



# Loop Specialty Chemicals & Polymers

## Infinite Loop™ India

August 2024

 Nasdaq: LOOP



# SUMMARY OF OPPORTUNITY

## Economics

- **Attractive economic returns** without the need for sustainability linked premium pricing.
- **Approximately 40% reduction** of Capex as no polymerization equipment needed.
- Targeting **low-cost manufacturing** in India to maximize return on capital

## Business

- Strategic expansion into Specialty Chemicals business to **drive growth** and is complimentary to Loop's PET plastic and Polyester fiber manufacturing business.
- Selling of DMT (dimethyl terephthalate) and MEG (mono-ethylene glycol) monomers manufactured with **the Infinite Loop™ technology** directly to chemical companies.
- **Up to 70% reduction** in carbon footprint for Loop's DMT & MEG when compared to fossil fuel based DMT & MEG.



Compelling opportunity to deploy Loop specialty offering and **deliver favorable economic returns to shareholders**

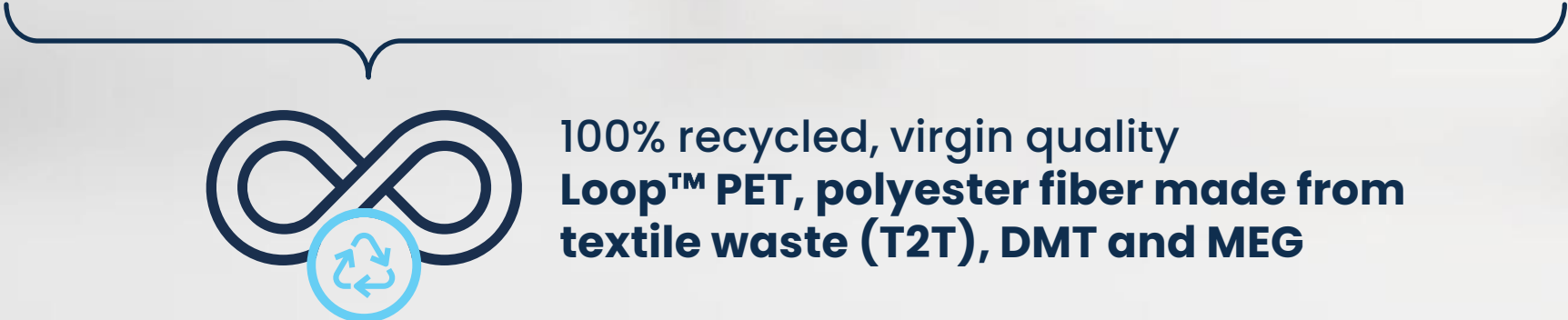
## Markets

- Target end markets for Loop™ DMT and MEG are **electronics, automotive, textile, cosmetics and packaging**.
- Global **shortage in supply** of DMT.
- Low carbon MEG in **high demand**.

# KEY BUSINESS PILLARS

## STRATEGIC PORTFOLIO EXPANSION

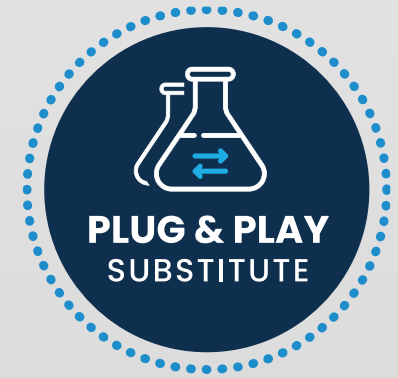
Unlock the versatility of the **Infinite Loop™ technology** to drive growth across divisions.



# Loop Specialty Chemicals

Leverage Loop's key expertise and proprietary **Infinite Loop™ technology** to manufacture **100% recycled virgin-quality DMT** and **MEG** monomers.

Supply chemical companies with a drop in supplement and circular alternative that aligns their operations in reaching their sustainability goals and meeting market demands.



**Lower Carbon Footprint**

Up to **70% reduction** in carbon footprint compared to virgin DMT & MEG



**Reduces dependence on fossil fuels**

# DMT and MEG Specialty Chemicals Market

Global market size

**\$27.8B\***

Expected to grow at a

**3.67% CAGR\***  
(2023-2033)

2033 Projected market value

**\$39.2B\***

## DMT Market & Customer Insight

- DMT market currently **controlled by two companies** – Eastman and SK Chemicals
  - Launch of Loop™ DMT to **shift the market dynamic** by offering a new sustainable alternative


 Increasing market revenue


 Decreasing supply due to plant closures

 Loop™ DMT to bridge the gap and fulfill demand

 Oxxynova in Germany (220-240 KTA)  
Sasa Polyester in Turkey (270 KTA)

## MEG Market Gap Opportunity

 Customers are looking for low carbon MEG

 Currently, bio-based MEG options are limited and very expensive



\*Source: Persistence Market Research DMT report, January 2024  
Research Nester MEG report, 2023

# Key Customer Markets

## Loop Specialty Chemicals (DMT and MEG) target markets



Loop™ DMT and MEG enable chemical companies to:



Increase their sustainability product portfolio



Launch new products



Contribute to supply chain decarbonization

# India Specialty Chemicals Landscape

## An attractive emerging market opportunity

Asia is the main driver of specialty chemicals demand for the next several decades

- Indian specialty chemicals sector expected to reach over US\$60 billion by 2026

**~2x**

India's specialty chemicals **growth rate** compared to the global market

## Global and Indian specialty chemicals industry market size and growth comparison

Market Size	2021 (US\$ b)	2026F (US\$ b)	CAGR %
India	36	61	11.0%
Global	810	1068	5.7%

Source: Axis Capital, EY analysis

# India Specialty Chemicals Landscape

## An attractive emerging market opportunity

Significant cost advantage over other markets

- Labor and power costs at a fraction of the global average
- Emerging as a preferred manufacturing hub and one of the fastest-growing specialty chemicals markets worldwide

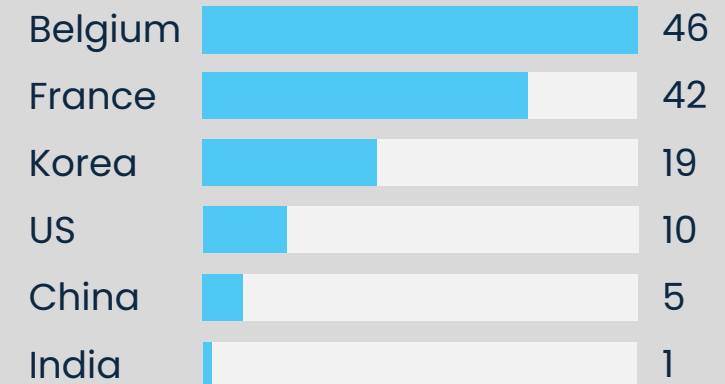
Demand increasing in India as customers shift manufacturing away from China or to a China + 1 sourcing strategy

Government has launched various policies to encourage investments (PCPIRs)

India EPR regulations for 2025 leads to more recycled material needed

India labor costs are **80% lower than China**

### Manufacturing labor cost (US\$/hour)





# Manufacturing in India

## Maximize return on capital



### Non-reliant on green premiums, carbon/plastic credits



High growth potential



Low-cost sourcing of raw materials and manufacturing costs leads to profitability



Massive source of waste in India facilitates feedstock sourcing



~40% reduction of Capex as no polymerization equipment needed



Still expecting to generate 170,000 credits from project



Closer to chemical companies and the supply chain

# INFINITE LOOP™ INDIA

India  
Infinite Loop™ facility

## Joint venture with Ester Industries

### Strategic partnership and complementary skill set

- 50/50 Joint Venture with Ester Industries
- Combines Ester's 30 years of specialty polymer expertise with the innovative and proprietary Infinite Loop™ technology developed by Loop
- License Loop's technology to the JV

### Global market distribution

Facilitates distribution of Loop™ DMT & MEG to Asian and European Markets

### Loop responsible for

All Sales and Marketing responsibilities will be owned and managed by Loop.

### Ester responsible for

All local manufacturing, feedstock procurement and specialty polymer production will be owned and managed by Ester.

## Illustrative Infinite Loop™ Economics<sup>1</sup>

Tonnage	<b>70,000 MT of DMT 23,000 MT of MEG</b>
Estimated Project Capital Expenditures <sup>2</sup>	<b>\$165 million</b>
Estimated Plant Revenue <sup>1</sup>	<b>\$160 million</b>
Target EBITDA Margin <sup>3</sup>	<b>40-45%</b>
Estimated Annual Maintenance Capex	<b>1.50% of Project Capex</b>



Low level of CAPEX and favorable cost structure in India imply that even very conservative projections support **favourable base economics**



**Long-lasting relationship** with Ester Industries

- Full alignment between partners with complimentary skill set to drive synergies to JV



Loop Feedstock **assessment completed** for India



Products sold will be **Loop branded**

<sup>1</sup> Economics reflect current indexes, are based on current Loop Industries' assumptions and projections, are all in USD. Excludes any facility level recurring revenue royalties. Subject to any minimum price or other conditions in purchase agreements.

<sup>2</sup> Subject to continuing engineering and cost estimate work, site-specific infrastructure, permitting, environmental approvals and FX.

<sup>3</sup> Earnings before interest expense, income taxes, and depreciation and amortization ("EBITDA") is not a financial measure recognized under US GAAP. EBITDA is calculated as net income (loss) adjusted for interest expense, income taxes, and depreciation and amortization.

# 🌀 Ester Industries At A Glance

**Ester Industries** is one of India's leading manufacturers of Polyester Films and Specialty Polymers.



**1985**

Year of Incorporation

**GURGAON, INDIA**

Corporate Headquarters

**~75**

**COUNTRIES**

Global Footprint

**550+**

People

**3**

Facilities

Khatima & Sitarganj  
(Uttarakhand) &  
Hyderabad (Telangana)



loop  
INDUSTRIES