

Earnings Call Presentation

Q2 2023

 **LION ELECTRIC**



Disclaimer

FORWARD-LOOKING STATEMENTS

This presentation (this "Presentation") contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws and within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). Any statements contained in this presentation that are not statements of historical fact, including statements about Lion's beliefs and expectations, are forward-looking statements and should be evaluated as such.

Forward-looking statements may be identified by the use of words such as "believe," "may," "will," "continue," "anticipate," "intend," "expect," "should," "would," "could," "plan," "project," "potential," "seem," "seek," "future," "target" or other similar expressions and any other statements that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements may contain such identifying words. These forward-looking statements include statements regarding the Company's order book and the Company's ability to convert it into actual sales, the expected production capacity of the Company's manufacturing facilities, the capital expenditures expected to be incurred in connection with the Company's U.S. manufacturing facility project and the Company's battery plant and innovation center project in Quebec, the sourcing of lithium-ion battery cells, the Company's U.S. manufacturing facility project and the Company's battery plant and innovation center project in Quebec, the Company's future growth and long-term strategy, ongoing litigation proceedings with one of the Company's suppliers and its parent company, the Company's expected product pipeline and the launch and commercial production of certain platforms and models. Such forward-looking statements are based on a number of estimates and assumptions that Lion believes are reasonable when made, including that Lion will be able to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners, that Lion will continue to operate its business in the normal course, that Lion will be able to implement its growth strategy, that Lion will be able to successfully and timely complete the construction of, and successfully and timely ramp-up manufacturing capacity at, its U.S. manufacturing facility and its Quebec battery plant and innovation center, that Lion will not suffer any supply chain challenges or any material disruption in the supply of raw materials on competitive terms, that Lion will be able to maintain its competitive position, that Lion will continue to improve its operational, financial and other internal controls and systems to manage its growth and size, that Lion will be able to benefit, either directly or indirectly (including through applications made by the Company and/or its clients), from governmental subsidies and incentives, and that Lion will be able to secure additional funding through equity or debt financing on terms acceptable to Lion and in the amounts needed if and when required in the future. Such estimates and assumptions are made by Lion in light of the experience of management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Lion believes that these risks and uncertainties include the following: any adverse changes in U.S. or Canadian general economic, business, market, financial, political or legal conditions, including as a consequence of the ongoing uncertainties relating to inflation and interest rates; any inability to ramp-up the production of Lion's products and meet project construction and other project milestones and timelines; any inability to meet its customers' business needs; any inability to successfully and economically manufacture and distribute its vehicles at scale; any unavailability, reduction, discriminatory application, delay in processing or elimination of governmental programs, subsidies or economic incentives due to policy changes, government regulation or otherwise; any inability to execute the Company's growth strategy; any adverse effects of the current military conflict between Russia and Ukraine, which continues to affect economic and global financial markets and exacerbate ongoing economic challenges; any unfavorable fluctuations and volatility in the availability or price of raw materials included in components used to manufacture the Company's products, including battery cells, modules and packs; the reliance on key suppliers and any inability to maintain an uninterrupted supply of raw materials; the outcome of any legal proceedings that may be instituted by or against the Company from time to time, including the ongoing litigation proceedings with Romeo (as defined below) and its parent company; any inability to reduce total cost of ownership of electric vehicles sold by the Company over time; the reliance on key management and any inability to attract and/or retain key personnel; labor shortages (including as a result of employee departures, turnover, and demands for higher wages) which may force the Company to operate at reduced capacity, to lower its production and delivery rates or lower its growth plans, and could pose additional challenges related to employee compensation; any inability to meet the expectations of the Company's customers in terms of products, specifications, and services; any inability to maintain the Company's competitive position; any inability to reduce the Company's costs of supply over time; any inability to maintain and enhance the Company's reputation and brand; any significant product repair and/or replacement due to product warranty claims or product recalls; any failure of information technology systems or any cybersecurity and data privacy breaches or incidents; any event or circumstance resulting in the Company's inability to convert its order book into actual sales, including the unavailability, reduction, discriminatory application, delay in processing or elimination of government programs, subsidies and economic incentives; any inability to raise additional funds to meet its capital requirements and pursue its growth strategy when and in the amounts needed; any inability to secure adequate insurance coverage or a potential increase in insurance costs; and natural disasters, epidemic or pandemic outbreaks, boycotts and geo-political events such as civil unrest and acts of terrorism, the current military conflict between Russia and Ukraine or similar disruptions.

These and other risks and uncertainties related to the business of Lion are described in greater detail in section 23.0 entitled "Risk Factors" of the Company's MD&A for the years ended December 31, 2022 and 2021. Many of these risks are beyond Lion's management's ability to control or predict. All forward-looking statements attributable to Lion or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained and risk factors identified in the MD&A and in other documents filed with the applicable Canadian regulatory securities authorities and the Securities and Exchange Commission (the "SEC").

Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. The MD&A reflects information available to the Company as of August 2, 2023, the date of this MD&A. Except as required under applicable securities laws, Lion undertakes no obligation, and expressly disclaims any duty, to update, revise or review any forward-looking information, whether as a result of new information, future events or otherwise.

