any time during the 90-day period. We use "QAU" to refer to the number of such active units during such period. We do not count towards our QAUs any Loop Players or screens used on our Partner Platform.

For the quarter ended December 31, 2022, QAU was 26,903, compared to 18,240 for the quarter ended September 30, 2022, a 47% increase. The growth in QAUs was almost entirely the result of growth in our ad-supported Loop Players. This growth was impacted by our increased focus, and the provision of additional resources, to our affiliate program, increased Loop Player requests by certain of our affiliate partners and the introduction of an automated system for our client success team to identify Loop Players that have gone offline to enable us to reengage with the relevant customers and reactivate their Loop Players. QAU was 12,584 for the quarter ended June 30, 2022, 10,530 for the quarter ended March 31, 2022, and 8,156 for the quarter ended December 31, 2021.

Average Revenue Per Unit

We define a "unit player" as (i) an ad-supported Loop Player (or a DOOH location using our ad- supported service through our "Loop for Business" application or using a DOOH location-owned computer screening our content) that is online, used on our O&O Platform, 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 on our O&O Platform at any time during the 90-day period. A unit player that is supported by our advertising-based revenue model is an ad-supported unit player and a unit player that is supported by a subscription-based revenue model is a subscription unit player. We calculate advertising ARPU ("AD ARPU") by dividing quarterly revenues from our DOOH ad-supported service on our O&O Platform for the period by QAUs for our ad-supported unit players on our O&O Platform. We calculate subscription ARPU ("SUB ARPU") by dividing quarterly revenues from our DOOH subscription-supported service on our O&O Platform for the period by QAUs for our subscription-supported unit players on our O&O Platform. We do not include in our unit players count, AD ARPU or SUB ARPU any Loop Players or screens used on our Partner Platform.

Our AD ARPU fluctuates based on a number of factors, including the length of time in a quarter that a unit player is activated and operating, the CPMs we are able to achieve for our advertising impressions, and the advertising fill rates that we are able to achieve. Our SUB ARPU fluctuates based on a number of factors, including the timing of the start of a customer subscription for a subscription-supported unit player, the number of ad-supported unit players we have, and the price clients pay for those subscriptions. An increase in the number of unit players over the course of a quarterly period may have the effect of decreasing quarterly ARPU, particularly if such players are added towards the end of the quarterly period. Increases or decreases in ARPU may not correspond with increases or decreases in our revenue, and ARPU may be calculated in a manner different than any similar key performance indicator used by other companies.

For the quarter ended December 31, 2022, AD ARPU was $324, compared to $356 for the quarter ended September 30, 2022, a 9% decrease primarily resulting from significantly lower CPMs and decreased fill rates beginning mid-way through the period November 2022, which offset strong CPMs and fill rates early in the period leading up to the U.S. elections, which had a positive impact on AD ARPU during the quarter. AD ARPU was $526 for the quarter ended June 30, 2022, $435 for the quarter ended March 31, 2022, and $236 for the quarter ended December 31, 2021.

For the quarter ended December 31, 2022, SUB ARPU was $323, compared to $387 for the quarter ended September 30, 2022, a 17% decrease. SUB ARPU was $235 for the quarter ended June 30, 2022, $429 for the quarter ended March 31, 2022, and $410 for the quarter ended December 31, 2021.

Components of Results of Operations

Revenue

The majority of our revenue is generated from ad sales, which is recognized at the time the digital advertising impressions are filled and the advertisements are played. Revenue generated from content subscription services in customized formats is recognized over the term of the service. The revenue generated from hardware for ongoing subscription content delivery is recognized at the point of the hardware delivery. Revenue generated from content and streaming services, including content encoding and hosting, are recognized over the term of the service based on bandwidth usage.

Cost of Revenue

Cost of revenue consists of expenses related to licensing, content delivery and technology support.Significant expenses include royalties and license fees paid to content providers as well as network infrastructure and server hosting.

Total Operating Expenses

Operating expenses are attributable to the general overhead related to all the products and services that we provide to our clients and, as a result, they are presented in an aggregate total. Our operating expenses include sales, general and administrative expenses and goodwill impairment.

Sales, General and Administrative Expenses

Sales and marketing expenses consist primarily of employee compensation and related costs associated with our sales and marketing staff, including salaries, benefits, bonuses and commissions as well as costs relating to our marketing and business development. We intend to continue to invest resources in our sales and marketing initiatives to drive growth and extend our market position.

General and administrative expenses consist of employee compensation and related costs for executive, finance, legal, human resources, recruiting, and employee-related information technology and administrative personnel, including salaries, benefits, and bonuses, as well as depreciation, facilities, recruiting and other corporate services.

Other Income/Expense

Interest Expense

Interest expense consists of interest expense on our outstanding indebtedness and amortization of debt issuance costs.

Income Taxes

We account for income taxes in accordance with ASC Topic 740, Income Taxes. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination.

For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. We have no material uncertain tax positions for any of the reporting periods presented.

We recognize accrued interest and penalties related to unrecognized tax benefits as part of income tax expense. We have also made a policy election to treat the income tax with respect to global intangible low-tax income as a period expense when incurred.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes, as part of its initiative to reduce complexity in accounting standards. The amendments in the ASU are effective for fiscal years beginning after December 15, 2020, including interim periods therein. The adoption of this standard in the first quarter of 2022 had no impact on our consolidated financial statements.

Consolidated Results of Operations

The following tables set forth our results of operations for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results:

	Three months ended December 31,			
	2022	**2021**	**$ variance**	**% variance**
Revenue	$ 14,825,831	$ 2,996,034	$ 11,829,797	395 %
Cost of revenue	9,139,800	1,444,977	7,694,823	533 %
Gross profit margin	5,686,031	1,551,057	4,134,974	267 %
Total operating expenses	9,936,657	5,909,680	4,026,977	68 %
Loss from operations	(4,250,626)	(4,358,623)	107,997	(2)%
Other income (expense):				
Interest income	—	200	(200)	(100)%
Interest expense	(1,007,583)	(504,117)	(503,466)	100 %
Gain (Loss) on extinguishment of debt, net	—	490,051	(490,051)	(100)
Change in fair value of derivatives	—	98,745	(98,745)	(100)%
Total other income (expense)	(1,007,583)	84,879	(1,092,462)	(1,287)%
Provision for income taxes	(1,230)	(251)	(979)	390 %
Net loss	$ (5,259,439)	$ (4,273,995)	$ (985,444)	23 %

Revenue

Our revenue for the three months ended December 31, 2022, was $14,825,831, an increase of $11,829,797, or 395%, from $2,996,034 for the three months ended December 31, 2021. This increase was primarily driven by significantly more Loop Players deployed into the market, as well as the benefit from our Partner Platform business that was launched in May 2022.

We are not immune to the challenges presented by the broader macro environment. We are seeing headwinds in overall digital ad spend that started to emerge in the second half of quarter ended December 31, 2022, that has continued into calendar 2023. During the quarter we also benefitted from unusually strong seasonal advertising related to the political election cycle in November, which contributed to our outperformance and offset the challenging second half of our fiscal Q1.

Cost of Revenue

Our cost of revenue for the three months ended December 31, 2022, was $9,139,800, an increase of $7,694,823, or 533%, from $1,444,977 for the three months ended December 31, 2021. This increase in cost of revenue was primarily due to increased royalties and license fees associated with higher business activities and revenue share arrangements with the Music Labels and content providers. In addition, our network infrastructure and server hosting costs rose primarily due to the expansion of our business and customers using our service.

Gross Profit Margin

Our gross profit margin for the three months ended December 31, 2022,was $5,686,031, an increase of $4,134,974, or 267%, from $1,551,057 for the three months ended December 31, 2021. This increase in gross profit margin was primarily due to increased revenue.

Our gross profit margin as a percentage of total revenue for the three months ended December 31, 2022, was approximately 38.4% compared to 51.8% for the three months ended December 31, 2021. The percentage decrease was primarily driven by revenue mix as the year-ago period did not include the launch of our Partner Platform business, which carries lower gross margin but higher operating margin.

The relative contributions to total revenue of our O&O Platform and Partner Platforms businesses will impact our gross profit margin as a percentage of total revenue in future periods, as each of those businesses have different cost of revenue components with a lower gross profit margin in our Partner Platforms business.

