



Q3 2025 Quarterly Update

**QUARTER ENDED
NOVEMBER 30, 2024**

January 15th, 2025

 Nasdaq: LOOP



FORWARD-LOOKING STATEMENTS



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EXECUTIVE SUMMARY



Financing Update

- Received \$20.8M on December 23rd, 2024, following completion of the financing and licensing transactions with Reed Societe Generale Groupe

Financial Results

- Results include asset impairment charge of \$8.5M, concurrent with SKGC JV termination
- Equipment remains in excellent condition and will support global deployment plans
- Accounting write-down not reflective of a decrease in the functionality of the asset
- Baseline expense run rate for the current quarter was \$2.8M (excluding project-related legal costs, asset write-down and non-cash expenses)
- Projected annual cash expense rate for next fiscal year to be \$10 million

INCOME STATEMENT

3RD QUARTER

FY2025

AMOUNTS IN USD 000'S

(in thousands of U.S. dollars)

	Three months ended November 30,		
	2024	2023	Change favorable / (unfavorable)
Revenue from contracts with customers	\$ 52	\$ 26	\$ 26
Expenses			
Research and development			
External engineering	86	262	176
Employee compensation	770	1,107	337
Stock-based compensation	106	161	55
Machinery and equipment expenditures	41	4	(37)
Plant and laboratory operating expenses	210	322	112
Patent legal fees	98	66	(32)
Tax credits	(34)	(221)	(187)
Other	100	132	32
Total research and development	1,377	1,833	456
General and administrative			
Professional fees	595	720	125
Employee compensation	576	599	23
Stock-based compensation	224	236	12
Insurance	453	645	192
Other	300	258	(43)
Total general and administrative	2,148	2,458	310
Depreciation and amortization	132	131	(1)
Impairment of assets	8,460	-	(8,460)
Interest and other financial expenses	110	42	(68)
Interest income	(23)	(166)	(143)
Foreign exchange loss (gain)	(240)	(28)	212
Total expenses	11,964	4,270	(7,694)
Net loss	\$ (11,912)	\$ (4,244)	\$ (7,668)

Variations (Q3-25 vs Q3-24)

- R&D expenses down \$0.46m (25%) due to natural evolution of the production facility and continued productivity initiatives
- G&A decrease \$0.31m (13%) due principally to:
 - Savings in D&O insurance (\$0.19m decrease)
- Impairment of Chemtex polymerization equipment for \$8.5m
- Cash burn rate was \$2.8m for Q3

BALANCE SHEET

3RD QUARTER

FY2025

AMOUNTS IN USD 000'S

(in thousands of U.S. dollars)

	November 30, 2024	February 29, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 323	\$ 6,958
Sales tax, tax credits and other receivables	200	351
Inventories	78	102
Prepaid expenses	393	577
Total current assets	994	7,988
Investment in joint venture	13	381
Property, plant and equipment, net	1,864	10,636
Intangible assets, net	1,808	1,548
Total assets	<u>\$ 4,679</u>	<u>\$ 20,553</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,086	\$ 2,321
Credit facility	2,372	-
Unearned revenue	102	-
Current portion of long-term debt	519	100
Total current liabilities	8,079	2,421
Due to customer	816	770
Long-term debt	2,667	3,220
Total liabilities	11,562	6,411
Stockholders' Equity		
Series A Preferred stock	-	-
Common stock	5	5
Additional paid-in capital	186,198	171,792
Additional paid-in capital – Warrants	7,041	20,385
Accumulated deficit	(198,910)	(176,970)
Accumulated other comprehensive loss	(1,216)	(1,070)
Total stockholders' equity	(6,882)	14,142
Total liabilities and stockholders' equity	<u>\$ 4,679</u>	<u>\$ 20,553</u>

CASH FLOWS

3RD QUARTER

FY2025

AMOUNTS IN USD 000'S

(in thousands of U.S. dollars)

Nine Months Ended November 30, 2024

	2024	2023
Cash Flows from Operating Activities		
Net loss	\$ (21,940)	\$ (15,995)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	398	400
Stock-based compensation expense	1,062	1,140
Impairment of machinery & equipment	8,460	-
Accretion expense	87	53
Changes in operating assets and liabilities:		
Sales tax and tax credits receivable	144	670
Inventories	21	(210)
Prepaid expenses	180	147
Accounts payable and accrued liabilities	2,851	(955)
Customer deposits	-	(12)
Unearned revenue	102	-
Net cash used in operating activities	(8,635)	(14,762)
Cash Flows from Investing Activities		
Deposits on equipment	-	(5,065)
Distribution from equity investment	368	-
Additions to property, plant and equipment	-	(10)
Additions to intangible assets	(454)	(378)
Net cash used in investing activities	(86)	(5,453)
Cash Flows from Financing Activities		
Borrowings under credit facility	2,372	-
Repayment of long-term debt	(60)	(47)
Net cash (used) provided by financing activities	2,312	(47)
Effect of exchange rate changes	(226)	37
Net decrease in cash	(6,635)	(20,225)
Cash, cash equivalents and restricted cash, beginning of period	6,958	30,591
Cash, cash equivalents and restricted cash, end of period	\$ 323	\$ 10,366

CONCLUSION



Liquidity

- With the proceeds from the Reed transactions and expected government support, Loop is in a position to finance its share of the initial equity capital required to finance the Indian facility

Financial Results

- Baseline expense run rate has been below \$1M/month and projected to be approximately \$0.9M/month in Q4 2025 and next fiscal year