INDUSTRY AND MARKET DATA

Although all information and opinions expressed in this Presentation, including market data and other statistical information (including estimates and projections relating to addressable markets), were obtained from sources believed to be reliable and are included in good faith, Lion has not verified the information and makes no representation or warranty, express or implied, as to its accuracy or completeness. Some data is also based on the good faith estimates of Lion, which are derived from its review of internal sources as well as independent sources. This Presentation contains preliminary information only, is subject to change at any time and, is not, and should not be assumed to be, complete or to constitute all the information necessary to adequately make an informed decision regarding your engagement with Lion. While the Company is not aware of any misstatements regarding the industry and market data presented in this Presentation, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under "Forward-Looking Statements" above. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

FINANCIAL INFORMATION; NON-IFRS FINANCIAL MEASURES AND OTHER PERFORMANCE METRICS

The Company reports its financial results in accordance with the International Financial Reporting Standards ("IFRS"). This Presentation makes reference to Adjusted EBITDA, which is a non-IFRS financial measure, as well as other performance metrics, including the Company's order book, which are defined below. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Lion compensates for these limitations by relying primarily on Lion's IFRS results and using Adjusted EBITDA and order book on a supplemental basis. Readers should not rely on any single financial measure to evaluate Lion's business.

Please refer to Appendix A for additional details and the definitions of Adjusted EBITDA (including a reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure, net loss), and for a full description of the methodology used by the Company in connection with the order book and certain important risks and uncertainties relating to such methodology and the presentation of the order book. Please also refer to the Company's management discussion and analysis for the three and six months ended June 30, 2023 and the Company's earnings release dated August 3, 2023, which are available under the Company's SEDAR profile at www.sedar.com and on the Company's EDGAR profile at www.sec.gov. This earnings presentation reflects information available to the Company as of August 2, 2023.

CURRENCY

All amounts in this Presentation are expressed in U.S. dollars unless otherwise indicated.

TRADEMARKS AND TRADE NAMES

Lion owns or has rights to various trademarks, service marks and trade names that they use in connection with the operation of its business. This Presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this Presentation is not intended to, and does not imply, a relationship with Lion, or an endorsement or sponsorship by or of Lion. Solely for convenience, the trademarks, service marks and trade names referred to in this Presentation may appear with the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that Lion will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks and trade names.



Lion Electric at a Glance

KEY FACTS

- First-mover in all-electric medium and heavy-duty urban vehicles
- Developing medium and heavy-duty all-electric vehicles and systems for 13+ years: fully focused on electric technology only
- 1,400+ vehicles on the road and over 14M miles driven on our platforms
- Multiple tier-1 clients in trucks (Amazon, Pride Group, IKEA, CN, DHL, Familiprix, Simons, The Brick, the NY Times, Hydro-Quebec, Labatt, Transport Canada, Bolt, Dollarama, etc.) and in buses (STA, First Student, National Express, Transdev, LA USD, ZUM, PEI & New Brunswick Governments, etc.)

VEHICLES ATTRIBUTES

- Purpose-built for electric, with our own chassis, bus body, truck cabin, and proprietary battery system technology
- Favorable TCO vs. diesel

MANUFACTURING FOOTPRINT

- Factory in St-Jerome with estimated annual capacity of 2,500 vehicles at full scale⁽¹⁾
- Joliet, Illinois plant with estimated annual capacity of 20,000 vehicles at full scale⁽¹⁾
- Battery plant in Mirabel with estimated annual capacity of 5 GWh at full scale⁽¹⁾
- Workforce of ~1,450 employees

EXPERIENCE AND SERVICE CENTERS

- 12 experience centers across the U.S. and Canada
- Full turnkey solution for fleet electrification, including vehicle selection, charging infrastructure, grants support, financing, training, maintenance and telematics



MANUFACTURING FACILITY IN JOLIET, IL



BATTERY PLANT IN MIRABEL, QC



MANUFACTURING FACILITY IN ST-JEROME (MONTREAL), QC



LION6 & LIONC



LION6

Established EV company with real vehicles on the road today, a book of tier-1 clients and a full turnkey solution for all aspects of fleet electrification

The Lion Ecosystem is Tailored to Electric Vehicle Fleet Operators



1. Operational Highlights

2. Financial Highlights

3. Conclusion and Q&A



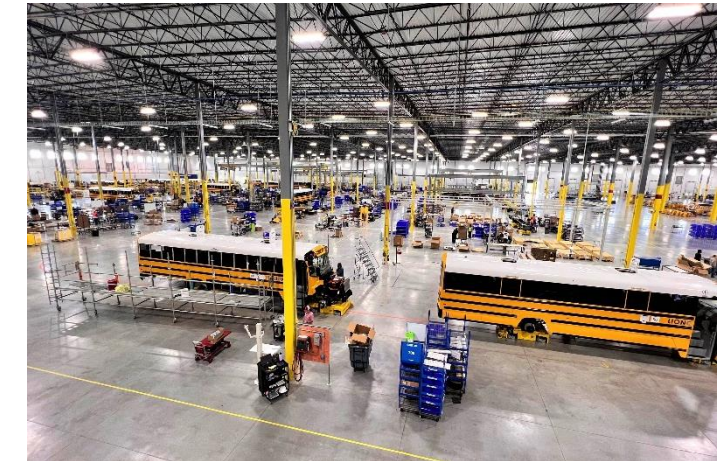
Recent Developments

Deliveries and Order Book

- 199 vehicle deliveries in Q2 2023: 166 buses and 33 trucks, vs. 105 vehicle deliveries in Q2 2022: 90 buses and 15 trucks
- Vehicle order book¹ of 2,559 all-electric vehicles (304 trucks and 2,255 buses)
 - Total order value of approximately \$625M
- LionEnergy order book¹ of 275 charging stations and related services
 - Total order value of approximately \$5M
- Continued strong regulatory tailwinds at both federal and state level:
 - Round 2 of EPA Clean School Bus Program (\$400M) announced on April 24th
 - Michigan Clean School Bus Program: \$125M for school buses that was just voted as part of state budget
 - Texas: \$87M Texas Volkswagen Environmental Mitigation Program for all-electric buses and trucks
 - British Columbia government just launched a consultation as it seeks to implement Medium- and Heavy-Duty Zero Emission Vehicle regulations