Total Operating Expenses

Our operating expenses for the three months ended December 31, 2022, were $9,936,657, an increase of $4,026,977, or 68%, from $5,909,680 for the three months ended December 31, 2021. This increase in operating expenses was primarily due to an increase in sales, general and administrative expenses, as follows:

Sales, General and Administrative Expenses

Our Sales, General and Administrative Expenses for the three months ended December 31, 2022, were $7,958,135, an increase of $3,699,954, or 82%, from $4,360,684 for the three months ended December 31, 2021. This increase in sales, general and administrative expenses was primarily due to greater marketing, customer acquisition and retention spend, as well as higher public company costs related to our public offering and up-listing to the NYSE American. More specifically:

- Our payroll costs for the three months ended December 31, 2022, were $3,197,117, an increase of $1,338,628 or 73% from $1,840,489 for the three months ended December 31, 2021, primarily due to increased headcount and increased commissions commensurate with an increase in sales.

- Our marketing costs for the three months ended December 31, 2022, were $2,968,140, an increase of $1,838,612 or 163% from $1,129,527 for the three months ended December 31, 2021, primarily due to increased advertising spend to increase the market for our Loop Players, the introduction of a rewards program for our customers and securing affiliate partnerships aimed at the distribution and activation of Loop Players.

- Our stock compensation (non-cash) for the three months ended December 31, 2022, was $1,790,807, an increase of $274,213 or 18% from $1,516,594 for the three months ended December 31, 2021, primarily due to the granting of stock option awards and RSUs to existing and new employees since December 31, 2021, which resulted in additional expenses for the three months ended December 31, 2022.

- Our professional fees for the three months ended December 31, 2022, were $452,992, a decrease of $12,856 or 3% from $465,849 for the three months ended December 31, 2021.

As a percentage of revenue, Sales, General and Administrative Expenses were reduced significantly as we continued to improve our operating leverage.

Total Other Income (Expense)

Our other expenses for the three months ended December 31, 2022, were $1,007,583, an increase of $1,092,462 or 1,287% from $84,879 other income for the three months ended December 31, 2021. This increase in other expenses was primarily due to increased interest expense from rising interest rates and increased borrowing.

Non-GAAP EBITDA

We believe that the presentation of EBITDA, a financial measure that is not part of U.S. Generally Accepted Accounting Principles, or U.S. GAAP, provides investors with additional information about our financial results. EBITDA is an important supplemental measure used by our Board of Directors and management to evaluate our operating performance from period-to-period on a consistent basis and as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations. We define EBITDA as earnings before interest expense (income), income tax (expense)/benefit, depreciation and amortization.

EBITDA is not measured in accordance with, or an alternative to, measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP measure is not based on any comprehensive set of accounting rules or principles. As a non-GAAP measure, EBITDA has limitations in that it does not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. In particular:

- EBITDA does not reflect the amounts we paid in interest expense on our outstanding debt;
- EBITDA does not reflect the amounts we received in interest income on our investments;
- EBITDA does not reflect the amounts we paid in taxes or other components of our tax provision;
- EBITDA does not include depreciation expense from fixed assets; and
- EBITDA does not include amortization expense.

Because of these limitations, you should consider EBITDA alongside other financial performance measures including net income (loss) and our financial results presented in accordance with U.S. GAAP.

The following table provides a reconciliation of net loss to EBITDA for each of the periods indicated:

	Three months ended December 31,	
	2022	**2021**
GAAP net loss	$ (5,259,439)	$ (4,273,995)
Adjustments to reconcile to EBITDA:		
Interest expense	1,007,583	504,117
Interest income	—	(200)
Depreciation and amortization expense*	869,883	343,458
Income Tax expense/(benefit)	1,230	251
EBITDA	$ (3,380,743)	$ (3,426,369)

*Includes amortization of content assets.

Non-GAAP Adjusted EBITDA

We believe that the presentation of Adjusted EBITDA, a financial measure that is not part of U.S. Generally Accepted Accounting Principles, or U.S. GAAP, provides investors with additional information about our financial results. Adjusted EBITDA is an important supplemental measure used by our Board of Directors and management to evaluate our operating performance from period-to-period on a consistent basis and as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations.

We define Adjusted EBITDA as earnings before interest expense (income), income tax (expense)/benefit, depreciation and amortization, adjusted for stock-based compensation and non-recurring income and expenses, if any.

Adjusted EBITDA is not measured in accordance with, or an alternative to, measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP measure is not based on any comprehensive set of accounting rules or principles. As a non-GAAP measure, Adjusted EBITDA has limitations in that it does not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. In particular:

- Adjusted EBITDA does not reflect the amounts we paid in interest expense on our outstanding debt;
- Adjusted EBITDA does not reflect the amounts we paid in taxes or other components of our tax provision;
- Adjusted EBITDA does not include depreciation expense from fixed assets;
- Adjusted EBITDA does not include amortization expense;
- Adjusted EBITDA does not include the impact of stock-based compensation;
- Adjusted EBITDA does not include the impact of the gain on extinguishment of debt;
- Adjusted EBITDA does not include the impact of the change in fair value of derivative.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures including net income (loss) and our financial results presented in accordance with U.S. GAAP.

The following table provides a reconciliation of net loss to Adjusted EBITDA for each of the periods indicated:

	Three months ended December 31,	
	2022	**2021**
GAAP net loss	$ (5,259,439)	$ (4,273,995)
Adjustments to reconcile to Adjusted EBITDA:		
Interest expense	1,007,583	504,117
Interest income	—	(200)
Depreciation and amortization expense *	869,883	343,458
Income tax expense (benefit)	1,230	251
Stock-based compensation**	1,790,807	1,516,594
Gain (loss) on extinguishment of debt, net	—	(490,051)
Change in fair value of derivative	—	(98,745)
Adjusted EBITDA	$ (1,589,936)	$ (2,498,571)

*Includes amortization of content assets.
** Includes options, restricted stock units (“RSUs”) and warrants.

Liquidity and Capital Resources

As of December 31, 2022, we had cash of approximately $7,753,644. The following table provides a summary of our net cash flows from operating, investing, and financing activities.

	Three months ended December 31, 2022	2021
Net cash used in operating activities	$ (6,823,229)	$ (3,477,763)
Net cash used in investing activities	(618,032)	—
Net cash provided by (used in) financing activities	1,122,991	977,313
Change in cash	(6,318,270)	(2,500,450)
Cash, beginning of period	14,071,914	4,162,548
Cash, end of period	$ 7,753,644	$ 1,662,098

Cash Flows for the Three Months Ended December 31, 2022, and 2021

Net Cash Flow Used in Operating Activities

Our net cash used in operating activities during the three months ended December 31, 2022, was $6,823,229, an increase of $3,345,466, or 96%, from $3,477,763 for the three months ended December 31, 2021. This increase in net cash used in the three months ended December 31, 2022, was primarily due to the net loss of $5,259,439 and a net decrease in operating assets and liabilities of $4,928,594, offset by stock-based compensation expense of $1,790,807, amortization of content assets of $682,167, amortization of debt discount of $661,335, depreciation and amortization expense of $187,716 and amortization of right-of-use assets of $42,779.

Our net cash used in operating activities for the three months ended December 31, 2021, was $3,477,763 primarily due to the net loss of $4,273,995, a net decrease in operating assets and liabilities of $924,639, a gain on extinguishment of debt of $490,051 and a change in fair value of derivatives of $98,745, offset by stock-based compensation expense of $1,549,406, amortization of debt discount of $358,248, amortization of content assets of $311,055, amortization of right-of-use assets of $38,555, depreciation and amortization of $32,403 and a write-off for bad debt expense of $20,000.

Net Cash Flow Used in Investing Activities

Our net cash used in investing activities during the three months ended December 31, 2022, was $618,032, primarily due to the purchase of property and equipment of $618,032 compared to $0 for the three months ended December 31, 2021.

Net Cash Flow Provided by Financing Activities

Our net cash provided by financing activities during the three months ended December 31, 2022, was $1,122,991, an increase of $145,678 or 15% from $977,313 for the three months ended December 31, 2021, primarily due to net proceeds from non-revolving line of credit of $1,429,441, offset by the repayment on loans of $250,125, deferred offering costs of $56,024 and debt issuance costs of $301.

Our net cash provided by financing activities for the three months ended December 31, 2021, was primarily due to receipt of proceeds from the issuance of common stock of $1,250,000, offset by the repayment of a stockholder's loan of $272,687.

As a result of the above activities, we recorded a net decrease in cash of $6,318,270 for the three months ended December 31, 2022. We reported a cash balance of $7,753,644 as of December 31, 2022.

