

Loop Energy Reports First Quarter 2023 Results

VANCOUVER, British Columbia -- (BUSINESSWIRE) -- May 11, 2023 -- Loop Energy™ (TSX: LPEN) today reported consolidated financial results for the first quarter ending March 31, 2023.

"The fuel cell market continues to develop as end users look to hydrogen solutions to reduce emissions. Loop's proprietary technology is continuing to advance, and customers are seeing the value of Loop's products for their applications," said Ben Nyland, President and CEO. "We are continuing to manage the business conservatively and with the reduction in workforce and cost-cutting initiatives implemented in the quarter will see operating expenses reduce going forward. We continue to focus on new product launches for buses and vertical integration. On a strategic basis, our management team and the Board of Directors continue to work closely with Credit Suisse, our financial advisor, to investigate potential partnerships, licensing opportunities, joint developments, outsourcing opportunities, sale and other ways of bringing new capital and resources to support Loop Energy's expansion plans."

Commercial Highlights Q1 2023:

- We delivered three fuel cell systems to H2 Portable, a Canadian developer of hydrogen-electric mobile power solutions. The fuel cells will be integrated into hydrogen-electric gensets designed to provide clean, reliable, on-demand power to movie sets, construction sites and locations with limited grid power access.
- Loop Energy was selected by Wiggins Lift Co., a leading American material handling vehicle manufacturer, to provide the fuel cell system for its new hydrogen-powered eBull forklift product this year.
- In mid-April, our CEO Ben Nyland and Chief Scientist Dr. Sean MacKinnon were presenting speakers on panels at Hannover Messe + H2 Fuel Cells Europe exhibition in Germany, where the Company hosted a trade booth and held numerous OEM customer meetings.

Financial Highlights Q1 2023

- Revenues of \$0.9 million compared to \$0.2 million for the same period last year
- Operating expenses, net of cost recoveries of \$4.3 million versus \$6.1 million for the same period last year
- Capital expenditures in Q1 2023 were \$2.4 million compared to \$3.3 million in Q1 2022



- Net losses of \$(7.3) million compared to \$(8.0) million for the same period last year
- Loss per share in Q1 2023 was \$(0.21) compared to \$(0.24) per share in Q1 2022
- Cash and cash equivalents of \$13.2 million compared to \$24.5 million in Q4 2022
- Cash in the quarter was used for: i) inventory build-up as a result of commitments made in prior periods; ii) commitments for deposit on inventory made in prior periods; iii) capital expenditures committed to in prior periods; and iv) restructuring expenses incurred in the quarter. These uses of cash were partially offset by cost recoveries from SDTC and JGF.
- The Company reduced headcount and implemented additional cost-saving measures during Q1 2023. With the full effect of the employee and operating expense reductions taking effect at the beginning of the second quarter, we anticipate that our quarterly cash burn will be reduced from here forward.
- The Company engaged Credit Suisse to explore strategic alternatives, including potential transaction structures that may bring new capital into the business and extend our runway into 2024 and beyond; currently, the Company continues to believe it has adequate cash resources and funding commitments to continue operations until the end of the calendar year.

Conference Call

Loop Energy will hold a conference call on Thursday, May 11, 2023 at 3:00 p.m. Pacific Time (6:00 p.m. Eastern Time) to review first quarter results. Investors and members of the public can join the live call by dialing 1 (888) 330-2057 (toll-free) with the conference ID: 5946836. Please dial-in by phone 5-10 minutes prior to the start time and ask to join the Loop Energy call. Following the call, a recording will be archived in the 'Financials' area of the 'Investors' section of Loop Energy's website (<https://loopenergy.com/investors/financials/>), and www.sedar.com.

About Loop Energy Inc.



Loop Energy is a leading designer and manufacturer of hydrogen fuel cell systems targeted for the electrification of commercial vehicles, including light commercial vehicles, transit buses and medium and heavy-duty trucks. Loop Energy's products feature the Company's proprietary eFlow™ technology in the fuel cell stack's bipolar plates. eFlow is designed to



enable commercial customers to achieve performance maximization and cost minimization. Loop Energy works with OEMs and major vehicle sub-system suppliers to enable the production of hydrogen fuel cell electric vehicles. For more information about how Loop Energy is driving towards a zero-emissions future, visit www.loopenergy.com.

Forward Looking Warning

This press release contains forward-looking information within the meaning of applicable securities legislation, which reflect management's current expectations and projections regarding future events. Particularly, statements regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information, including without limitation, purchase orders, cost reduction, profitability and revenue targets; our future growth prospects and business outlook including without limitation the expected demand for our products, the allocation of resources and funds, the expected timeline for profitability, the planned growth of our customer base and the expected growth of our operations globally. Forward-looking information is based on a number of assumptions (including without limitation assumptions with respect the current and future performance of the Company's products, growth in demand for the Company's products, the Company's ability to secure adequate financing to execute on its business strategy, the Company's ability to execute on its strategy, achieve its targets and progress existing and future customers through the Customer Adoption Cycle in a timely way, and is subject to a number of risks and uncertainties, many of which are beyond the Company's control and could cause actual results and events to vary materially from those that are disclosed, or implied, by such forward-looking information.

Source: Loop Energy Inc.

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