Operational and Financial Highlights

- Closed ~\$142M financing on July 19th, providing flexibility to execute growth plans
- Generated positive gross margin in Q2 2023
- Continued revenue growth, with positive trend for trucks
- Inaugurated U.S manufacturing plant in Joliet, IL on July 21st



U.S MANUFACTURING PLANT GRAND OPENING ON JULY 21, 2023



LEFT TO RIGHT: U.S. SENATOR TAMMY DUCKWORTH; ILLINOIS GOVERNOR J.B. PRITZKER; LION CEO & FOUNDER, MARC BÉDARD AND U.S. SENATOR RICHARD (DICK) DURBIN

1) As of August 2, 2023. The Company's vehicle and charging stations order book is determined by management based on purchase orders that have been signed, orders that have been formally confirmed by clients, or products in respect of which formal joint applications for governmental subsidies or economic incentives have been made by the applicable clients and the Company. The order book is expressed as a number of units or a total dollar value, which dollar value is determined based on the pricing of each unit included in the order book as further explained under "Pricing" in section 10.0 of the Company's MD&A for the three and six months ended June 30, 2023, entitled "Order Book". The vehicles included in the vehicle order book as of August 2, 2023 provided for a delivery period ranging from a few months to the end of the year ending December 31, 2026, with substantially all of such vehicles currently providing for deliveries before the end of the year ending December 31, 2025. In addition, substantially all deliveries are subject to the granting of subsidies and incentives with processing times that are subject to important variations. There has been in the past and the Company expects there will continue to be variances between the expected delivery periods of orders and the actual delivery times, and certain delays could be significant. Such variances or delays could result in the loss of a subsidy or incentive and/or in the cancellation of certain orders, in whole or in part. The Company's presentation of the order book should not be construed as a representation by the Company that the vehicles and charging stations included in its order book will translate into actual sales. See section 10.0 of the Company's MD&A for the three months and six ended June 30, 2023, entitled "Order Book" for a full description of the methodology used by the Company in connection with the order book and certain important risks and uncertainties relating to such methodology and the presentation of the order book.

All-Electric Vehicle Line-Up

All-Electric School Buses



LIONC
Type C



LIONA
Type A



LIOND
Type D

Commercial Production⁽¹⁾	✓	× (Expected 2023)	× (Expected 2023)
Deliveries Made to Date	✓	×	×

All-electric Trucks



LION5

Class 5



LION6

Class 6



LION8

Class 8



LION8T

Class 8 Tractor

Commercial Production⁽²⁾	× (Expected 2023)	✓	✓	× (Expected 2023) ⁽³⁾
Deliveries Made to Date	×	✓	✓	×

- The Company has substantially completed the development phase for the LionA and LionD, and it expects that its remaining development efforts will be limited to the introduction of product enhancements and new features, final battery integration as well as any final adjustments required to obtain final key certifications and commence vehicle production on the assembly line. To achieve commercial production, the Company will need to finalize key certifications and commence vehicle production on the assembly line. Timing of commercial production for the LionA and LionD may be subject to change or delays. See section 2 of the Company's fiscal 2022 Annual Information Form entitled "Cautionary Note Regarding Forward-Looking Statements" and section 23.0 of the Company's fiscal 2022 MD&A entitled "Risk Factors."
- The Company has substantially completed the development phase for the Lion5 and Lion8T, and it expects that its remaining development efforts will be limited to the introduction of product enhancements and new features, final battery integration as well as any final adjustments required to obtain final key certifications and commence vehicle production on the assembly line. To achieve commercial production, the Company will need to finalize key certifications and commence vehicle production on the assembly line and, in the case of the Lion 8T, secure the supply of battery packs. Timing of commercial production for the Lion5 and Lion8T may be subject to change or delays. See section 2 of the Company's Annual Information Form entitled "Cautionary Note Regarding Forward-Looking Statements" and section 23.0 of the Company's fiscal 2022 MD&A entitled "Risk Factors."
- Timing of commercial production for the Lion8T was previously contemplated in the first half of 2023 but has been delayed given that it is dependent upon the availability of battery packs from Romeo Systems, Inc. ("Romeo") (now a subsidiary of Nikola Corporation), in respect of which the Company has initiated legal proceedings, including confidential arbitration proceedings against Romeo, the whole as further discussed in section 13 of Company's fiscal 2022 Annual Information Form entitled "Legal Proceedings and Regulatory Actions." The Company's objective remains to begin commercial production of the Lion8T as soon as practically reasonable, but the exact timing will be dependent on the outcome of the ongoing Romeo dispute. Battery packs that the Company contracted to purchase from Romeo under the parties' supply agreement are specifically designed to be mounted on Lion8T vehicles. While the Company is looking at alternative supply options that could potentially be available in the long-term if necessary in light of the current situation with Romeo, the Company does not currently have any comparable and readily available alternative supply solution. See section 2 of the Company's Annual Information Form entitled "Cautionary Note Regarding Forward-Looking Statements" and section 16 entitled "Material Contracts" of the Company's Annual Information Form.