Future Capital Requirements

We have generated limited revenue, and as of December 31, 2022, our cash totaled $7,753,644, and we had an accumulated deficit of $101,581,303. We believe that our existing cash will enable us to fund our operations for at least twelve months from the date of this Report. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. We anticipate that we will continue to incur net losses for the foreseeable future; however, changing circumstances may cause us to expend cash significantly faster than we currently anticipate, and we may need to spend more cash than currently expected because of circumstances beyond our control.

Historically, our principal sources of cash have included proceeds from the issuance of common stock, preferred stock and warrants and proceeds from the issuance of debt. Our principal uses of cash have included cash used in operations, payments for license rights and payments relating to purchases of property and equipment. We expect that the principal uses of cash in the future will be for continuing operations, and general working capital requirements. We expect that as our operations continue to grow, we will need to raise additional capital to sustain operations and growth.

Non-Revolving Lines of Credit

On February 23, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement (the "Prior Excel Loan Agreement") with Excel Family Partnership, LLLP ("Excel"), an entity managed by Bruce Cassidy, a member of our Board of Directors, for aggregate principal amount of $1,500,000, which was amended on April 13, 2022, to increase the aggregate principal amount to $2,000,000 (the "$2m Loan"). Effective as of April 25, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement with Excel (the "Excel Non-Revolving Loan Agreement") for an aggregate principal amount of $4,022,986 (the "Excel Non-Revolving Loan"). The Excel Non-Revolving Loan matures eighteen (18) months from the date of the Excel Non-Revolving Loan Agreement and accrues interest, payable semi-annually in arrears, at a fixed rate of interest equal to twelve (12) percent per year. On April 25, 2022, we used $2,000,000 of the proceeds of the Excel Non-Revolving Loan to prepay all of the remaining outstanding principal and interest of the $2m Loan and the Prior Excel Loan Agreement was terminated in connection with such prepayment. Under the Excel Non-Revolving Loan Agreement, we granted to the lender a security interest in all of our present and future assets and properties, real or personal, tangible or intangible, wherever located, including products and proceeds thereof (which was subsequently subordinated in connection with our Revolving Loan Agreement (as defined below). In connection with the Excel Non-Revolving Loan, on April 25, 2022, we issued a warrant for an aggregate of up to 383,141 shares of our common stock. The warrant has an exercise price of $5.25 per share, expires on April 25, 2025, and shall be exercisable at any time prior to the expiration date. Effective as of December 14, 2022, we entered into a Non-Revolving Line of Credit Agreement Amendment and a Non-Revolving line of Credit Promissory Note Amendment with Excel to extend the maturity date from eighteen (18) months to twenty-four (24) months from the date of the Excel Non-Revolving Loan.

The Excel Non-Revolving Loan had a balance, including accrued interest, amounting to $4,111,492 and $4,226,181 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the Excel Non-Revolving Loan in the amount of $419,438 and $0 for the three months ended December 31, 2022, and 2021.

Effective as of May 13, 2022, we entered into a Non-Revolving Line of Credit Loan Agreement (the "RAT Non-Revolving Loan Agreement") with several institutions and individuals and RAT Investment Holdings, LP, as administrator of the loan (the "Loan Administrator") for an aggregate principal amount of $2,200,000 (the "RAT Non-Revolving Loan"). The RAT Non-Revolving Loan matures eighteen (18) months from the effective date of the RAT Non-Revolving Loan Agreement and accrues interest, payable semi-annually in arrears, at a fixed rate of interest equal to twelve (12) percent per year. Under the RAT Non-Revolving Loan Agreement, we granted to the lenders under the RAT Non-Revolving Loan Agreement a security interest in all of our present and future assets and properties, real or personal, tangible or intangible, wherever located, including products and proceeds thereof, which security interest is *pari passu* with the Excel Non-Revolving Loan Agreement (which was subsequently subordinated in connection with our Revolving Loan Agreement). In connection with the RAT Non-Revolving Loan Agreement, on May 13, 2022, we issued a warrant (each a "Warrant" and collectively, the "Warrants") to each lender under the RAT Non-Revolving Loan Agreement for an aggregate of up to 209,522 shares of our common stock (the "Warrant Shares"). Each Warrant has an exercise price of $5.25 per share, expires on May 13, 2025, and shall be exercisable at any time prior to the expiration date.

The RAT Non-Revolving Loan had a balance, including accrued interest, amounting to $2,235,441 and $2,301,260 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the RAT Non-Revolving Loan in the amount of $224,105 and $0 for the three months ended December 31, 2022, and 2021.

Revolving Loan Agreement

Effective as of July 29, 2022, we entered into a Loan and Security Agreement (the "Revolving Loan Agreement") with Industrial Funding Group, Inc. (the "Initial Lender") for a revolving loan credit facility for the initial principal sum of up to $4,000,000, and through the exercise of an accordion feature, a total sum of up to $10,000,000, evidenced by a Revolving Loan Secured Promissory Note, also effective as of July 29, 2022 (the "Revolving Loan"). Shortly after the effective date of the Revolving Loan, the Initial Lender assigned the Revolving Loan Agreement, and the loan documents related thereto, to GemCap Solutions, LLC (the "Senior Lender"). Availability for borrowing under the Revolving Loan Agreement is dependent upon our assets in certain eligible accounts and measures of revenue, subject to reduction for reserves that the Senior Lender may require in its discretion, and the accordion feature is a provision whereby we may request that the Senior Lender increase availability under the Revolving Loan Agreement, subject to its sole discretion. Effective as of October 27, 2022, we entered into Amendment Number 1 to the Loan and Security Agreement and to the Loan Agreement Schedule with the Senior Lender to increase the principal sum available under the Revolving Loan Agreement from $4,000,000 to $6,000,000. As of December 31, 2022, we had borrowed $5,973,001 under the Revolving Loan. The Revolving Loan matures on July 29, 2024, and began accruing interest on the unpaid principal balance of advances, payable monthly in arrears, on September 7, 2022, at an annual rate equal to the greater of (I) the sum of (i) the "Prime Rate" as reported in the "Money Rates" column of The Wall Street Journal, adjusted as and when such Prime Rate changes, plus (ii) zero percent (0.00%), and (II) four percent (4.00%). Under the Revolving Loan Agreement, we have granted to the Senior Lender a first-priority security interest in all of our present and future property and assets, including products and proceeds thereof. In connection with the loan, our existing secured lenders (the "Subordinated Lenders") delivered subordination agreements (the "Subordination Agreements") to the Senior Lender. We are permitted to make regularly scheduled payments, including payments upon maturity, to such subordinated lenders and potentially other payments subject to a measure of cash flow and receiving certain financing activity proceeds, in accordance with the terms of the Subordination Agreements. In connection with the delivery of the Subordination Agreements by the Subordinated Lenders, on July 29, 2022, we issued warrants to each Subordinated Lender on identical terms for an aggregate of up to 296,329 shares of our common stock. Each warrant has an exercise price of $5.25 per share, expires on July 29, 2025 (the "Expiration Date"), and shall be exercisable at any time prior to the Expiration Date. One warrant for 191,570 warrant shares was issued to Eagle Investment Group, LLC, an entity managed by Bruce Cassidy, a member of our Board of Directors, as directed by its affiliate, Excel Family Partners, LLLP, one of the Subordinated Lenders. The Subordinated Lenders receiving warrants for the remaining 104,759 warrant shares was also entitled to receive a cash payment of $22,000 six months from the date of the Subordination Agreements, representing one percent (1.00%) of the outstanding principal amount of the loan held by such Subordinated Lenders. This cash payment was made to those Subordinated Lenders on January 25, 2023.

The Revolving Loan had a balance, including accrued interest, amounting to $6,029,465 and $4,587,255 as of December 31, 2022, and September 30, 2022, respectively. We incurred interest expense for the Revolving Loan in the amount of $358,171 and $0 for the three months ended December 31, 2022, and 2021.

