

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)
June 18, 2021

LOOP INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

000-54786

(Commission File Number)

27-2094706

(IRS Employer Identification No.)

480 Fernand-Poitras

Terrebonne, Quebec, Canada, J6Y 1Y4

(Address of principal executive offices, including zip code)

(450) 951-8555

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	LOOP	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Securities Purchase Agreement

On June 22, 2021, Loop Industries, Inc. (the “Company”) entered into a Securities Purchase Agreement (the “Purchase Agreement”) by and between the Company and SK global chemical Co., Ltd, an accredited investor (the “Purchaser”). Pursuant to the Purchase Agreement, the Company has agreed to issue and sell to the Purchaser the following securities for an aggregate purchase price of approximately \$56.5 million (collectively, the “Investment”):

- an aggregate of 4,714,813 shares (the “Shares”) of the Company’s common stock (the “Common Stock”);
- warrants to purchase 4,714,813 shares of Common Stock for an exercise price of \$15.00 (the “First Tranche Warrants”), with an expiration date of the third anniversary of the issue date;
- warrants to purchase 2,357,407 shares of Common Stock for an exercise price of \$20.00 (the “Second Tranche Warrants”), with an expiration date of the earlier of (A) the date that is the third anniversary of the First Plant Milestone (as defined in the Second Tranche Warrants), (B) the expiration of the JV Negotiation Period (as defined in the Second Tranche Warrants), provided that the Joint Venture Transaction Agreements (as defined in the Second Tranche Warrants) have not been executed by the expiration of the JV Negotiation Period and (C) the third anniversary of the BDP Date (as defined in the Second Tranche Warrants), provided that the First Plant Milestone has not occurred as of such date; and
- warrants to purchase 461,298 shares of Common Stock for an exercise price of \$11.00 (the “Third Tranche Warrants,” and together with First Tranche Warrants and the Second Tranche Warrants, the “Warrants”), with an expiration date of June 14, 2022.

The Purchaser may exercise the First Tranche Warrant and the Third Tranche Warrant at any time prior to their applicable expiration dates. The Purchaser may exercise the Second Tranche Warrant at any time on or after the first business day following the First Plant Milestone (as defined in the Second Tranche Warrant) prior to its expiration date.

Based on 42,433,320 shares of common stock and issued and outstanding as of May 27, 2021, the Purchaser is expected to own approximately 10.0% of the issued and outstanding Common Stock immediately following the Investment.

The Purchase Agreement contains customary representations, warranties and covenants and conditions to closing of the Investment. The Purchase Agreement may be terminated by either the Company or the Purchaser if the closing has not occurred by September 20, 2021.

The Company intends to use the proceeds toward the funding of its planned Infinite Loop™ manufacturing facility at its recently acquired site in Becancour, Quebec.

For the sale of the Shares, the Company relied on Section 4(a)(2) of the Securities Act of 1933, as amended or the private offering safe harbor provision of Rule 506 of Regulation D promulgated thereunder based on the following factors: (i) the number of offerees or purchasers, as applicable, (ii) the absence of general solicitation, (iii) representations obtained from the purchasers relative to their accreditation and/or sophistication and/or their relationship to the company (directors and officers), (iv) the provision of appropriate disclosure, and (v) the placement of restrictive legends on the certificates reflecting the securities coupled with investment representations obtained from the purchasers.

Simultaneous with the execution of the Purchase Agreement, the Company and the Purchaser entered into a Joint Venture Memorandum of Understanding (“JV MOU”) with respect to a potential joint venture to commercialize the Company’s plastic recycling technology in Asia (“Proposed Asia JV”). The JV MOU, which is non-binding, outlines certain principal terms for the Proposed Asia JV. The Purchase Agreement provides that the parties will negotiate exclusively with one another from the date of the Purchase Agreement until the date which is six months from the BDP Date (as defined in the Purchase Agreement) with respect to the Proposed Asia JV (subject to extension in accordance with the terms and conditions of the Purchase Agreement), with the objective of executing definitive agreements for the Proposed Asia JV.