Q2 2023 Vehicle Deliveries

Q2 2023 VEHICLE DELIVERIES

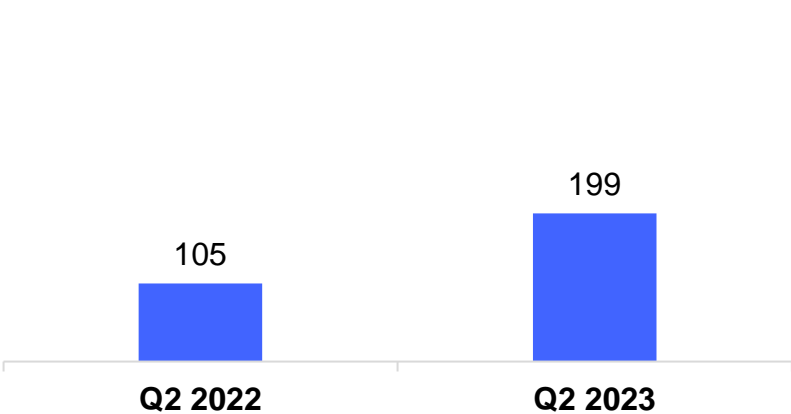
- **199** vehicles delivered in Q2
 - **166** buses and **33** trucks
 - **171** in Canada and **28** in the U.S.
- Repeat truck orders from Bolt for **14** Lion6 trucks



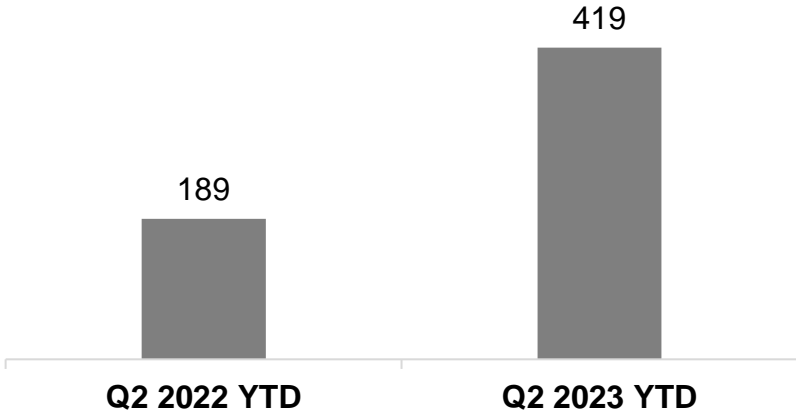
LIONC – CAJON VALLEY UNION SCHOOL DISTRICT

VEHICLE DELIVERIES

Quartely Deliveries



YTD Deliveries



LION6 – DHL

Order Book⁽¹⁾ (As of August 2, 2023)

Electric Vehicles

2,559 EVs / ~\$625M
Total Order Book

2,255

All-Electric Buses

304

All-Electric Trucks

LionEnergy

275
Charging stations and related Services

~\$5M
Total Order Book

Select School Bus Clients


STUDENT TRANSPORTATION OF AMERICA

































Select Truck Clients









































1) As of August 2, 2023. The Company's vehicle and charging stations order book is determined by management based on purchase orders that have been signed, orders that have been formally confirmed by clients, or products in respect of which formal joint applications for governmental subsidies or economic incentives have been made by the applicable clients and the Company. The order book is expressed as a number of units or a total dollar value, which dollar value is determined based on the pricing of each unit included in the order book as further explained under "Pricing" in section 10.0 of the Company's MD&A for the three and six months ended June 30, 2023, entitled "Order Book". The vehicles included in the vehicle order book as of August 2, 2023 provided for a delivery period ranging from a few months to the end of the year ending December 31, 2026, with substantially all of such vehicles currently providing for deliveries before the end of the year ending December 31, 2025. In addition, substantially all deliveries are subject to the granting of subsidies and incentives with processing times that are subject to important variations. There has been in the past and the Company expects there will continue to be variances between the expected delivery periods of orders and the actual delivery times, and certain delays could be significant. Such variances or delays could result in the loss of a subsidy or incentive and/or in the cancellation of certain orders, in whole or in part. The Company's presentation of the order book should not be construed as a representation by the Company that the vehicles and charging stations included in its order book will translate into actual sales. See section 10.0 of the Company's MD&A for the three months and six ended June 30, 2023, entitled "Order Book" for a full description of the methodology used by the Company in connection with the order book and certain important risks and uncertainties relating to such methodology and the presentation of the order book.

Joliet (U.S.) Manufacturing Facility

Q2 2023 Update

- Gradual ramp up of school bus production; continued to manufacture LionC units for customer deliveries
- Continued the set-up of school bus working stations and installation of equipment
- Completed building and tenant improvements
- Expect to have infrastructure in place for production capacity of 2,500 school buses on an annual basis by year-end 2023⁽¹⁾

Project Cost Update

- Incurred **~\$5M** in Q2 2023
- Total project capex incurred to date of **~\$96M**
- Expected capex of **\$9M** for the remainder of 2023⁽²⁾



GOVERNOR J.B. PRITZKER; U.S. SENATOR DICK DURBIN, U.S. SENATOR TAMMY DUCKWORTH AS WELL AS U.S. FEDERAL, STATE AND LOCAL OFFICIALS AND BUSINESS PARTNERS JOINED LION EMPLOYEES TO SIGN THE FIRST LIONC EVER PRODUCED IN JOLIET

1) Management's expectations with respect to the Joliet Manufacturing Facility and the related ramp-up of production are based on a number of assumptions and may be subject to change. See "Forward-Looking Statements" on page 1.
2) The cadence of the Company's investments relating to the Joliet Facility and the timing of installation of truck production stations and equipment has been and will continue to be reassessed by management on a continuous basis depending upon prevailing economic conditions, the demand environment for the Company's products, the Company's order book, the Company's liquidity profile as well the covenants relating to incurrence of capital expenditures included in the Convertible Debentures. See "Forward-Looking Statements" on page 1.