Our future use of operating cash and capital requirements will depend on many forward-looking factors, including the following:

- our ability to attract and retain management with experience in digital media including digital video music streaming, and similar emerging technologies;

- our ability to negotiate, finalize and maintain economically feasible agreements with the major and independent music labels, publishers and performance rights organizations;

- our expectations regarding market acceptance of our products in general, and our ability to penetrate digital video music streaming in particular;

- volatility in digital programmatic advertising spend which can affect our revenues;
- the scope, validity and enforceability of our and third-party intellectual property rights;
- the intensity of competition;
- the effects of the ongoing pandemic caused by the spread of COVID-19 and our business clients ability to service their clients' in out of home venues that have limited their public capacity;
- changes in the political and regulatory environment and in business and fiscal conditions in the United States and overseas;
- our ability to attract prospective users and to retain existing users;
- our dependence upon third-party licenses for sound recordings and musical compositions;
- our lack of control over the providers of our content and their effect on our access to music and other content;
- our ability to comply with the many complex license agreements to which we are a party;
- our ability to accurately estimate the amounts payable under our license agreements;
- the limitations on our operating flexibility due to the minimum guarantees required under certain of our license agreements;
- our ability to obtain accurate and comprehensive information about music compositions in order to obtain necessary licenses or perform obligations under our existing license agreements;
- potential breaches of our security systems;
- assertions by third parties of infringement or other violations by us of their intellectual property rights;
- our ability to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis;
- our ability to accurately estimate our user metrics;
- risks associated with manipulation of stream counts and user accounts and unauthorized access to our services;
- our ability to maintain, protect and enhance our brand;
- risks relating to the acquisition, investment and disposition of companies or technologies;
- dilution resulting from additional share issuances;
- tax-related risks;
- the concentration of voting power among our founders who have and will continue to have substantial control over our business; and
- risks associated with accounting estimates, currency fluctuations and foreign exchange controls.

We have evaluated and expect to continue to evaluate a wide array of strategic transactions as part of our plan to acquire or license and develop additional products and services to augment our current business operations. Strategic transaction opportunities that we may pursue could materially affect our liquidity and capital resources and may require us to incur additional indebtedness, seek equity capital or both. Accordingly, we expect to continue to opportunistically seek access to additional capital to license or acquire additional products, services or companies to expand our operations, or for general corporate purposes. Strategic transactions may require us to raise additional capital through one or more public or private debt or equity financings or could be structured as a collaboration or partnering arrangement. We have no arrangements, agreements, or understandings in place at the present time to enter into any acquisition, licensing or similar strategic business transaction.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences that are not favorable to us or our stockholder.

As of December 31, 2022, our cash totaled $7,753,644. During the three months ended December 31, 2022, we incurred a net loss of $5,259,439 and used $6,823,229 of cash in operations. We have incurred significant operating losses in the past and, as of December 31, 2022, we had an accumulated deficit of approximately $101,581,303. We do not expect to experience positive cash flows from operations in the near future as we continue to invest in the distribution of our Loop Players and the expansion of our Partner Platform business. We also expect to incur significant additional legal and financial expenditures in meeting the regulatory requirements of an NYSE-American listed public company.

There is uncertainty regarding our ability to grow our business without additional financing. Our long-term future growth and success are dependent upon our ability to continue selling our services, generate cash from operating activities and obtain additional financing. We may be unable to continue selling our products and services, generate sufficient cash from operations, sell additional shares of common stock or borrow additional funds. Our inability to obtain additional cash could have a material adverse effect on our ability to grow our business to a greater extent than we can with our existing financial resources.

Based on our current operating plan, we believe that our existing cash will enable us to fund our operations for at least the twelve months from the date of this Report. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect.

Critical Accounting Policies and Use of Estimates

Use of Estimates and Assumptions

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions used in the revenue recognition of performance obligations, fair value of stock-based compensation awards and income taxes.

Revenue Recognition

Our revenue recognition disclosure reflects our updated accounting policies that are affected by this new standard. We applied the "modified retrospective" transition method for open contracts for the implementation of Topic 606. As sales are and have been primarily from delivery of streaming services, delivery of subscription content services in customized formats, and delivery of hardware and ongoing content delivery through software and we have no significant post-delivery obligations, this new standard did not result in a material recognition of revenue on our consolidated financial statements for the cumulative impact of applying this new standard. Therefore, there was no cumulative effect adjustment required.

We recognize revenue when it satisfies a performance obligation by transferring control over a product to a customer. Revenue is measured based on the consideration we expect to receive in exchange for those products. In instances where final acceptance of the product is specified by the customer, revenue is deferred until all acceptance criteria have been met. Revenues are recognized under Topic 606 in a manner that reasonably reflects the delivery of our products and services to clients in return for expected consideration and includes the following elements:

- executed contracts with our clients that we believe are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation the transaction price to each performance obligation; and
- recognition of revenue only when we satisfy each performance obligation.

Performance Obligations and Significant Judgments

Our revenue can be categorized into two revenue streams with the following performance obligations and recognition patterns:

Advertising Revenue

Advertising revenue accounts for 94% of our revenue and includes revenue from direct and programmatic advertising as well as sponsorships. For all advertising revenue sources, we evaluate whether we should be considered the principal (i.e., report revenues on a gross basis) or an agent (i.e., report revenues on a net basis). We are considered the principal in our arrangements with content providers in our O&O Platform business and with our arrangements with our third-party partners in our Partner Platforms business and thus report revenues on a gross basis, wherein the amounts billed to our advertising demand partners, advertising agencies, and direct advertisers and sponsors are recorded as revenues, and amounts paid to content providers and third-party partners are recorded as expenses. We are considered the principal because we control the advertising space, are primarily responsible to our advertising demand partners and other parties filling our advertising inventory, have discretion in pricing and advertising fill rates and typically have an inventory risk.

For advertising inventory provided to advertisers through the use of an advertising demand partner or agency whose fees or commission is calculated based on a stated percentage of gross advertising spending, our revenues are reported net of agency fees and commissions.

For advertising revenue, we recognize revenue at the time the digital advertising impressions are filled and the advertisements are played and, for sponsorship revenue, we generally recognize revenue ratably over the term of the sponsorship arrangement as the sponsored advertisements are played.

Legacy and Other Business Revenue

Legacy and other business revenue accounts for the remaining 6% of total revenue and includes streaming services, subscription content services, and hardware delivery, as described below:

- Delivery of streaming services including content encoding and hosting. We recognize revenue over the term of the service based on bandwidth usage. Revenue from streaming services is insignificant.

- Delivery of subscription content services in customized formats. We recognize revenue straight-line over the term of the service.
- Delivery of hardware for ongoing subscription content delivery through software. We recognize revenue at the point of hardware delivery. Revenue from hardware sales is insignificant.

Transaction prices for performance obligations are explicitly outlined in relevant contractual agreements; therefore, we do not believe that significant judgments are required with respect to the determination of the transaction price, including any variable consideration identified.

Stock-Based Compensation

Stock-based compensation awarded to employees is measured at the award date, based on the fair value of the award, and is recognized as an expense over the requisite vesting period. We measure the fair value of the stock-based compensation issued to non-employees using the stock price observed in the trading market (for stock transactions) or the fair value of the award (for non-stock transactions), which were more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete.

Content Assets

On January 1, 2020, we adopted the guidance in ASU 2019-02, *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials*, on a prospective basis. We capitalize the fixed content fees and our corresponding liability when the license period begins, the cost of the content is known, and the content is accepted and available for streaming. If the licensing fee is not determinable or reasonably estimable, no asset or liability is recorded, and licensing costs are expenses as incurred. We amortize licensed content assets into cost of revenue, using the straight-line method over the contractual period of availability. The liability is paid in accordance with the contractual terms of the arrangement. Internally-developed content costs are capitalized in the same manner as licensed content costs, when the cost of the content is known and the content is ready and available for streaming. We amortize internally-developed content assets into cost of revenue, using the straight-line method over the estimated period of streaming.

Income Taxes

We account for income taxes in accordance with ASC Topic 740, Income Taxes. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. We have no material uncertain tax positions for any of the reporting periods presented.

We recognize accrued interest and penalties related to unrecognized tax benefits as part of income tax expense. We have also made a policy election to treat the income tax with respect to global intangible low-tax income as a period expense when incurred.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes, as part of its initiative to reduce complexity in accounting standards. The amendments in the ASU are effective for fiscal years beginning after December 15, 2020, including interim periods therein. The adoption of this standard in the first quarter of 2022 had no impact on our consolidated financial statements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. The ASU is effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted for periods beginning after December 15, 2020. Adoption of the ASU can either be on a modified retrospective or full retrospective basis. We adopted this ASU as of October 1, 2022, and there is no material impact as of December 31, 2022.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not required.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) that occurred during the first quarter of fiscal 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of our executive officers, threatened against or affecting us, or our common stock, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors

There have been no material changes to the factors disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

There were no material defaults regarding payments of principal and interest that exceeded 5% of our total assets.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

Significant Agreements

We have recently renewed and updated the last of our three limited, non-exclusive licenses to digitally distribute certain music videos and related materials to our OOH clients in the United States owned or controlled by the major record labels; Universal Music Group, Sony Music Entertainment, and Warner Music Group (collectively, the “Music Labels”) and have now done so with all three Music Labels.