Investors Rights Agreement

On the closing date of the Purchase Agreement, the Company will enter into an Investors Rights Agreement (the “Investors Rights Agreement”) by and among the Company, the Purchaser, and Daniel Solomita, in his individual capacity and solely for the purposes of the voting arrangement in the Purchase Agreement. Pursuant to the Investors Rights Agreement, effective as of the closing date of the Purchase Agreement, the Company’s board of directors (the “Board”) will appoint a designee of the Purchaser to the Board (the “Investor Designee”), subject to the terms and conditions of the Investors Rights Agreement. Purchaser will have the right to require the Board to nominate its designee for election to the Board until the Purchaser and its affiliates beneficially own less than 4,000,000 shares of Common Stock.

Standstill. The Investors Rights Agreement provides that Company and the Purchaser and its respective affiliates will be subject to a standstill provision commencing on the closing date until the later of (i) the date that concludes any 90 day continuous period during which no Investor Designee serves on the Board and (ii) the date on which the Purchaser and its affiliates beneficially own less than 5.0% of the issued and outstanding Common Stock (the “Standstill Period”). During the Standstill Period, the Purchaser and its affiliates will not, among other things and subject to specified exceptions: (a) acquire any securities of the Company (except for purchases of Common Stock in the public market to the extent necessary to reverse any decrease in such parties’ percentage ownership of the issued and outstanding Common Stock resulting solely from a net increase in the number of shares of issued and outstanding Common Stock). (b) propose any merger, consolidation, business combination, tender offer or similar transaction involving the Company. (c) solicit proxies or consents to vote any securities of the Company. (d) form, join or participate in any group (as such term is used in the rules of the Securities and Exchange Commission). or (e) seek to call a meeting of the stockholders of the Company or propose any matter to be voted upon by the stockholders of the Company.

Transfer Restrictions. The Investors Rights Agreement also provides that, for a period ending on the second anniversary of the closing of the Investment (the “Lock-Up Period”), the Purchaser will be prohibited from transferring any Common Stock, subject to certain exceptions. The Purchaser will also be generally prohibited from transferring Common Stock to any competitor of the Company (as determined by the Board).

Resale Registration Rights. The Investors Rights Agreement includes customary resale shelf registration rights for the Purchaser that require the Company to register the Common Stock held by the Purchaser for resale following the expiration of the Lock-Up Period.

Voting Arrangement. Under the Investors Rights Agreement, Mr. Solomita agrees, with respect to any matter that needs to be approved by shareholders of the Company to give effect to the Purchaser’s rights under the Investors Rights Agreement, the Purchase Agreement, and the Warrants (the “Required Approvals”), that he shall vote (or cause to be voted), or deliver a proxy (or cause a proxy to be delivered) covering all of the shares of the Series A Preferred Stock of the Company and the Common Stock for which Mr. Solomita is the registered and/or direct or indirect beneficial owner of, or exercises control or direction over: (i) in favor of the Required Approvals and (ii) against any proposal that conflicts with or would interfere with the exercise of the Purchaser’s rights under the Investors Rights Agreement.

The foregoing descriptions of the Purchase Agreement, Investors Rights Agreement and form of Warrants are summaries of each and are qualified in their entirety by the text of the Purchase Agreement, Investors Rights Agreement and form of Warrants, respectively, copies of which will be filed as exhibits to the Company’s Quarterly Report on Form 10-Q for the period ended August 31, 2021.

The foregoing agreements have been included to provide investors with information regarding its terms. They are not intended to provide any other factual information about the Company and its subsidiaries and affiliates. The representations and warranties contained in the Purchase Agreement were made only for purposes of the Purchase Agreement (together with the exhibits thereto) and as of specific dates, are solely for the benefit of the parties to the Purchase Agreement, may be subject to limitations agreed upon by the contracting parties, may have been made for the purposes of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries to the representations and warranties contained in the Purchase Agreement and should not rely on the representations and warranties or any descriptions thereof as characterizations of the actual state of facts or condition of the parties thereto or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the Company’s public disclosures.

