



Q2 2025 Quarterly Update

**QUARTER ENDED AUGUST 31, 2024**

October 15<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 by November

## Financial Results

- Total expenses for the quarter: \$4.5 million, including significant legal and project expenses
- Operational expenses (excluding specific costs and non-cash expenses): \$2.9 million
- Projected monthly cash expense rate for the remainder of FY2025: approximately \$1 million, excluding project costs

# FINANCIAL RESULTS

## 2<sup>ND</sup> QUARTER

### FY2025

AMOUNTS IN USD 000'S

	Three months ended August 31,		
	2024	2023	Change favorable / (unfavorable)
<b>Revenue from contracts with customers</b>	\$ 23	\$ 54	\$ (31)
<b>Expenses</b>			
Research and development			
External engineering	651	141	(510)
Employee compensation	862	1,218	356
Stock-based compensation	131	155	24
Plant and laboratory operating expenses	197	447	250
Tax credits	(49)	(22)	27
Other	153	99	(54)
Total research and development	1,945	2,038	93
General and administrative			
Professional fees	1,007	912	(95)
Employee compensation	585	647	62
Stock-based compensation	231	233	2
Insurance	476	709	233
Other	296	342	46
Total general and administrative	2,595	2,843	248
Depreciation and amortization	129	136	7
Interest and other financial expenses	119	44	(75)
Interest income	(6)	(219)	(213)
Foreign exchange loss (gain)	80	(38)	(119)
<b>Total expenses</b>	<b>4,862</b>	<b>4,804</b>	<b>(58)</b>
<b>Net loss</b>	<b>\$ (4,839)</b>	<b>\$ (4,750)</b>	<b>\$ (88)</b>

## Variations (Q2-25 vs Q2-24)

- R&D expenses down \$0.09m due to:
  - Lower production volumes in pilot plant
  - Reduced headcount
  - Engineering costs related to France and Korea projects
- G&A decrease \$0.25m due to:
  - Savings in D&O insurance (\$0.23m decrease)
  - Partially offset by increase in legal fees
- P&L burn rate, operating expenses excluding project costs and legal fees, was \$2.9m for Q2

# BALANCE SHEET

## AUGUST 31, 2024

AMOUNTS IN USD 000'S

(in thousands of U.S. dollars)

	As at	
	August 31, 2024	February 29, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,395	\$ 6,958
Sales tax, tax credits and other receivables	392	351
Inventories	81	102
Prepaid expenses and other deposits	492	577
Total current assets	2,360	7,988
Investment in joint venture	381	381
Property, plant and equipment, net	10,476	10,636
Intangible assets, net	1,786	1,548
Total assets	\$ 15,003	\$ 20,553
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,376	\$ 2,321
Current portion of long-term debt	393	100
Unearned revenue	101	-
Total current liabilities	4,870	2,421
Due to customer	800	770
Long-term debt	4,499	3,220
Total liabilities	10,169	6,411
<b>Stockholders' Equity</b>		
Series A Preferred stock	-	-
Common stock	5	5
Additional paid-in capital	185,868	171,792
Additional paid-in capital – Warrants	7,041	20,385
Accumulated deficit	(186,998)	(176,970)
Accumulated other comprehensive loss	(1,082)	(1,070)
Total stockholders' equity	4,834	14,142
Total liabilities and stockholders' equity	\$ 15,003	\$ 20,553

- Liquidity on hand of \$2.4m, including \$1m undrawn on line of credit

# CASH FLOWS

## 2<sup>ND</sup> QUARTER

### FY2025

AMOUNTS IN USD 000'S

(in thousands of U.S. dollars)

	Six Months Ended August 31,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (10,028)	\$ (11,751)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	266	268
Stock-based compensation expense	732	743
Accretion expense	57	36
Changes in operating assets and liabilities:		
Sales tax and tax credits receivable	(39)	(114)
Inventories	21	(175)
Prepaid expenses	84	510
Accounts payable and accrued liabilities	2,031	(522)
Customer deposits	-	(12)
Unearned revenue	101	-
Net cash used in operating activities	(6,775)	(11,017)
<b>Cash Flows from Investing Activities</b>		
Deposits on equipment	-	(5,065)
Additions to intangible assets	(325)	(225)
Net cash used in investing activities	(325)	(5,290)
<b>Cash Flows from Financing Activities</b>		
Borrowings under credit facility	1,587	-
Repayment of long-term debt	(50)	(32)
Net cash (used) provided by financing activities	1,537	(32)
Effect of exchange rate changes	-	113
Net decrease in cash	(5,563)	(16,226)
Cash, cash equivalents and restricted cash, beginning of period	6,958	30,591
Cash, cash equivalents and restricted cash, end of period	\$ 1,395	\$ 14,365

- Amounts drawn from L.O.C.

# 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 in November
- CEO and Board member have committed to provide \$2M to ensure the Company's continuing liquidity in the event of unanticipated timing delays in closing the transaction with Reed

## Financial Results

- Average cash burn rate of \$1.0M per month in Q2, 2025
- The Company expects to have a cash burn rate \$1M per month for the balance of the current fiscal year, excluding project costs