Item 6. Exhibits

Exhibit No.	Exhibit Description
3.1*	Restated Articles of Incorporation of Loop Media, Inc., as amended
10.1	Amendment Number 1 to the Loan and Security Agreement and to the Loan Agreement Schedule, dated October 27, 2022, by and between the Company and GemCap Solutions, LLC, as successor and assign to Industrial Funding Group, Inc. (previously filed on November 2, 2022, as Exhibit 10.1 of the Company’s Current Report on Form 8-K)
10.2	Amended and Restated Secured Promissory Note (Revolving Loans), dated October 27, 2022, executed by the Company for the benefit of GemCap Solutions, LLC, as successor and assign to Industrial Funding Group, Inc. (previously filed on November 2, 2022, as Exhibit 10.2 of the Company’s Current Report on Form 8-K)
10.3	Non-Revolving Line of Credit Loan Agreement Amendment, dated as of December 14, 2022, by and betweenthe Company and Excel Family Partners, LLLP (previously filed on December 20, 2022, as Exhibit 10.17 of the Company’s Annual Report on Form 10-K)
10.4	Non-Revolving Line of Credit Promissory Note Amendment, dated as of December 14, 2022, by and between the Company and Excel Family Partners, LLLP (previously filed on December 20, 2022, as Exhibit 10.17 of the Company’s Annual Report on Form 10-K)

31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document -the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

Pursuant to the requirements of the Securities Act of 1934, as amended, the registrant has duly caused this quarterly report to be signed on its behalf by the undersigned thereunto duly authorized on February 7, 2023.

Loop Media, Inc., a Nevada corporation
(Registrant)

By: /s/ Jon Niermann
Jon Niermann
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Neil Watanabe
Neil Watanabe
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATE OF RESTATED ARTICLES OF INCORPORATION OF LOOP MEDIA, INC.

I, the undersigned Secretary of Loop Media, Inc., a Nevada corporation, does hereby certify that:

1. The Articles of this Corporation are restated to read in full as follows:

ARTICLE I NAME

The name of the corporation shall be Loop Media, Inc. (hereinafter, the "Corporation").

ARTICLE II REGISTERED OFFICE

Omitted.

ARTICLE III CAPITAL STOCK

Section 1. *Authorized Shares.* The aggregate number of shares which the Corporation shall have authority to issue is three hundred thirty three million three hundred thirty three thousand three hundred thirty four (333,333,334) shares, consisting of two classes to be designated, respectively, "Common Stock" and "Preferred Stock," with all of such shares having a par value of $.0001 per share. The total number of shares of Common Stock that the Corporation shall have authority to issue is three hundred sixteen million six hundred sixty six thousand six hundred sixty seven (316,666,667) shares. The total number of shares of Preferred Stock that the Corporation shall have authority to issue is sixteen million six hundred sixty six thousand six hundred sixty seven (16,666,667) shares. The Preferred Stock may be issued in one or more series, each series to be appropriately designated by a distinguishing letter or title, prior to the issuance of any shares thereof. The voting powers, designations, preferences, limitations, restrictions, and relative, participating, optional and other rights, and the qualifications, limitations, or restrictions thereof, of the Preferred Stock shall hereinafter be prescribed by resolution of the board of directors pursuant to Section 3 of this Article III, except for the Series A Convertible Preferred Stock, which is set forth herein.[1]

Section 2. *Common Stock*

(a) Dividend Rate. Subject to the rights of holders of any Preferred Stock having preference as to dividends and except as otherwise provided by these Articles

[1] The Series B stock was created by a Certificate of Designation which is incorporated into these Restated Articles.

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of incorporation, as amended from time to time (hereinafter, the "**Articles**") or the Nevada Revised Statues (hereinafter, the "**NRS**"), the holders of Common Stock shall be entitled to receive dividends when, as and if declared by the board of directors out of assets legally available therefor.

(b) Voting Rights. Except as otherwise provided by the NRS, the holders of the issued and outstanding shares of Common Stock shall be entitled to one vote for each share of Common Stock. No holder of shares of Common Stock shall have the right to cumulate votes.

(c) Liquidation Rights. In the event of liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, subject to the prior rights of holders of Preferred Stock to share ratably in the Corporation's assets, the Common Stock and any shares of Preferred Stock which are not entitled to any preference in liquidation shall share equally and ratably in the Corporation's assets available for distribution after giving effect to any liquidation preference of any shares of Preferred Stock. A merger, conversion, exchange or consolidation of the Corporation with or into any other person or sale or transfer of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to stockholders) shall not be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(d) No Conversion, Redemption, or Preemptive Rights. The holders of Common Stock shall not have any conversion, redemption, or preemptive rights.

(e) Consideration for Shares. The Common Stock authorized by this Article shall be issued for such consideration as shall be fixed, from time to time, by the board of directors.

Section 3. *Preferred Stock*

(a) Designation. The board of directors is hereby vested with the authority from time to time to provide by resolution for the issuance of shares of Preferred Stock in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by these Articles, and to prescribe with respect to each such series the voting powers, if any, designations, preferences, and relative, participating, optional, or other special rights, and the qualifications, limitations, or restrictions relating thereto, including, without limiting the generality of the foregoing: the voting rights relating to the shares of Preferred Stock of any series (which voting rights, if any, may be full or limited, may vary over time, and may be applicable generally or only upon any stated fact or event); the rate of dividends (which may be cumulative or noncumulative), the condition or time for payment of dividends and the preference or relation of such dividends to dividends payable on any other class or series of capital stock; the rights of holders of Preferred Stock of any series in the event of liquidation, dissolution, or winding up of the affairs of the Corporation; the rights, if any, of holders of Preferred Stock of any series to convert or exchange such shares of Preferred Stock of such series for shares of any other class or series of capital stock or for any other securities, property, or assets of the Corporation or any subsidiary (including the determination of the price or prices or the rate or rates applicable to such rights to convert or exchange and the adjustment thereof, the time or times during which the right to convert or exchange shall be applicable, and the time or times during which a particular price or rate shall be applicable); whether the shares of any series of Preferred Stock shall be subject to redemption by the Corporation and if subject to redemption, the times, prices, rates, adjustments and other terms and conditions of such redemption. The powers, designations, preferences, limitations, restrictions and relative rights may be made dependent upon any fact or event which may be ascertained outside the Articles or the resolution if the manner in which the fact or event may operate on such series is stated in the Articles or resolution. As used in this section "fact or event" includes, without limitation, the existence of a fact or occurrence of an event, including, without limitation, a determination or action by a person, government, governmental agency or political subdivision of a government. The board of directors is further authorized to increase or decrease (but not below the number of such shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series. Unless the board of directors provides to the contrary in the resolution which fixes the characteristics of a series of Preferred Stock, neither the consent by series, or otherwise, of the holders of any outstanding Preferred Stock nor the consent of the holders of any outstanding Common Stock shall be required for the issuance of any new series of Preferred Stock regardless of whether the rights and preferences of the new series of Preferred Stock are senior or superior, in any way, to the outstanding series of Preferred Stock or the Common Stock.

(b) Certificate. Before the Corporation shall issue any shares of Preferred Stock of any series, a certificate of designation setting forth a copy of the resolution or resolutions of the board of directors, and establishing the voting powers, designations, preferences, the relative, participating, optional, or other rights, if any, and the qualifications, limitations, and restrictions, if any, relating to the shares of Preferred Stock of such series, and the number of shares of Preferred Stock of such series authorized by the board of directors to be issued shall be made and signed by an officer of the corporation and filed in the manner prescribed by the NRS.

Section 4. *Series A Convertible Preferred Stock.* There shall be created, out of the sixteen million six hundred sixty six thousand six hundred sixty seven (16,666,667) shares of Preferred Stock, par value $0.0001 per share, of the Corporation, a series of Series A Convertible Preferred Stock, consisting of three million three hundred thirty three thousand three hundred thirty four (3,333,334) shares, which series shall have the following powers, designations, preferences and relative participating, optional and other special rights, and the following qualifications, limitations and restrictions:

(a) Designation; Rank. This series of Preferred Stock shall be designated and known as "Series A Convertible Preferred Stock." The number of shares constituting the Series A Convertible Preferred Stock shall be three million three hundred thirty three thousand three hundred thirty four (3,333,334) shares. Except as otherwise provided herein, the Series A Convertible Preferred Stock shall, with respect to rights on liquidation, winding up and dissolution, rank *pari passu* to the Common Stock, par value $0.0001 per share.