Lion Campus - Battery Plant and Innovation Center

Q2 2023 Update

- Continued to ramp-up the production of Lion battery packs
- Certification process for Lion battery packs progressing. Final certification expected in coming months, once all formal testing procedures are finalized
- Expect to have equipment in place for production capacity of 1.7 GWh on an annual basis by year-end 2023⁽¹⁾
- Continued activities to integrate Lion battery pack technology into vehicles, starting with the LionC, LionD school buses and Lion5 trucks
- Innovation Center building shell completed

Project Cost Update⁽²⁾

- Incurred **~\$12M** in Q2 2023
- Total capex incurred to date of **~\$106M**
- Expected capex of **~\$17M** for the remainder of 2023⁽²⁾



1) The cadence of the Company's investments relating to the Lion Campus and the timing of installation of battery pack and module production lines as well as completion of the Innovation Center has been and will continue to be reassessed by management on a continuous basis depending upon prevailing economic conditions, the demand environment for the Company's products, the Company's order book, global market conditions relating to the supply of battery cells and other components used in Lion's battery modules and packs, the Company's liquidity profile as well the covenants relating to incurrence of capital expenditures included in the Convertible Debentures. See "Forward-Looking Statements" on page 1.

2) Capex figures include R&D / addition to intangible assets

Regulatory Environment

EPA Round 2 (Part of the U.S EPA \$5B Clean School Bus Program)

- Announced on April 24, 2023
- Anticipated allocation of **\$400M** in grant funding
- Funding of up to **\$395K** per bus (including charging infrastructure) for buses serving school districts that meet one or more prioritization criteria (**\$250K** for non-prioritized districts)
- School districts eligible for minimum of 15 school buses, maximum of 50
- Third parties eligible for minimum of 25 school buses, maximum of 100
- Key dates
 - Application Deadline: **August 22, 2023**
 - Anticipated Notification of Selection: **November 2023 - January 2024**
 - Anticipated Awards **February - March 2024**

Recent Regulatory and Grant Initiatives

United States

- **California**
 - ACF aimed at accelerating the adoption of ZEV in California
 - In combination with Advanced Clean Truck regulation, CARB expects the ACF rule to result in over **500K** medium- and heavy-duty zero emission vehicles in California in 2035, and close to **1.7M** by 2050
- **Michigan**
 - Clean School Bus Program: **\$125M** for school buses voted in as part of state budget in June 2023
- **Texas**
 - Texas Volkswagen Environmental Mitigation Program: **\$87M** for all-electric buses and trucks opened in June 2023

Canada

- **British Columbia**
 - Consultation as the government seeks to implement Medium- and Heavy-Duty Zero Emission Vehicle regulations aligned with similar rules to ACF in California

1. Operational Highlights

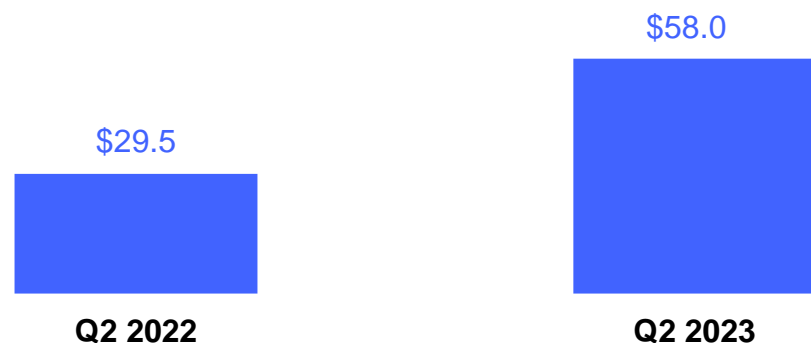
2. Financial Highlights

3. Conclusion and Q&A

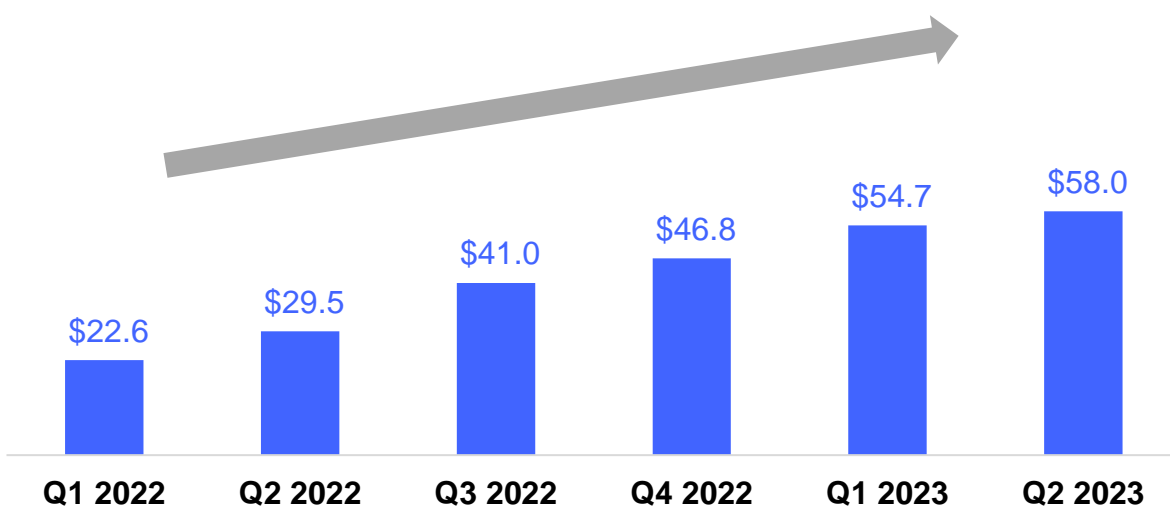


Q2 2023 Financial Results Overview

Q2 2023 REVENUE (US\$M)



