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## Report Scope

This is The Lion Electric Company (NYSE: LEV) (TSX: LEV) (“Lion” or the “Company”)’s second Environmental, Social and Governance (“ESG”) report (the “report”). Unless otherwise noted or the context otherwise requires, the report relates to our activities for the 2022 calendar year (January 1, 2022 – December 31, 2022) and all information is given as of the date of publication of this report. This report encompasses all of Lion’s operations and activities during the reporting period. References to “Lion,” “we,” “our,” “us,” “the Company” or similar terms refer to The Lion Electric Company and its subsidiaries, on a consolidated basis.

## Reporting Framework

This report contains disclosures recommended in the *Industrial Machinery and Goods and Automobiles* standards developed by the Sustainability Accounting Standards Board (“SASB”).

## External Assurance

The operational greenhouse gas (“GHG”) emissions data were quantified in collaboration with Quinn+Partners using the Greenhouse Gas Protocol Corporate Standard, and in alignment with ISO 14064-2:2019: Greenhouse gases – Part 2: *Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements*. Lion’s 2022 avoided GHG emissions were calculated in collaboration with Tetra Tech. These data have not been independently verified.

## Contact us

We welcome feedback on our report and initiatives. Please contact us by telephone at **450-432-5466** or by email at [ir.lion@thelionelectric.com](mailto:ir.lion@thelionelectric.com).



## Message from our **CEO— Founder**

Decarbonizing the transportation sector plays a key role in the transition to a low-carbon economy. As such, governmental policies across North America are driving Zero emission vehicles (“ZEV”) adoption by enacting climate-change related laws and regulations and providing financial incentives for purchasing electric school buses and trucks. These commitments represent a significant opportunity for Lion, both in Canada and the United States.

Lion Electric is an established manufacturer of ZEV in Canada and in the United States with 1,400+ electric vehicles on the road, having collectively traveled 14M+ miles, and approximately 1,450 employees. Our all-electric urban trucks are viable zero-emission replacements for heavy-duty vehicles that otherwise pollute city air with stop-and-go traffic in congested, populated areas. Our electric school buses provide reliable transportation for our youngest generation without the health hazards of idling emissions. In other words, all of our vehicles available for sale are dependable, proven solutions that contribute to a zero-emission future.



Message from  
our CEO-Founder

**We, at Lion, aspire to blaze trails towards net-zero emissions and inspire others to come along for the ride. As we stand ready to go the extra mile and be part of the solution, we hope you will join us.**

We look forward to working alongside our employees, customers, suppliers, industry partners and investors, to move forward together.

**Marc Bedard**  
CEO-Founder

# ESG Strategy

In 2022, we developed our first ESG strategy to help us address the most material topics to Lion and our employees, communities, customers, suppliers, investors and partners. The strategy outlines our goals for addressing these topics and is designed to build a foundational approach to ESG.

## Environmental

### Climate

- **GOAL 1:  
Reduce GHG**  
We implement initiatives to reduce greenhouse gas (GHG) emissions.

### Product innovation

- **GOAL 2.1:  
Eco-efficient lifecycle**  
We innovate, seek new technologies and continuously improve the design of our products across their entire lifecycle.
- **GOAL 2.2:  
Responsible sourcing**  
We procure low-carbon materials where possible and manage ESG risks and opportunities across our supply chain.
- **GOAL 2.3:  
Safe vehicle design**  
We design our vehicles with the most stringent health and safety features to protect drivers, passengers and other road users.

## Social

- **GOAL 3.1:  
Healthy, fair work environment**  
We create a healthy, safe work environment for all employees, contractors, customers and visitors, and foster an inclusive work culture that embraces diverse perspectives.
- **GOAL 3.2:  
Industry leadership**  
We educate stakeholders about the benefits of electric vehicles and engage with industry and regulators to drive the clean electrification of the transportation sector.