(b) Dividends. The holders of shares of Series A Convertible Preferred Stock have no dividend rights except as may be declared by the Board in its sole and absolute discretion, out of funds legally available for that purpose.

(c) Liquidation Preference.

(i) In the event of the liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary (each, a "Liquidation"), the holders of shares of Series A Convertible Preferred Stock then outstanding shall be entitled to receive, out of the assets of the Corporation available for distribution to its stockholders, an amount equal to
$0.15 per share of the Series A Convertible Preferred Stock before any payment shall be made or any assets distributed to the holders of the Common Stock. If the assets of the Corporation are not sufficient to pay in full the amount payable to the holders of outstanding shares of the Series A Convertible Preferred Stock as to rights on Liquidation with the Series A Convertible Preferred Stock, then all of said assets will be distributed among the holders of the Series A Convertible Preferred Stock and the other classes of stock ranking *pari passu* with the Series A Preferred Stock, if any, ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

(ii) A sale of all or substantially all of the Corporation's assets or an acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, a reorganization, consolidated or merger) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of the Corporation, shall not be deemed to be a Liquidation.

(e) Voting. The holders of Series A Convertible Preferred Stock shall have the right to cast one hundred (100) votes for each share held of record on all matters submitted to a vote of holders of the Corporation's common stock, including the election of directors, and all other matters as required by law. There is no right to cumulative voting in the election of directors. The holders of Series A Preferred Stock shall vote together with all other classes and series of common stock of the Corporation as a single class on all actions to be taken by the common stock holders of the Corporation except to the extent that voting as a separate class or series is required by law.

(f) Optional Conversion of Series A Convertible Preferred Stock. The holders of Series A Convertible Preferred Stock shall have conversion rights as follows:

(i) *Conversion Right.* Each share of Series A Convertible Preferred Stock shall be convertible at the option of the holder thereof and without the payment of additional consideration by the holder thereof, at any time, into shares of Common Stock on the Optional Conversion Date (as hereinafter defined) at a conversion rate of one hundred (100) shares of Common Stock (the "Conversion Rate") for every one (1) share of Series A Convertible Preferred Stock.

(ii) *Mechanics of Optional Conversion.* To effect the optional conversion of shares of Series A Convertible Preferred Stock, any holder of Series A Convertible Preferred Stock of record shall make a written demand for such conversion (for purposes of this Designation, a "Conversion Demand") upon the Corporation at its principal executive offices setting forth therein (i) the certificate or certificates representing such shares, and (ii) the proposed date of such conversion, which shall be a business day not less than fifteen (15) nor more than thirty (30) days after the date of such Conversion Demand (for purposes of this Designation, the "Optional Conversion Date"). Within five days of receipt of the Conversion Demand, the Corporation shall give written notice (for purposes of this Designation, a "Conversion Notice") to the holder setting forth therein (i) the address of the place or places at which the certificate or certificates representing any shares not yet tendered are to be converted are to be surrendered; and (ii) whether the certificate or certificates to be surrendered are required to be endorsed for transfer or accompanied by a duly executed stock power or other appropriate instrument of assignment and, if so, the form of such endorsement or power or other instrument of assignment. The Conversion Notice shall be sent by first class mail, postage prepaid, to such holder of Series A Convertible Preferred Stock at such holder's address as may be set forth in the Conversion Demand or, if not set forth therein, as it appears on the records of the stock transfer agent for the Series A Convertible Preferred Stock, if any, or, if none, of the Corporation. On or before the Optional Conversion Date, each holder of the Series A Convertible Preferred Stock so to be converted shall surrender the certificate or certificates representing such shares, duly endorsed for transfer or accompanied by a duly executed stock power or other instrument of assignment, if the Conversion Notice so provides, to the Corporation at any place set forth in such notice or, if no such place is so set forth, at the principal executive offices of the Corporation. As soon as practicable after the Optional Conversion Date and the surrender of the certificate or certificates representing such shares, the Corporation shall issue and deliver to such holder of Series A Convertible Preferred Stock , or its nominee, at such holder's address as it appears on the records of the stock transfer agent for the Series A Convertible Preferred Stock, if any, or, if none, of the Corporation, a certificate or certificates for the number of whole shares of Common Stock issuable upon such conversion in accordance with the provisions hereof.

(iii) *No Fractional Shares.* No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series A Convertible Preferred Stock. In lieu of any fractional share to which the holder of Series A Convertible Preferred Stock would be entitled based on the number of shares of Series A Convertible Preferred Stock held by such holder, the Corporation shall issue a number of shares to such holder rounded up to the nearest whole number of shares of Common Stock. No cash shall be paid to any holder of Series A Convertible Preferred Stock by the Corporation upon conversion of Series A Preferred Convertible Stock by such holder.

(iv) *Reservation of Stock.* The Corporation shall at all times when any shares of Series A Preferred Convertible Stock shall be outstanding, reserve and keep available out of its authorized but unissued Common Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Convertible Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all outstanding shares of the Series A Convertible Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(v) *Issue Taxes*. The converting holder of Series A Convertible Preferred Stock shall pay any and all issue and other non-income taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of Series A Convertible Preferred Stock.

Section *5. Non-Assessment of Stock.* The capital stock of the Corporation, after the amount of the subscription price has been fully paid, shall not be assessable for any purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles shall not be amended in this particular. No stockholder of the Corporation is individually liable for the debts or liabilities of the Corporation.

Section 6. *Series B Convertible Preferred Stock.* There shall be created, out of the 16,666,667 authorized shares of preferred stock of the Corporation, a new series of preferred stock, which series shall have the following powers, designations, preferences and relative participating, optional and other special rights, and the following qualifications, limitations and restrictions:

(a) Designation, Amount and Par Value. The series of preferred stock is hereby designated as Series B Convertible Preferred Stock and the number of shares so designated shall be 3,333,334 (which shall not be subject to increase without the written consent of a majority of the holders of Series B Convertible Preferred Stock). Each share of Series B Convertible Preferred Stock shall have a par value of $0.0001 per share.

(b) Rank. Except as otherwise provided herein, Series B Convertible Preferred Stock shall, with respect to rights on liquidation, winding up and dissolution, rank pari passu to the Corporation's common stock, par value $0.0001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed ("**Common Stock**") and the Corporation's designated Series A Convertible Preferred Stock.

(c) Dividends. The holders of shares of Series B Convertible Preferred Stock have no dividend rights except as may be declared by the board of directors of the Corporation (the "**Board**") in its sole and absolute discretion, out of funds legally available for that purpose.

(d) Liquidation Preference.

(i) In the event of the liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary (each, a "**Liquidation**"), the holders of shares of Series B Convertible Preferred Stock then outstanding shall be entitled to receive, out of the assets of the Corporation available for distribution to its shareholders, an amount equal to $1.50 per share of Series B Convertible Preferred Stock before any payment shall be made or any assets distributed to the holders of Common Stock or Series A Convertible Preferred Stock. If the assets of the Corporation are not sufficient to pay in full the amount payable to the holders of outstanding shares of the Series B Convertible Preferred Stock as to rights on Liquidation with the Series B Convertible Preferred Stock, then all of said assets will be distributed among the holders of the Series B Convertible Preferred Stock and the other classes of stock ranking pari passu with the Series B Preferred Stock, if any, ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

(ii) A sale of all or substantially all of the Corporation's assets or an acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, a reorganization, consolidated or merger) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of the Corporation, shall not be deemed to be a Liquidation.

(e) Voting**.** The holders shall have the right to cast one hundred (100) votes for each share of Series B Convertible Preferred Stock held of record on all matters submitted to a vote of holders of the Common Stock, including the election of directors, and all other matters as required by law. There is no right to cumulative voting in the election of directors. The holders of Series B Preferred Stock shall vote together with all other classes and series of Common Stock as a single class on all actions to be taken by the holders of Common Stock, except to the extent that voting as a separate class or series is required by law.

(f) Optional Conversion of Series B Convertible Preferred Stock. The holders of Series B Convertible Preferred Stock shall have conversion rights as follows:

(i) *Conversion Right*. Each share of Series B Convertible Preferred Stock shall be convertible at the option of the holder thereof and without the payment of additional consideration by the holder thereof, at any time, into shares of Common Stock on the Optional Conversion Date (as hereinafter defined) at a conversion rate of one hundred (100) shares of Common Stock (the "Conversion Rate") for every one (1) share of Series B Convertible Preferred Stock.