QUARTELY REVENUE GROWTH (US\$M)



Q2 2023 HIGHLIGHTS

- **199** vehicles delivered in Q2 2023 vs. **105** in Q2 2022
- Gross profit of **\$0.4M**, mainly driven by volume, unit mix and ASP
- Adjusted EBITDA⁽¹⁾ of **(\$9.7)M** and net loss of **(\$11.8)M**
- **\$19.1M** in CAPEX
- **\$17.9M** in additions to intangible assets, which mainly consists of R&D activities

Financing Transaction

Closed financing transaction for gross proceeds of **~US\$142M**

- Provides Lion with the required flexibility to execute growth plans
- Diversified investor group, both from government and private sectors, which speaks to Lion’s importance in EV landscape
- Use of proceeds:
 - Fund working capital
 - Pursue growth strategy, including expansion projects in Mirabel, QC and Joliet, IL
- Concurrently with the closing of the transaction:
 - Extension of senior credit facility by one year to August 2025
 - Cancellation of ATM program

Summary of Terms

	Unsecured Convertible Debenture	Secured Non-Convertible Debenture
Amount	\$74M	~\$68M (C\$90M)
Term	5 Years	5 Years
Interest Rate	13.0%	11.0%
Interest Payment	Cash or deferred + accumulated into convertible balance, at Company's option	Cash
Conversion / Warrants	Convertible at \$2.58 strike price	22.5M Warrants at C\$2.81 exercise price

Financing transaction for gross proceeds of ~\$142M provides Lion with required flexibility to execute our growth plans

Liquidity Update

- Total immediate liquidity of **\$52M** as of June 30, 2023
 - \$44M cash on hand + \$8M available on revolving facility
- **~\$200M** ABL revolving facility
 - ~\$100M drawn vs. total borrowing capacity of ~\$108M⁽¹⁾ as of June 30, 2023
- **C\$100M** (~\$75M)⁽²⁾ government loans for Lion Campus
 - ~\$37M drawn as of June 30, 2023
 - ~\$8M owed for capex incurred up to June 30, 2023
 - Expected to fund ~55% (~\$25M)⁽³⁾ of 2023 Lion Campus capex
- **~\$105M** in total value from 292 EPA purchase orders
 - ~\$27M received as at June 30, 2023
 - Expecting additional upfront payments as applications for other orders are processed by the EPA⁽⁴⁾
- **~\$142M** gross proceeds from July 19, 2023 financing transaction
- ATM program cancelled in context of recent financing



1) After application of minimum availability test to the borrowing base of ~\$124M

2) Based on 1.32 CAD/USD FX rate as of June 30, 2023.

3) Subject to meeting the requirements for the related claim process and timing under such instruments. See "Forward-Looking Statements" on page 1.

4) The processing times of governmental subsidies and incentives are subject to important variations. As further described under the sections of the Company's MD&A for the six months ended June 30, 2023, entitled "Delivery Periods" and "Ongoing Evaluation; Risk Factors", there has been in the past and the Company expects there will continue to be variances between the expected delivery periods of orders and the actual delivery times, and certain delays could be significant. Such variances or delays could result in the loss of a subsidy or incentive and/or in the cancellation of certain orders, in whole or in part.

1. Operational Highlights

2. Financial Highlights

3. Conclusion and Q&A



Established EV Company with Vehicles on the Road and Proven Technology



Established commercial EV OEM with 13+ years of R&D and manufacturing experience and 1,400+ EVs on the road, having collectively travelled 14M+ miles



Massive TAM in the U.S. and Canada in medium- and heavy-duty EVs, with strong secular tailwinds accelerating fleet electrification



Leader in the all-electric school bus space, based on customer deliveries (1,100+) and order book of 2,000+ vehicles⁽¹⁾



Uniquely positioned to lead the medium- and heavy-duty truck segment, with purpose-built vehicles available for purchase today and a growing list of Tier 1 clients



Existing manufacturing footprint to further support growth plan: once ramp up is complete, estimated 20K annual production capacity at U.S. plant, and estimated 5GWh annual production capacity at battery plant, leveraging over a decade of battery and vehicle electrification R&D⁽²⁾

1) Please refer to Appendix A for a full description of the methodology used by the Company in connection with the order book and certain important risks and uncertainties relating to such methodology and the presentation of the order book.

2) Represents management's estimates of the projected annual production capacity at the facility after completion of the production ramp ramp-up and scale scale-up of manufacturing operations. Such estimates have been prepared on the basis of current footprint and projected work stations and equipment. See "Forward-Looking Statements" on page 1 and see section 6.10 of the Company's Annual Information Form for the year ended December 31, 2022 entitled "Property, Plants and Equipment".

Appendix A – Non-IFRS Financial Measures and Other Performance Metrics

Adjusted EBITDA

- Adjusted EBITDA” is defined as net earnings (loss) before finance costs, income tax expense or benefit, and depreciation and amortization, adjusted for share-based compensation, changes in fair value of share warrant obligations, foreign exchange (gain) loss and transaction and other non-recurring expenses. Adjusted EBITDA is intended as a supplemental measure of performance that is neither required by, nor presented in accordance with, IFRS. Lion believes that the use of Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Lion’s financial measures with those of comparable companies, which may present similar non-IFRS financial measures to investors. However, readers should be aware that when evaluating Adjusted EBITDA, Lion may incur future expenses similar to those excluded when calculating Adjusted EBITDA. In addition, Lion’s presentation of these measures should not be construed as an inference that Lion’s future results will be unaffected by unusual or non-recurring items. Lion’s computation of Adjusted EBITDA may not be comparable to other similarly entitled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion.
- The following table reconciles net earnings (loss) to Adjusted EBITDA for the three and six months ended June 30, 2023, and 2022:

	Unaudited - Three months ended June 30,		Unaudited - Six months ended June 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Revenue	\$58,016	\$29,521	\$112,719	\$52,168
Net earnings (loss)	\$(11,788)	\$37,511	\$(27,371)	\$39,613
Finance costs	\$2,001	\$(832)	\$3,421	\$346
Depreciation and amortization	\$5,561	\$2,739	\$10,475	\$4,722
Share-based compensation ⁽¹⁾	\$2,057	\$3,363	\$3,471	\$7,158
Change in fair value of share warrant obligations ⁽²⁾	\$(5,986)	\$(56,935)	\$(11,731)	\$(78,391)
Foreign exchange gain ⁽³⁾	\$(1,754)	\$(1,621)	\$(2,965)	\$(710)
Transaction and other non-recurring expenses ⁽⁴⁾	\$257	\$1,363	\$577	\$1,532
Income taxes	-	-	-	-
Adjusted EBITDA	\$(9,652)	\$(14,411)	\$(24,124)	\$(25,729)

(1) Represents non-cash expenses recognized in connection with the issuance of stock options, restricted share units, and deferred share units issued under Lion's omnibus incentive and stock option plans as described in note 9 to the condensed interim consolidated financial statements as at and for three and six months ended June 30, 2023, and 2022.

(2) Represents non-cash change in the fair value of the share warrant obligations as described in note 8 to the condensed interim consolidated financial statements as at and for three and six months ended June 30, 2023, and 2022.

(3) Represents gains relating to foreign exchange translation.

(4) For the three and six months ended June 30, 2023, and 2022, represents non-recurring professional fees related mostly to process optimization initiatives.

