

RE: The Sale and Investment Solicitation Process (“SISP”) of: Loop Energy Inc.

Loop Energy Inc. (“**Loop**” or the “**Company**”) is a Canadian company in the business of design, development, manufacture, sale, and service of hydrogen fuel cell stacks and systems targeted for the electrification of vehicles like trucks and buses, and stationary power applications. Loop’s fuel cell stacks are manufactured in-house to ensure state-of-the-art performance and quality management. Loop’s products feature the Company’s proprietary eFlow™ technology in the fuel cell stack’s bipolar plates, enabling customers to achieve superior performance and higher fuel efficiency when using Loop’s fuel cell stacks, lowering operating cost for end users, and enabling OEMs to achieve lower capital cost and faster time to market.

Loop is based in Burnaby, BC, Canada, and was incorporated under the laws of British Columbia on June 21, 2000. Loop’s headquarters in Burnaby include a head office, development, manufacturing, testing, and service facilities.

Crowe MacKay & Company Ltd. in its capacity as proposal trustee (the “**Proposal Trustee**”) of Loop, is conducting a sale of the Company’s shares (the “**Shares**”) and/or assets (the “**Assets**”) through a SISP approved by the Supreme Court of British Columbia pursuant to an Order of the Court made on August 1, 2024 (the “**Bidding Procedures Order**”). Pursuant to the Bidding Procedures Order, the sale is subject to Court approval. A copy of the Bidding Procedures Order can be found on the Proposal Trustee’s [website](#).

Intended Audience for this Opportunity

Hydrogen Fuel Cell Module Manufacturers

Loop has created a Hydrogen Fuel Cell manufacturing plant capable of producing up to 600 fuel cell modules per annum. Premises have been configured with test stations, manufacturing and assembly stations and hydrogen storage and distribution (for testing and research). This manufacturing facility provides a near turn-key capability for other hydrogen fuel manufacturers which could take up to 2 years to re-create.

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Companies with End-user Applications

Existing companies that use hydrogen fuel cell modules in their end user applications may prefer to build their own fuel cell modules rather than source them. By integrating upstream, end users can optimize fuel cell module manufacturing and design for their specific applications which may reduce costs, increase reliability and performance.

Newcomers to Fuel Cells or Hydrogen technology

Designing a fuel cell product takes years of effort. This is a unique opportunity to purchase a leading company with a strong product, established supply chain, and existing customer base. Minimized operating costs support a measured market entry and possibility to hold in the event that strong market pull is delayed for the global fuel cell industry.

Technology Investors:

Strong IP portfolio: With global patent coverage in Fuel Cell space, the eFlow™ design concepts offer proven advantages in power, efficiency, and durability. Preliminary testing suggests possible performance advantages in Electrolyzer space as well, and strong patent coverage has been secured for this industry.

Company Highlights

Turnkey facilities

Ready to go hydrogen testing and manufacturing facilities, along with the equipment necessary to build and test fuel cell stacks and modules up to 70kW. With only some minor additional investment, the facility can handle the manufacture and testing of fuel cell stacks and modules up to 300kW.

Proven products

With over a half million km of field experience globally, Loop fuel cell products have demonstrated performance and safe operation. Well established technical documentation and a quality supply of vendors are ready to support the resumption of manufacturing and assembly operations after human resources are re-established.

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Technology advantage

Test data shows clear and significant advantages of the eFlow™ technology for power, efficiency, and durability. The patent protection globally is secured with strong patent protection through 2037.

Assets Included in this Sales Opportunity

While preference will be given to bidders for all assets of Loop, the company will also consider bids for specific assets and carve-outs.

Manufacturing and Testing Facilities

Loop has invested over C\$4M in leasehold improvements in Canada, primarily in the main facility at 2880 Production Way, Burnaby, BC, in the form of electrical and hydrogen infrastructure. Loop leases three adjacent units in the Lake City complex from Manulife, for a total of approximately 37,000 sq. ft. through July 2028.

Fuel Cell Stack and Module Assembly Facilities

Located in the ~14,000 sq. ft. main facility at 2880 Production Way in Burnaby, BC, an independently temperature and humidity controlled clean room is used for fuel cell stack assembly. A parallel workstation module assembly area is located within an air-conditioned portion of the same facility, which when fully resourced, has a production capacity of up to 600 fuel cell modules per year and 1200 fuel cell stacks per year.