(ii) *Mechanics of Optional Conversion*. To effect the optional conversion of shares of Series B Convertible Preferred Stock, any holder of record shall make a written demand for such conversion (for purposes of this Designation, a "**Conversion Demand**") upon the Corporation at its principal executive offices setting forth therein: (a) the certificate or certificates representing such shares, (b) the number of shares of Series B Convertible Preferred Stock such holder wants to convert into Common Stock at the Conversion Rate; and (c) the proposed date of such conversion, which shall be a business day not less than fifteen (15) nor more than thirty
(30) days after the date of such Conversion Demand (for purposes of this Designation, the "**Optional Conversion Date**"). Within five days of receipt of the Conversion Demand, the Corporation shall give written notice (for purposes of this Designation, a "**Conversion Notice**") to the holder setting forth therein (A) the address of the place or places at which the certificate or certificates representing any shares not yet tendered are to be converted are to be surrendered; and (B) whether the certificate or certificates to be surrendered are required to be endorsed for transfer or accompanied by a duly executed stock power or other appropriate instrument of assignment and, if so, the form of such endorsement or power or other instrument of assignment. The Conversion Notice shall be sent by electronic mail or first class mail, postage prepaid, to such holder at such holder's email or street address as may be set forth in the Conversion Demand or, if not set forth therein, as it appears on the records of the stock transfer agent for the Series B Convertible Preferred Stock, if any, or, if none, of the Corporation. On or before the Optional Conversion Date, each holder of the Series B Convertible Preferred Stock to be converted shall surrender the certificate or certificates representing such shares, duly endorsed for transfer or accompanied by a duly executed stock power or other instrument of

assignment, if the Conversion Notice so provides, to the Corporation at any place set forth in such notice or, if no such place is so set forth, at the principal executive offices of the Corporation. As soon as practicable after the Optional Conversion Date and the surrender of the certificate or certificates representing such shares, the Corporation shall issue and deliver to such holder, or its nominee, at such holder's address as it appears on the records of the stock transfer agent for the Series B Convertible Preferred Stock, if any, or, if none, of the Corporation, a certificate or certificates for the number of whole shares of Common Stock issuable upon such conversion in accordance with the provisions hereof.

(iii) *No Fractional Shares*. No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series B Convertible Preferred Stock. In lieu of any fractional share to which the holder would be entitled based on the number of shares of Series B Convertible Preferred Stock held by such holder, the Corporation shall issue a number of shares to such holder rounded up to the nearest whole number of shares of Common Stock. No cash shall be paid to any holder of Series B Convertible Preferred Stock by the Corporation upon conversion of Series B Preferred Convertible Stock by such holder.

(iv) *Reservation of Stock*. The Corporation shall at all times when any shares of Series B Preferred Convertible Stock shall be outstanding, reserve and keep available out of its authorized but unissued Common Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series B Convertible Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all outstanding shares of the Series B Convertible Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(v) *Issue Taxes*. The converting holder of Series B Convertible Preferred Stock shall pay any and all issue and other non- income taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of Series B Convertible Preferred Stock.

ARTICLE IV DIRECTORS AND OFFICERS

Section 1. *Number of Directors.* The members of the governing board of the Corporation are styled as directors. The board of directors of the Corporation shall be elected in such manner as shall be provided in the bylaws of the Corporation. The board of directors shall consist of at least one (I) individual and not more than thirteen (13) individuals. The number of directors may be changed from time to time in such manner as shall be provided in the bylaws of the Corporation.

Section 2. *Initial Directors.* Omitted.

Section 3. *Limitation of Liability.* The liability of directors and officers of the Corporation shall be eliminated or limited to the fullest extent permitted by the NRS. If the NRS is amended to further eliminate or limit or authorize corporate action to further eliminate or limit the liability of directors or officers, the liability of directors and officers of the Corporation shall be eliminated or limited to the fullest extent permitted by the NRS, as so amended from time to time.

Section 4. *Payment of Expenses.* In addition to any other rights of indemnification permitted by the laws of the State of Nevada or as may be provided for by the Corporation in its bylaws or by agreement, the expenses of officers and directors incurred in defending any threatened, pending, or completed action, suit or proceeding (including without limitation, an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative, involving alleged acts or omissions of such officer or director in his or her capacity as an officer or director of the Corporation or member, manager, or managing member of a predecessor limited liability company or affiliate of such limited liability company or while serving in any capacity at the request of the Corporation as a director, officer, employee, agent, member, manager, managing member, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, or other enterprise, shall be paid by the Corporation or through insurance purchased and maintained by the Corporation or through other financial arrangements made by the Corporation, as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Corporation. To the extent that an officer or director is successful on the merits in defense of any such action, suit or proceeding, or in the defense of any claim, issue or matter therein, the Corporation shall indemnify him or her against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense. Notwithstanding anything to the contrary contained herein or in the bylaws, no director or officer may be indemnified for expenses incurred in defending any threatened, pending, or completed action, suit or proceeding (including without limitation, an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative, that such director or officer incurred in his or her capacity as a stockholder, including, but not limited to, in connection with such person being deemed an Unsuitable Person (as defined in Article VII hereof).

Section 5. *Repeal And Conflicts.* Any repeal or modification of Sections 3 or 4 above approved by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the liability of a director or officer of the Corporation existing as of the time of such repeal or modification. In the event of any conflict between Sections 3 or 4 above and any other Article of the Articles, the terms and provisions of Sections 3 or 4 above shall control.

ARTICLE V
COMBINATIONS WITH INTERESTED STOCKHOLDERS

At such time, if any, as the Corporation becomes a "resident domestic corporation", as that term is defined in NRS 78.427, the Corporation shall not be subject to, or governed by, any of the provisions in NRS 78.411 to 78.444, inclusive, as may be amended from time to time, or any successor statute.

ARTICLE VI BYLAWS

The board of directors is expressly granted the exclusive power to make, amend, alter, or repeal the bylaws of the Corporation pursuant to NRS 78.120.

2. The foregoing Restated Articles of Incorporation have been duly approved by the Board of Directors.

EXECUTED this 28th day of December, 2021.

DocuSigned by:
Jon Nermann
2A059AF8BC4A4DE...

Name: Jon Nermann
Title: CEO

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov
www.nvsilverflume.gov

Filed in the Office of	Business Number E0232812015-8
Barbara K. Cegavske	Filing Number 20211983078
Secretary of State State Of Nevada	Filed On 12/28/2021 13:44:08 PM
	Number of Pages 14

Certificate to Accompany Restated Articles or Amended and Restated Articles

(PURSUANT TO NRS)

USE BLACK INK ONLY - DO NOT HIGHLIGHT **ABOVE SPACE IS FOR OFFICE USE ONLY**

This Form is to Accompany Restated Articles or Amended and Restated Articles of Incorporation

(Pursuant to NRS 78.403, 82.371, 86.221, 87A, 88.355 or 88A.250)

(This form is also to be used to accompany Restated Articles or Amended and Restated Articles for Limited-Liability Companies, Certificates of Limited Partnership, Limited-Liability Limited Partnerships and Business Trusts)

1.Name of Nevada entity as last recorded in this office:

LOOP MEDIA, INC.

2. The articles are: (mark only one box) ☑ **Restated** ☐ **Amended and Restated**

Please entitle your attached articles "Restated" or "Amended and Restated," accordingly.

3. Indicate what changes have been made by checking the appropriate box:*

☑ No amendments; articles are restated only and are signed by an officer of the corporation who has been authorized to execute the certificate by resolution of the board of directors adopted on: 12/28/1921
The certificate correctly sets forth the text of the articles or certificate as amended to the date of the certificate.

☐ The entity name has been amended.

☐ The registered agent has been changed. (attach Certificate of Acceptance from new registered agent)

☐ The purpose of the entity has been amended.

☐ The authorized shares have been amended.

☐ The directors, managers or general partners have been amended.

☐ IRS tax language has been added.

☐ Articles have been added.

☐ Articles have been deleted.

☐ Other. The articles or certificate have been amended as follows: (provide article numbers, if available)

4. Effective date and time of filing: (optional) Date: 12/28/2021 Time:

(must not be later than 90 days after the certificate is filed)

*This form is to accompany Restated Articles or Amended and Restated Articles which contain newly altered or amended articles. The Restated Articles must contain all of the requirements as set forth in the statutes for amending or altering the articles for certificates.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

DocuSign Envelope ID: 02B15E2D-4C59-42ED-B4BB-92325C607734

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the Office of	Business Number E0232812015-8
Barbara K. Cegavske	Filing Number 20211983078
Secretary of State State Of Nevada	Filed On 12/28/2021 13:44:08 PM
	Number of Pages 14

Profit Corporation:

Certificate of Amendment (PURSUANT TO NRS 78.380 & 78.385/78.390)

Certificate to Accompany Restated Articles or Amended and Restated Articles (PURSUANT TO NRS 78.403)

Officer's Statement (PURSUANT TO NRS 80.030)

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Entity information:

Name of entity as on file with the Nevada Secretary of State:

LOOP MEDIA, INC.