Appendix A - Non-IFRS Measures and Other Performance Metrics

Order Book Methodology

- **General Principle:** The Company's vehicle and charging stations order book is determined by management based on purchase orders that have been signed, orders that have been formally confirmed by clients or products in respect of which formal joint applications for governmental subsidies or economic incentives have been made by the applicable clients and the Company. The order book is expressed as a number of units or a total dollar value, which dollar value is determined based on the pricing of each unit included in the order book as further explained below under the section entitled "Pricing". The vehicles included in the vehicle order book as of August 2, 2023 provided for a delivery period ranging from a few months to the end of the year ending December 31, 2026, with substantially all of such vehicles currently providing for deliveries before the end of the year ending December 31, 2025. In addition, substantially all of the vehicle orders included in the order book are subject to the granting of governmental subsidies and incentives, including programs in respect of which applications relating to vehicles of Lion have not yet been fully processed to date. The processing times of governmental subsidies and incentives are also subject to important variations. As further described below under the sections entitled "Delivery Periods" and "Ongoing Evaluation; Risk Factors", there has been in the past and the Company expects there will continue to be variances between the expected delivery periods of orders and the actual delivery times, and certain delays could be significant. Such variances or delays could result in the loss of a subsidy or incentive and/or in the cancellation of certain orders, in whole or in part. The Company's presentation of the order book should not be construed as a representation by the Company that the vehicles and charging stations included in its order book will translate into actual sales.
- **Delivery Periods:** The Company's order book refers to products that have not yet been delivered but which are reasonably expected by management to be delivered within a time period that can be reasonably estimated and includes, in the case of charging stations, services that have not been completed but which are reasonably expected by management to be completed in connection with the delivery of the product. Purchase orders and applications relating to vehicles of Lion generally provide for a time period during which the client expects delivery of the vehicles. Such period can vary from a specific date, a number or range of months after the issuance of the order or application, or a calendar year. The vehicles included in the vehicle order book as of August 2, 2023 provided for a delivery period, subject to the satisfaction of the conditions set forth in each order (which, in substantially all cases as further discussed herein, relate to the approval of governmental subsidies and grants), ranging from a few months to the end of the year ending December 31, 2026, with substantially all of such vehicles currently providing for deliveries before the end of the year ending December 31, 2025 (which corresponds to the latest date by which claims are required to be made according to the current eligibility criteria of the Federal's Infrastructure Canada's Zero-Emission Transit Fund ("ZETF"), unless otherwise agreed by Infrastructure Canada). Delivery periods are disclosed from time to time by the Company when available in respect of material orders. Delivery periods should not be construed as a representation or a guarantee by the Company that the actual delivery time will take place as scheduled. Given the nature of the business and the products of the Company, the implied lead time for the production and delivery of a vehicle (which may be impacted, among other things, by supply chain challenges or changes in specifications), the nature of certain customers of the Company (in many cases, fleet owners operating capital intensive operations which require financing and ongoing scheduling flexibility), and the fact that, as further described herein, substantially all of the vehicle orders included in the order book are subject to the granting of governmental subsidies and incentives, actual delivery times may be subject to important variations or delays. Please refer to the section entitled "Ongoing Evaluation; Risk Factors" below regarding the potential impact of variations or delays in deliveries.
- **Pricing:** When the Company's order book is expressed as an amount of sales, such amount has been determined by management based on the current specifications or requirements of the applicable order, assumes no changes to such specifications or requirements and, in cases where the pricing of a product or service may vary in the future, represents management's reasonable estimate of the prospective pricing as of the time such estimate is reported. A small number of vehicles included in the order book have a pricing that remains subject to confirmation based on specifications and other options to be agreed upon in the future between the applicable client and the Company. For purposes of the determination of the order book and the value allocated to such orders, management has estimated the pricing based on its current price lists and certain other assumptions relating to specifications and requirements deemed reasonable in the circumstances.
- **Performance Metric:** The order book is intended as a supplemental measure of performance that is neither required by, nor presented in accordance with, IFRS, and is neither disclosed in nor derived from the financial statements of the Company. The Company believes that the disclosure of its order book provides an additional tool for investors to use in evaluating the Company's performance, market penetration for its products, and the cadence of capital expenditures and tooling. The Company's computation of its order book is subject to the specific methodology described herein and may not be comparable to other similarly entitled measures computed by other companies, because all companies may not calculate their order book in the same fashion. Other companies also sometimes refer to or use "order backlog" or "order intake" as performance metrics, which are most likely not calculated on the same basis as the Company's order book. In addition, as explained above, the Company's presentation of the order book is calculated based on the orders and the applications made as of the time that the information is presented, and it is not based on the Company's assessment of future events and should not be construed as a representation by the Company that the vehicles and charging stations included in its order book will translate into actual sales.
- **Ongoing Evaluation; Risk Factors**
 - A portion of the vehicles or charging stations included in the Company's order book may be cancellable in certain circumstances (whether by reason of a delivery delay, unavailability of a subsidy or incentive or otherwise) within a certain period. Management reviews the composition of the order book every time it is reported in order to determine whether any orders should be removed from the order book. For purposes of such exercise, management identifies orders that have been or are reasonably likely to be cancelled and examines, among other things, whether conditions attaching to the order are reasonably likely to result in a cancellation of the order in future periods as well as any other available information deemed relevant, including ongoing dialogue with clients. Such exercise may result from time to time in orders that have previously been included in the order book being removed even if they have not been formally canceled by the client.
 - The Company cannot guarantee that its order book will be realized in full, in a timely manner, or at all, or that, even if realized, revenues generated will result in profits or cash generation as expected, and any shortfall may be significant. The Company's conversion of its order into actual sales is dependent on various factors, including those described below and under section 23.0 entitled "Risk Factors" of the Company's MD&A for the years ended December 31, 2022 and 2021. For instance, a customer may voluntarily or involuntarily default on an order, may become subject to bankruptcy or insolvency or cease its business operations. In addition, substantially all of the vehicle orders included in the order book are subject to conditions relating to the granting of governmental subsidies or incentives or a specified timing for the delivery of the vehicle and, in a limited number of cases, the availability of certain specifications and options or the renewal of certain routes by governmental or school authorities. As a result, the Company's ability to convert its order book into actual sales is highly dependent on the granting and timing of governmental subsidies and incentives, most notably subsidies and incentives under the Quebec government's 2030 Plan for a Green Economy (the "Quebec Green Economy Plan"), under the Federal's Infrastructure ZETF, the Government of Canada Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles (iMHZEV) Program, the U.S. Environmental Protection Agency Clean School Bus Program and California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Approximately half of the vehicles included in the order book are contingent upon grants under the ZETF, in respect of which applications relating to vehicles of Lion have not yet been fully processed to date and December 31, 2025 is the latest date by which claims are required to be made according to the current eligibility criteria of the program, unless otherwise agreed by Infrastructure Canada. In addition, a total of 292 purchase orders were obtained in connection with the first round of funding under the EPA Clean School Bus Program, which requires, among other things, that vehicles be delivered on or prior to October 2024.
 - Any termination, modification, delay or suspension of any governmental subsidies and incentives, including, most importantly as of the date hereof, the ZETF, the Quebec Green Economy Plan or the EPA Clean School Bus Program could result in delayed deliveries or the cancellation of all or any portion of orders, which, in turn, could have a material and adverse effect on the Company's business, results of operations or financial condition.
 - The Company's conversion of its order book into actual sales is also dependent on its ability to economically and timely manufacture its vehicles, at scale. The Company delivered 196 vehicles during the year ended December 31, 2021, 519 vehicles during the year ended December 31, 2022, 220 vehicles during the three months ended March 31, 2023, and 199 vehicles during the three months ended June 30, 2023. As of August 2, 2023, the Company's vehicle order book stood at 2,559 vehicles. The execution of the Company's growth strategy and the conversion of its order book, which currently provides for deliveries ranging from a few months to the end of the year ending December 31, 2026, will therefore require significant ramp-up in its production. The Company's Saint-Jerome facility currently has an estimated annual production capacity of 2,500 vehicles at full scale and the Company is in the process of ramping up its operations at the Joliet Facility and the Lion Campus (see section 8.0 of this MD&A entitled "Operational Highlights" and "Product Development and Manufacturing" under section 11.0 of this MD&A entitled "Key Factors Affecting Lion's Performance" for further details), the Company has limited experience to date in high volume manufacturing of its vehicles. In addition, as of August 2, 2023, 449 units included in the order book, consisting mainly of LionA and LionD buses and Lion8T trucks and representing a combined total order value of approximately \$160 million, related to products which had been developed and were being sold, but that were not currently in commercial production. See "Products and Solutions" in section 6.2 of the Company's Annual Information Form for the year ended December 31, 2022 entitled "Business of the Company". Any failure by the Company to successfully develop its vehicles, source its key components, and scale its manufacturing processes within projected costs and timelines could have a material adverse effect on its business, results of operations or financial condition. As a result, the Company's realization of its order book is subject to a number of risks and uncertainties, including the risks described in sections 3.0 of this MD&A entitled "Caution Regarding Forward-Looking Statements" and section 23.0 entitled "Risk Factors" of the Company's MD&A for the years ended December 31, 2022 and 2021, and there can be no assurance that the Company will be successful in converting all or a significant portion of its order book into actual sales.

Thank
You



 **LION ELECTRIC**