Fuel Cell Testing Facilities

Located within the same facility at 2880 Production Way in Burnaby BC, is a hydrogen safe testing laboratory of ~1,400 sq. ft. supplied by separate systems for N₂ generation, DI water supply, high power electrical supply, and a 2400 kg capacity liquid H₂ tank installed and leased from Air Products.

Bipolar Plate Manufacturing Facilities

An adjacent ~8,700 sq. ft. facility with an address of 8505 Eastlake Dr., Burnaby, BC, contains an area used for flexible graphite embossing and impregnation, as well as a separate area for seal application and bipolar plate bonding. Other areas in this facility are equipped for material

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development and analysis, electronics and electrical prototype development, and fleet monitoring and support personnel.

Office Space

The third adjacent Loop facility in the Lake City complex is ~12,000 sq. ft. that can be used for offices and warehousing, with truck access for shipping and receiving and ample space for sub-assembly preparation.

Manufacturing, Testing, and Product Development Equipment

Loop has invested over C\$13M in equipment and instrumentation used for the development and manufacture of fuel cell products including sub-components and full fuel cell systems.

Fuel Cell Manufacturing Equipment

Loop has eleven major pieces of fuel cell stack and module assembly equipment including stack presses and leak testers with a replacement value of ~C\$1.8M.

Fuel Cell Testing Equipment

Loop has sixteen major pieces of fuel cell and component testing equipment with a variety of capacities ranging from 100W to 300kW and a replacement value of ~C\$8.7M.

Fuel Cell Development Equipment

Loop has a significant number of instruments and development equipment including DMA, XRF, digital microscope, tensile and compression tester, and more, with a replacement value of more than C\$0.7M.

Flexible Graphite Plate Manufacturing

Loop has fifteen major pieces of equipment used in the manufacture of flexible graphite bipolar plates for HD applications with a replacement value of ~C\$2.2M.

Fuel Cell Products

Loop has commercial products of 30kW and 50kW size with over 500,000km in field experience, and multiple customers in both mobile and stationary power industries. Each product includes a fully detailed auxiliary system design that includes a DCDC and independent fuel cell cooling system. Both the 30kW “S300” and the 50kW “T505” fuel cell modules include a fully

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documented technical construction package that satisfies the requirements for CE self-certification. In addition, Loop has several pre-commercial products in various stages of development including IP67 rated 50kW and 60kW modules, a low profile “rooftop” 60kW module, a low-cost single stack 70kW module, and a large 120kW system intended for use in the HD market.

Intellectual Property

Loop holds ~35 patents granted or pending in areas of fuel cell plates, fuel cell systems, and electrolyzers. The majority of Loop IP is centered around its novel eFlow™ plate geometry that demonstrates proven performance advantages in power, fuel efficiency, and longer life than the competition due to uniform utilization.

Loop has significant knowhow documented in the form of assembly and test procedures, design methodologies, operating software, critical component specifications, and fuel cell performance analysis.

China Subsidiary

Loop has a wholly owned foreign entity (WFOE) in China, registered in Jiading, Shanghai in July of 2021. Currently there are no manufacturing operations active with Loop in China and manufacturing and testing equipment in the country has been placed in storage pending the outcome of this SISF activity.

SISF Information

Further information relating to Loop, and the opportunity to purchase the Shares or Assets are available in a virtual data room (the “VDR”). In order to gain access to the VDR, any potentially interested party must sign a non-disclosure agreement (“NDA”). A copy of the NDA is provided in conjunction with this letter.

Below is an outline of the timelines for the sale process:

The Proposal Trustee to prepare and have available for Potential Bidders the Data Room	As soon as practical and no later than August 12, 2024
Bid Deadline	September 6, 2024, at 5PM (Pacific)

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Loop Energy Inc.'s Application to the Court for Approval Order(s)	As soon as reasonably practical after accepting the Winning Bid(s) and entering into the Bid Agreement(s)
Closing of the Transaction	Within ten (10) days of the Approval Order becoming the Final Order, subject to any extensions approved by the Proposal Trustee

Contact Crowe MacKay & Company Ltd.

Upon completion of an NDA, further details on the bid process will be provided by the Proposal Trustee in a confidential information package. Please contact the Proposal Trustee at LoopEnergy@crowemackay.ca.