Indorama Joint Venture Amendments

On June 18, 2021, the Company, Loop Innovations, LLC, a wholly-owned subsidiary of the Company (“Loop Innovations”), Indorama Ventures Holdings LP (“Indorama”) and Indorama Loop Technologies, LLC (the “Indorama Joint Venture Company”) amended (i) the Limited Liability Company Agreement between Loop Innovations, LLC and Indorama Ventures Holdings LP (the “LLC Agreement”), (ii) the Marketing Agreement between the Company and Indorama Loop Technologies, LLC (the “Marketing Agreement”) and (iii) the License Agreement between the Company and the Indorama Joint Venture Company (the “License Agreement”), each dated September 24, 2018 (collectively such amendments, the “Indorama Joint Venture Amendments”).

Under the Indorama Joint Venture Amendments, the Company, Indorama and the Indorama Joint Venture Company agreed to:

- terminate Indorama’s right of first refusal under the LLC Agreement over any facility to produce products utilizing any waste-to-resin technology applying the PET depolymerization process of the Company;
- amend the non-compete obligations under the LLC Agreement to solely apply to the Company;
- limit the scope of the Company’s grant of intellectual property rights and the scope of the exclusivity rights of the Indorama Joint Venture Company for the retrofit of existing facilities under the License Agreement to North America and Europe; and
- limit the scope of the Indorama Joint Venture Company’s permitted marketing rights under the Marketing Agreement to North America and Europe.

The foregoing description of the Indorama Joint Venture Amendments does not purport to be complete and is qualified in its entirety by reference to the Indorama Joint Venture Amendments, a copy of which will be filed as exhibits to the Company’s Quarterly Report on Form 10-Q for the period ended August 31, 2021.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 above is hereby incorporated into this Item 3.02 by reference.

Item 8.01 Other Events.

A copy of the press release announcing the private placement is attached to this Current Report on Form 8-K as Exhibit 99.1.

The information contained in Item 8.01 and Exhibit 99.1 of this Current Report on Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number	Description
<u>99.1</u>	Press Release dated June 23, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LOOP INDUSTRIES, INC.

By: /s/ Drew Hickey

Drew Hickey
Chief Financial Officer

Date: June 23, 2021

Exhibit 99.1

SK global chemical to Acquire 10 Percent Equity Stake in Loop Industries, Companies Announce Strategic Partnership to Bring Sustainable and Circular Plastics to Asian Market

- Memorandum of Understanding outlining terms of Joint Venture to build Infinite Loop™ facilities in Asia
- Equity investment of \$56.5 million will be used by Loop towards funding its planned Canadian Infinite Loop™ facility in Bécancour, Québec
- SK global chemical to become second largest shareholder
- Loop Industries to hold corporate update call at 11:30am Eastern Time today

Montréal (Canada)/ ACCESSWIRE/ June 23, 2021 / Loop Industries (NASDAQ:LOOP) (“Loop” or “The Company”), a leading innovator in clean technology whose mission is to accelerate a sustainable plastics economy, today announced that it intends to form a strategic partnership with SK global chemical Co. Ltd. (“SKGC”), a subsidiary of South Korea’s SK Group, one of Asia’s largest conglomerates, to accelerate the commercialization of Loop’s sustainable polyethylene terephthalate (“PET”) plastic and polyester fiber manufacturing technology throughout Asia.

Loop’s patented technology allows for waste PET plastic and polyester fiber to be upcycled into virgin-quality PET using low heat and no added pressure. This low energy process allows Loop to eliminate contaminants, such as dyes, additives, and other impurities, preventing otherwise unrecyclable materials like colored and contaminated plastics or textiles from ending up in landfills and natural areas.

