



Q1 2025 Quarterly Update

**QUARTER ENDED  
MAY 31, 2024**

July 16<sup>th</sup>, 2024

 Nasdaq: LOOP



# EXECUTIVE SUMMARY

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## India Project

- Project is advancing well with focus on securing feedstock, integrating clean energy, finalizing the facility site, and securing offtake agreements with global customers

## Financing Update

- Progressing towards closing the Reed agreement, with expected completion in Q2 of fiscal 2025

## Financial Results

- Total expenses for the quarter: \$5.2 million, including significant legal and project expenses
- Operational expenses (excluding specific costs and non-cash expenses): \$3.2 million
- Projected monthly cash expense rate for the remainder of FY2025: approximately \$1 million, excluding project costs

# FINANCIAL RESULTS

## 1<sup>ST</sup> QUARTER FY2025

AMOUNTS IN USD 000'S

	Three months ended May 31,		
	2024	2023	Change favorable / (unfavorable)
<b>Revenue from contracts with customers</b>	\$ 6	\$ 27	\$ (21)
<b>Expenses</b>			
Research and development			
Machinery and equipment expenditures	3	1,236	1,233
External engineering	628	1,155	527
Employee compensation	1,015	1,286	271
Stock-based compensation	129	160	31
Plant and laboratory operating expenses	270	469	199
Other	192	184	(8)
Total research and development	2,237	4,490	2,253
General and administrative			
Professional fees	1,255	619	(636)
Employee compensation	635	637	2
Stock-based compensation	241	196	(45)
Insurance	492	703	211
Other	288	310	22
Total general and administrative	2,911	2,465	(446)
Depreciation and amortization	137	133	(4)
Interest and other financial expenses	60	54	(6)
Interest income	(126)	(99)	27
Foreign exchange gain	(24)	(15)	(9)
<b>Total expenses</b>	<b>5,195</b>	<b>7,028</b>	<b>1,833</b>
<b>Net loss</b>	<b>\$ (5,189)</b>	<b>\$ (7,001)</b>	<b>\$ 1,812</b>

### Variations (Q1-25 vs Q1-24)

- R&D expenses down \$2.3m due to:
  - Limited machinery and equipment expenses (\$1.2m decrease)
  - Reduction of \$0.5m in external engineering expenses
  - Reduced headcount (18)
- G&A increased \$0.4m due to:
  - \$0.8m incurred in legal fees related to Reed and Ester agreements
  - Partially offset by savings in D&O insurance (\$0.2m decrease)
- Cash burn rate was \$3.2m for Q1

# CASH FLOWS

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

### FY2025

AMOUNTS IN USD 000'S

### Loop Industries, Inc. Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands of U.S. dollars)

	<b>Three Months Ended May 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (5,189)	\$ (7,001)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	137	133
Stock-based compensation expense	370	355
Accretion expense	28	17
Changes in operating assets and liabilities:		
Sales tax and tax credits receivable	108	(83)
Inventories	3	(144)
Prepaid expenses	51	(90)
Accounts payable and accrued liabilities	577	1,321
Customer deposits	-	(12)
Net cash used in operating activities	<u>(3,915)</u>	<u>(5,504)</u>
<b>Cash Flows from Investing Activities</b>		
Deposits on machinery and equipment	-	(2,023)
Additions to intangible assets	(176)	(99)
Net cash used in investing activities	<u>(176)</u>	<u>(2,122)</u>
<b>Cash Flows from Financing Activities</b>		
Borrowings under credit facility	2,517	-
Repayment of long-term debt	(25)	(16)
Net cash (used) provided by financing activities	<u>2,492</u>	<u>(16)</u>
Effect of exchange rate changes	(68)	21
Net decrease in cash	<u>(1,667)</u>	<u>(7,621)</u>
Cash, cash equivalents and restricted cash, beginning of period	6,958	30,591
Cash, cash equivalents and restricted cash, end of period	<u>\$ 5,291</u>	<u>\$ 22,970</u>

# BALANCE SHEET

## MAY 31, 2024

AMOUNTS IN USD 000'S

### Loop Industries, Inc. Condensed Consolidated Balance Sheets (Unaudited)

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

	As at	
	May 31, 2024	February 29, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 5,291	\$ 6,958
Sales tax, tax credits and other receivables	242	351
Inventories	99	102
Prepaid expenses and other deposits	525	577
Total current assets	6,157	7,988
Investment in joint venture	381	381
Property, plant and equipment, net	10,533	10,636
Intangible assets, net	1,671	1,548
Total assets	<u>\$ 18,742</u>	<u>\$ 20,553</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,891	\$ 2,321
Current portion of long-term debt	244	100
Total current liabilities	3,135	2,421
Due to customer	784	770
Long-term debt	5,555	3,220
Total liabilities	9,474	6,411
<b>Stockholders' Equity</b>		
Series A Preferred stock	-	-
Common stock	5	5
Additional paid-in capital	172,162	171,792
Additional paid-in capital – Warrants	20,385	20,385
Accumulated deficit	(182,159)	(176,970)
Accumulated other comprehensive loss	(1,125)	(1,070)
Total stockholders' equity	9,268	14,142
Total liabilities and stockholders' equity	<u>\$ 18,742</u>	<u>\$ 20,553</u>



# CONCLUSION

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## India Project

- Feedstock sourcing to ensure a steady supply of raw materials
- Integration of clean energy as input material
- Final selection of optimal site for the facility
- Securing offtake agreements with global customers

## Financing Update

- Reed Financing expected to be closed by Q2

## Financial Results

- Average cash burn rate of \$1.1M per month in Q1, 2025
- The Company expects to have a cash burn rate \$1M per month for the balance of the current fiscal year, excluding project costs