



Q1 2024 Quarterly Update

**QUARTER ENDED  
MAY 31, 2023**

July 12<sup>th</sup>, 2023

 Nasdaq: LOOP



# EXECUTIVE SUMMARY

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## **Commercial Update**

- Joint venture with SK Geo Centric progressing as planned, expect to break ground on Infinite Loop manufacturing facility in Ulsan, South Korea, by end of year
- Key milestones to be delivered in H2

## **Financial Results**

- Q1 2024 shows benefit of cost reductions
- Company has cash on hand to get through construction period of Ulsan, South Korea facility

# FINANCIAL RESULTS

## 1<sup>ST</sup> QUARTER

### FY2024

AMOUNTS IN USD 000'S

	Three months ended May 31,		
	2023	2022	Change
<b>Revenue from contracts with customers</b>	\$ 27	\$ -	\$ 27
<b>Expenses</b>			
Research and development			
Machinery and equipment expenditures	1,236	1,890	(654)
External engineering	1,155	1,596	(441)
Employee compensation	1,286	1,891	(605)
Stock-based compensation	160	396	(236)
Plant and laboratory operating expenses	469	866	(397)
Other	184	161	23
Total research and development	4,490	6,800	(2,310)
General and administrative			
Professional fees	619	799	(180)
Employee compensation	637	715	(78)
Stock-based compensation	196	8,070	(7,874)
Insurance	703	1,103	(400)
Other	310	350	(40)
Total general and administrative	2,465	11,037	(8,572)
Depreciation and amortization	133	139	(6)
Interest and other financial expenses	54	41	13
Interest income	(99)	(13)	(86)
Foreign exchange loss	(15)	2	(17)
<b>Total expenses</b>	<b>7,028</b>	<b>18,006</b>	<b>(10,978)</b>
<b>Net loss</b>	<b>\$ (7,001)</b>	<b>\$ (18,006)</b>	<b>\$ 11,005</b>

## Year over Year Variances

- R&D reduced by \$2.3m:
  - Reduction in machinery & equipment - completion of plant upgrades in Q1-23
  - Reduction in external engineering costs
  - Reduction in compensation and plant/lab opex due to cost saving measures
- G&A reduced by \$8.6m:
  - Reduction in professional fees and D&O insurance
  - Reduction in stock-based mainly due to RSU milestone in Q1-23
- Net loss reduced by \$11.0m to \$7.0m in Q1-24

# CASH FLOWS

## 1<sup>ST</sup> QUARTER

### FY2024

AMOUNTS IN USD 000'S



(in thousands of U.S. dollars)

	<b>Three Months Ended May 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (7,001)	\$ (18,006)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	133	139
Stock-based compensation expense	355	8,466
Accretion and accrued interest expenses	17	40
Changes in operating assets and liabilities:		
Sales tax and tax credits receivable	(83)	594
Inventories	(144)	
Prepaid expenses	(90)	(870)
Accounts payable and accrued liabilities	1,321	(2,012)
Customer deposits	(12)	-
Net cash used in operating activities	<u>(5,504)</u>	<u>(11,649)</u>
<b>Cash Flows from Investing Activities</b>		
Deposits on machinery and equipment	(2,023)	73
Additions to intangible assets	(99)	(69)
Net cash used in investing activities	<u>(2,122)</u>	<u>4</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of long-term debt	(16)	-
Net cash (used) provided by financing activities	<u>(16)</u>	<u>-</u>
Effect of exchange rate changes	21	(15)
Net decrease in cash	<u>(7,621)</u>	<u>(11,660)</u>
Cash, cash equivalents and restricted cash, beginning of period	30,591	44,061
Cash, cash equivalents and restricted cash, end of period	<u>\$ 22,970</u>	<u>\$ 32,401</u>

# BALANCE SHEET

## MAY 31, 2023

AMOUNTS IN USD 000'S



(in thousands of U.S. dollars, except per share data)

	As at	
	May 31, 2023	February 28, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 21,970	\$ 29,591
Restricted cash	1,000	1,000
Sales tax, tax credits and other receivables	1,158	1,075
Inventories	871	727
Deposits on machinery and equipment	5,430	3,395
Prepaid expenses and other deposits	710	636
Total current assets	31,139	36,424
Investment in joint venture	381	381
Property, plant and equipment, net	2,446	2,545
Intangible assets, net	1,278	1,210
Total assets	\$ 35,244	\$ 40,560
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,828	\$ 2,510
Customer deposits	1,000	1,012
Current portion of long-term debt	208	62
Total current liabilities	5,036	3,584
Long-term debt	3,098	3,240
Total liabilities	8,134	6,824
<b>Stockholders' Equity</b>		
Series A Preferred stock	-	-
Common stock	5	5
Additional paid-in capital	170,725	170,370
Additional paid-in capital – Warrants	20,385	20,385
Accumulated deficit	(162,884)	(155,883)
Accumulated other comprehensive loss	(1,121)	(1,141)
Total stockholders' equity	27,110	33,736
Total liabilities and stockholders' equity	\$ 35,244	\$ 40,560

- Cash balance: \$23.0m including customer deposit

# CONCLUSION

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## **Commercial Update**

- Infinite Loop manufacturing facility in Ulsan, South Korea, progressing as planned, groundbreaking targeted for end of year

## **Financial Results**

- As communicated on our last call, progressing towards HQ cash run rate of \$12 million per annum

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