

Loop Energy Reports Second Quarter 2023 Results

VANCOUVER, British Columbia -- August 3, 2023 -- Loop Energy™ (TSX: LPEN) today reported consolidated financial results for the second quarter ending June 30, 2023.

"We continue to manage the business prudently and are containing spending in the second half of the year as we work closely with our financial advisor Credit Suisse to investigate strategic alternatives including partnerships, licensing opportunities, joint development and outsource opportunities, sale, and other ways to bring new capital, expertise and resources to the business," said Ben Nyland, President and CEO of Loop Energy. "Global demand for commercial fuel cell solutions in 2023 remains very similar to 2022, as we have seen in our year-to-date revenues. In this current macro-economic environment, the Board of Directors will be examining all strategic options available that best serve the interests of all stakeholders including our shareholders, customers, employees, partners, and the Company going forward."

Commercial Highlights Q2 2023:

- Loop Energy announced a strategic partnership with Australian power generator manufacturer MYNT First Element. Under the agreement, Loop Energy's hydrogen fuel cell modules will be integrated into MYNT's lineup of Purple H2 generators which are designed to provide a clean energy alternative solution to diesel generators in base load applications for mining, industrial and construction clients. MYNT is planning 3 trials in the second half of 2023 in Queensland and New South Wales. With the first units of the generators already in production, MYNT expects customer demand to significantly increase over the next two years in the Australian market. As a part of the agreement, Loop Energy has further appointed MYNT as an exclusive value-added distribution partner for the Australian market.
- Loop Energy announced that Polish electric bus manufacturer ARP E-Vehicles has selected Loop Energy's T605 fuel cell system for its new hydrogen electric bus platform. With this selection, Loop Energy is now a fuel cell provider of choice to fuel cell electric bus manufacturers, addressing what is estimated to be an up to 12,000 units per year serviceable market opportunity across Korea, Australia, and Europe. This announcement marks Loop Energy's third win with European bus manufacturers, and the sixth time globally. Under the agreement, Loop Energy's 60 kW fuel cell system will be integrated into ARP E-Vehicles' new 12 m hydrogen-electric bus

designed for municipal transit service market in Europe. Anticipated to take place in Q4 2023, delivery of the first T605 60 kW fuel cell unit to ARP E-Vehicles will constitute the first deployment of Loop Energy's new product line designed for rooftop mounting, thus specifically catering to the European bus market.

Financial Highlights Q2 2023

- Year to date revenues of \$1.2M unchanged year-over-year
- Revenues of \$0.3 million compared to \$1.1 million in Q2 2022
- Operating expenses, net of cost recoveries, of \$5.6 million versus \$7.7 million in Q2 2022
- Capital expenditures of \$1.5 million consistent with Q2 2022
- Net losses of \$(8.2) million compared to \$(9.9) million in Q2 2022
- Loss per share in Q2 2023 was \$(0.24) compared to \$(0.29) per share in Q2 2022
- Cash and cash equivalents of \$9.9 million compared to \$13.2 million at the end of Q1 2023
- Cash in the quarter was used for: (i) inventory based on commitments made in prior periods; (ii) capital expenditures committed to in prior periods; and (iii) some small restructuring expenses incurred in the quarter.

The Company announced on March 29, 2023 that it had 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.

We expect full year revenue in 2023 to be in-line with or slightly above 2022 on a year-over-year basis, subject to current market uncertainty and the Risk Factors that the Company has outlined in the quarterly MD&A and AIF.

Conference Call

Loop Energy will hold a conference call on Thursday, August 3, 2023 at 3:00 p.m. Pacific Time (6:00 p.m. Eastern Time) to review second 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 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, the expected growth of our operations globally, and general economic conditions. Forward-looking information is based on a number of assumptions (including without limitation assumptions with respect to 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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