Joint Venture Partnership

Loop and SKGC intend to form a joint venture with exclusivity to build sustainable PET plastic and polyester fiber manufacturing facilities throughout Asia, which accounts for approximately 60 percent of the world’s population, making it a key market in terms of plastic manufacturing, consumption and waste. Under the terms of the Memorandum of Understanding (“MOU”) for the proposed joint venture, SK global chemical will own 51 percent of the joint venture and Loop will own 49 percent. Loop will also receive a recurring annual royalty fee as a percentage of revenue from each facility for the use of its technology.

SKGC has today issued a separate press release discussing Loop’s technology and SKGC’s objectives for the Joint Venture. As stated in SKGC’s press release, initial discussions between the partners contemplate beginning preparation on a first facility located in South Korea in the first half of 2022 and the construction of four facilities in Asia by 2030, with projected combined consumption of waste PET plastic and polyester fiber amounting to approximately 400,000 tons.

Once fully operational, these four facilities could claim an annual savings of 632,100 metric tons of CO₂, which is the equivalent of more than 2.5 billion kilometers driven by an average passenger vehicle or ~270 million liters of gasoline consumed.¹

Strategic Equity Investment

In addition, Loop and SKGC have concluded a definitive agreement for SKGC to become a strategic investor in Loop. SKGC will purchase 4,714,813 new treasury common shares of Loop at a price of \$12 per share, for total consideration of \$56.5 million. Loop intends to use these proceeds toward the funding of its planned Infinite Loop™ manufacturing facility at its recently acquired site in Bécancour, Québec.

SKGC is also being granted options to acquire an additional 461,298 common shares at \$11 per share within the next 12 months, 4,714,813 common shares at a price of \$15 per share, within the next 3 years, and a further 2,357,407 shares at \$20 per share, conditional upon the timing of construction of the first Asian manufacturing facility. SKGC is being granted a seat on Loop's Board of Directors and as such is expected to provide valued input into the continuing development of Loop's global commercialization strategy.

Closing of the strategic equity investment is as soon as practical and no later than 90 days from announcement.

Management Commentary

"We are delighted to form a strategic partnership with SK global chemical," said Daniel Solomita, Founder and CEO of Loop Industries. "SK global chemical is an ideal strategic partner to accelerate the growth of our company and the global commercialization of our technology. Its scale and sophistication, its global chemicals manufacturing footprint and a shared vision to create value through sustainability and innovation make them a valued partner in our journey to bring our technology to market."

"Our team has been extremely impressed by the thoroughness and extent of SKGC's technical due diligence on Loop, which it has conducted over the past several months, including a recent on-site verification of Loop's technology at our demonstration facility," he added. "We are excited to collaborate with SKGC to commercialize our technology and play a meaningful role together to mitigate the environmental impact of global plastic waste and help consumer brands meet their stated goals for achieving high rates of recycled content in their products."

SK global chemical's CEO, Kyung Soo Na said: "We look forward to collaborating closely with the acclaimed company, Loop, which has great technology competencies in correlation to the plastics recycling category. Furthermore, it is our sincere intention to further expand and add value in the APAC region together with Loop backed by its Chemical Recycling technology that will work towards realizing a Plastic Circular Economy."

Corporate Update Call

Daniel Solomita, Chief Executive Officer of Loop Industries, will host a corporate update call, followed by a question-and-answer session, which can be accessed via the dial-in numbers below.

To access the call, please use the following information:

Date:	Wednesday, June 23, 2021
Time:	11:30 a.m. Eastern time
Dial-in:	1-877-407-9716
International Dial-in:	1-201-493-6779
Conference Code:	13720718
Webcast:	http://public.viavid.com/index.php?id=145340

A telephone replay will be available approximately three hours after the call and will run through July 23, 2021 by dialing 1-844-512-2921 from the U.S., or 1-412-317-6671 from international locations, and entering replay pin number: 13720718. The replay can also be viewed through the webcast link above.