Entity or Nevada Business Identification Number (NVID): NV20151296717

2. Restated or Amended and Restated Articles: (Select one)

(If amending and restating only, complete section 1,2 3, 5 and 6)

☒ Certificate to Accompany Restated Articles or Amended and Restated Articles

☒ Restated Articles - No amendments; articles are restated only and are signed by an officer of the corporation who has been authorized to execute the certificate by resolution of the board of directors adopted on: 12/28/2021
The certificate correctly sets forth the text of the articles or certificate as amended to the date of the certificate.

☐ Amended and Restated Articles

* Restated or Amended and Restated Articles must be included with this filing type.

3. Type of Amendment Filing Being Completed: (Select only one box)

(If amending, complete section 1, 3, 5 and 6.)

☐ Certificate of Amendment to Articles of Incorporation (Pursuant to NRS 78.380 - Before Issuance of Stock)

The undersigned declare that they constitute at least two-thirds of the following:

(Check only one box) ☐ incorporators ☐ board of directors

The undersigned affirmatively declare that to the date of this certificate, no stock of the corporation has been issued

☐ Certificate of Amendment to Articles of Incorporation (Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is:

☐ Officer's Statement (foreign qualified entities only) -

Name in home state, if using a modified name in Nevada:

Jurisdiction of formation:

Changes to takes the following effect:

☐ The entity name has been amended. ☐ Dissolution
☐ The purpose of the entity has been amended. ☐ Merger
☐ The authorized shares have been amended. ☐ Conversion
☐ Other: (specify changes)

* Officer's Statement must be submitted with either a certified copy of or a certificate evidencing the filing of any document, amendatory or otherwise, relating to the original articles in the place of the corporations creation.

This form must be accompanied by appropriate fees.

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Profit Corporation:
Certificate of Amendment (PURSUANT TO NRS 78.380 & 78.385/78.390)
Certificate to Accompany Restated Articles or Amended and Restated Articles (PURSUANT TO NRS 78.403)
Officer's Statement (PURSUANT TO NRS 80.030)

4. Effective Date and Time: (Optional)	Date: Time: (must not be later than 90 days after the certificate is filed)
5. Information Being Changed: (Domestic corporations only)	Changes to takes the following effect: ☐ The entity name has been amended. ☐ The registered agent has been changed. (attach Certificate of Acceptance from new registered agent) ☐ The purpose of the entity has been amended. ☐ The authorized shares have been amended. ☐ The directors, managers or general partners have been amended. ☐ IRS tax language has been added. ☐ Articles have been added. ☐ Articles have been deleted. ☐ Other. The articles have been amended as follows: (provide article numbers, if available) (attach additional page(s) if necessary)
6. Signature: (Required)	DocuSigned by: X Jon Mermann — CEO Signature of Officer or Authorized Signer — Title X ____________ Signature of Officer or Authorized Signer — Title *If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

Please include any required or optional information in space below:
(attach additional page(s) if necessary)

This form must be accompanied by appropriate fees.

DocuSign Envelope ID: C6920AA8-70BC-4C1A-883D-B5C45E28B990

Filed in the Office of Barbara K. Cegavske Secretary of State State Of Nevada	Business Number E0232812015-8 Filing Number 20211988761 Filed On 12/29/2021 9:22:00 AM Number of Pages 1

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Certificate of Correction

NRS 78, 78A, 80, 81, 82, 84, 86, 87, 87A, 88, 88A, 89 and 92A

(Only one document may be corrected per certificate.)

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
2. Name of document with inaccuracy or defect.
3. Filing date of document with inaccuracy or defect.
4. Brief description of inaccuracy or defect.
5. Correction of inaccuracy or defect.
6. Must be signed by Authorized Signer. Form will be returned if unsigned.

1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: LOOP MEDIA, INC. Entity or Nevada Business Identification Number (NVID): NV20151296717
2. Document:	Name of document with inaccuracy or defect: CERTIFICATE TO ACCOMPANY RESTATED ARTICLES
3. Filing Date:	Filing date of document which correction is being made: 12/28/2021
4. Description:	Description of inaccuracy or defect: Paragraph 3 has the date of 12/28/1921
5. Correction:	Correction of inaccuracy or defect: Paragraph 3 should have the date of 12/28/2021
6. Signature: (Required)	DocuSigned by: Jon Niermann X **Signature** 12/28/2021 Date

This form must be accompanied by appropriate fees.

DocuSign Envelope ID: 49BE692E-ADF0-4310-83F5-B4F8F5B7A1EE

Filed in the Office of	Business Number
Barbara K. Cegavske	E0232812015-8
Secretary of State	Filing Number 20222622197
State Of Nevada	Filed On 9/19/2022 10:00:00 AM
	Number of Pages 1

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Certificate of Change Pursuant to NRS 78.209

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).

2. Indicate the current number of authorized shares and par value, if any, and each class or series before the change.

3. Indicate the number of authorized shares and par value, if any of each class or series after the change.

4. Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.

5. Indicate provisions, if any, regarding fractional shares that are affected by the change.

6. NRS required statement.

7. This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.

8. Must be signed by an Officer. Form will be returned if unsigned.

1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: Loop Media, Inc. Entity or Nevada Business Identification Number (NVID): E0232812015-8
2. Current Authorized Shares:	The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change: Common Stock-316,666,667, par value $.0001
3. Authorized Shares After Change:	The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change: Common Stock-105,555,556, par value $.0001
4. Issuance:	The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series: Common Stock-51,179,865
5. Provisions:	The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby: Fractional shares will be rounded up to the nearest whole share
6. Provisions:	The required approval of the stockholders has been obtained.
7. Effective date and time: (Optional)	Date: 09/20/2022 Time: 4:01 p.m. EDT (must not be later than 90 days after the certificate is filed)
8. Signature: (Required)	X DocuSigned by: Jon Niermann 2AD5BAFBFC4A4DE Signature of Officer — CEO (Title) — 9/19/2022 (Date)

This form must be accompanied by appropriate fees.
If necessary, additional pages may be attached to this form.

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Filed in the Office of	Business Number E0232812015-8
Barbara K. Cegavske	Filing Number 20222623675
Secretary of State State Of Nevada	Filed On 9/19/2022 3:46:00 PM
	Number of Pages 1

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Certificate of Correction

NRS 78, 78A, 80, 81, 82, 84, 86, 87, 87A, 88, 88A, 89 and 92A

(Only one document may be corrected per certificate.)

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
2. Name of document with inaccuracy or defect.
3. Filing date of document with inaccuracy or defect.
4. Brief description of inaccuracy or defect.
5. Correction of inaccuracy or defect.
6. Must be signed by Authorized Signer. Form will be returned if unsigned.

1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: Loop Media, Inc. Entity or Nevada Business Identification Number (NVID): E0232812015-8
2. Document:	Name of document with inaccuracy or defect: Certificate of Change Pursuant to NRS 78.209
3. Filing Date:	Filing date of document which correction is being made: 09/19/2022
4. Description:	Description of inaccuracy or defect: The Certificate of Change must include number of outstanding shares of common stock before and after the stock split and the formula for the reverse stock split which is required in connection with FINRA regulations
5. Correction:	Correction of inaccuracy or defect: The following is added to item 4:The issued shares shall be decreased by a ratio of one-for-three. Prior to the split the outstanding shares consist of 153,539,596 shares and post split 51,179,865.
6. Signature: (Required)	X DocuSigned by: Jon Niermann 2A099AFBFC4A4DF... Signature — 9/19/2022 Date

This form must be accompanied by appropriate fees.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Jon Niermann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Loop Media, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: February 7, 2023

/s/ Jon Niermann
Jon Niermann
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Neil Watanabe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Loop Media, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: February 7, 2023

/s/ Neil Watanabe
Neil Watanabe
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Loop Media, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon Niermann, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 7, 2022

/s/ Jon Niermann
Jon Niermann
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Loop Media, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neil Watanabe, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 7, 2022

/s/ Neil Watanabe
Neil Watanabe
Chief Financial Officer