About Loop Industries

Loop Industries is a technology company whose mission is to accelerate the world's shift toward sustainable PET plastic and polyester fiber and away from our dependence on fossil fuels. Loop owns patented and proprietary technology that depolymerizes no and low-value waste PET plastic and polyester fiber, including plastic bottles and packaging, carpets and textiles of any color, transparency or condition and even ocean plastics that have been degraded by the sun and salt, to its base building blocks (monomers). The monomers are filtered, purified and polymerized to create virgin-quality Loop™ branded PET resin and polyester fiber suitable for use in food-grade packaging, thus enabling our customers to meet their sustainability objectives. Loop Industries is contributing to the global movement towards a circular economy by preventing plastic waste and recovering waste plastic for a more sustainable future for all.

Common shares of Loop Industries are listed on the Nasdaq Global Market under the symbol "LOOP."

For more information, please visit www.loopindustries.com. Follow us on Twitter: @loopindustries Instagram: loopindustries, Facebook: Loop Industries and LinkedIn: Loop Industries

About SK global chemical

In 1972, SK global chemical laid the foundation for the development of petrochemical industry by operating the first naphtha-cracking facility in Korea. We provide various automotive & packaging products and solutions that customers and markets require. Furthermore we are growing into a technology-based global chemical company through continuous R&D efforts and global expansion.

SK global chemical will achieve its vision, 'Green for Better Life', by establishing a plastics based circular economy by collaborating with various partners and stakeholders. We will expand our portfolio of eco-friendly products and will continuously recycle beyond the amount of plastics that we produce in order to realize and leverage the sustainability efforts that will benefit our planet.

For more information, please visit www.skglobalchemical.com.

Forward-Looking Statements

This news release contains "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "should," "could," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or "continue" the negative of such terms or similar words. These forward-looking statements include, without limitation, statements about our market opportunity, our strategies, ability to improve and expand our capabilities, competition, expected activities and expenditures as we pursue our business plan, the adequacy of our available cash resources, regulatory compliance, plans for future growth and future operations, the size of our addressable market, market trends, and the effectiveness of the Company's internal control over financial reporting. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond Loop's control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with among other things: (i) commercialization of our technology and products, (ii) our status of relationship with partners, (iii) development and protection of our intellectual property and products, (iv) industry competition, (v) our need for and ability to obtain additional funding, (vi) building our manufacturing facility, (vii) our ability to scale, manufacture and sell our products in order to generate revenues, (viii) our proposed business model and our ability to execute thereon, (ix) adverse effects on the Company's business and operations as a result of increased regulatory, media or financial reporting scrutiny and practices, rumors or otherwise, (x) disease epidemics and health related concerns, such as the current outbreak of a novel strain of coronavirus (COVID-19), which could result in (and, in the case of the COVID-19 outbreak, has resulted in some of the following) reduced access to capital markets, supply chain disruptions and scrutiny or embargoing of goods produced in affected areas, government-imposed mandatory business closures and resulting furloughs of our employees, government employment subsidy programs, travel restrictions or the like to prevent the spread of disease, and market or other changes that could result in noncash impairments of our intangible assets, and property, plant and equipment, (xi) the outcome of the current SEC investigation or recent class action litigation filed against us, (xii) our ability to hire and/or retain qualified employees and consultants and (xiii) other factors discussed in our subsequent filings with the SEC. More detailed information about Loop and the risk factors that may affect the realization of forward-looking statements is set forth in our filings with the Securities and Exchange Commission ("SEC"). Investors and security holders are urged to read these documents free of charge on the SEC's web site at <http://www.sec.gov>. Loop assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

Media Contact

Loop Industries

Stephanie Corrente, Director of Marketing & Communications
+1 (450) 951-8555 ext. 226
scorrente@loopindustries.com

SK global chemical

Joon young Jeong, Professional Manager
SK Innovation | Value Creation Center
Media PR - Battery
business
010-7659-5699
jay.jung@sk.com

Loop Industries Investor Relations

MZ Group - MZ North America
+1 (949) 259-4987
LOOP@mzgroup.us
www.mzgroup.us

¹ Source: Preliminary Life Cycle Assessment of Loop GEN II PET Depolymerization Technology, 2020. Equivalencies calculated using the United States Environmental Protection Agency Greenhouse Gas Equivalencies Calculator