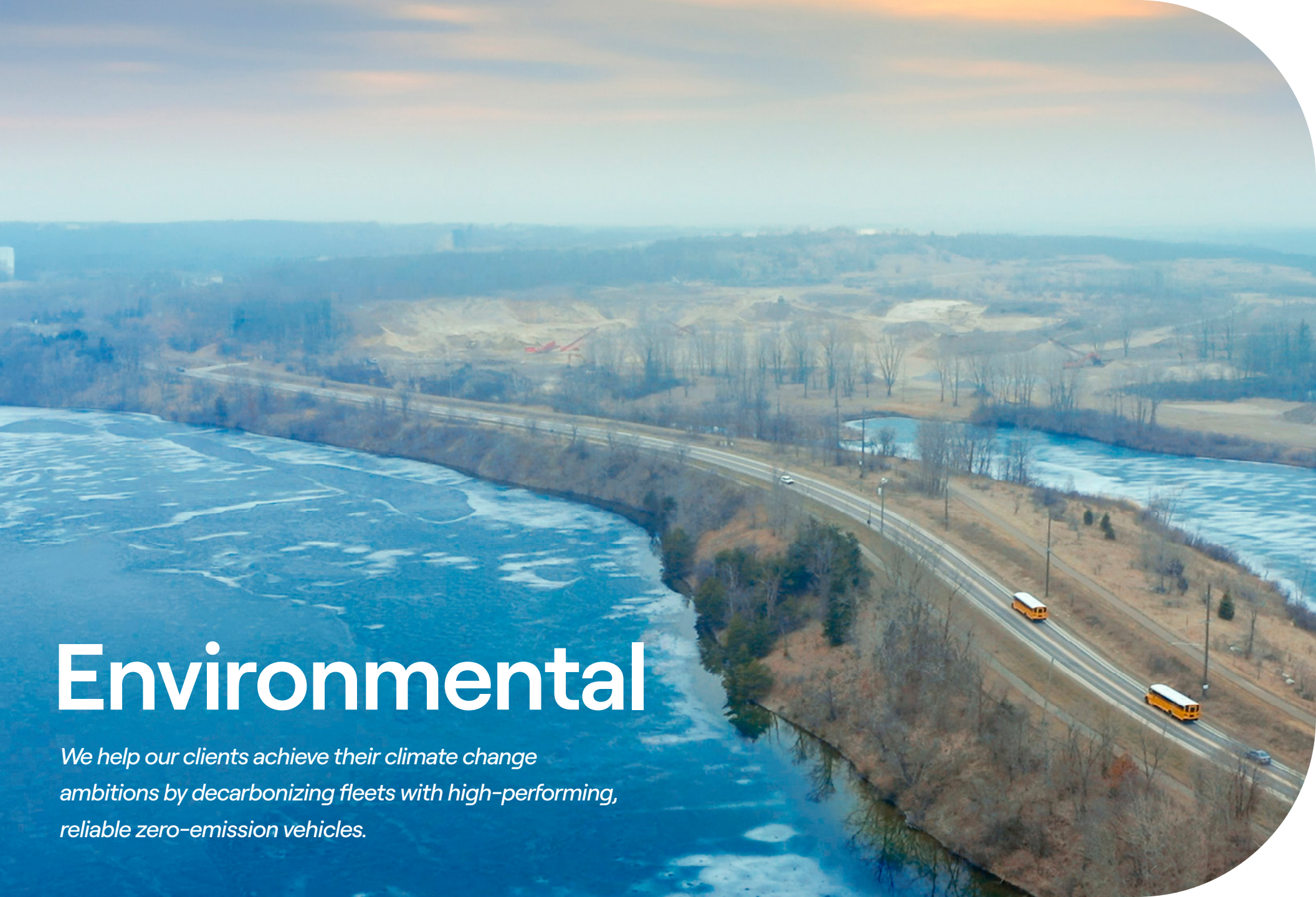
## Governance

- **GOAL 4.1:  
Board competence**  
We are guided by a capable and diverse Board of Directors.
- **GOAL 4.2:  
Ethics and values**  
We embrace high ethical standards and apply our values in all aspects of our work.
- **GOAL 4.3:  
Cybersecurity**  
We protect the data privacy of our employees, investors, customers, suppliers and contractors from cyberthreats.



For more information,  
download our  
ESG Policy [HERE](#).

Message from  
our CEO-Founder



# Environmental

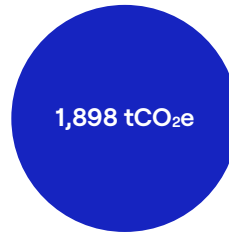
*We help our clients achieve their climate change ambitions by decarbonizing fleets with high-performing, reliable zero-emission vehicles.*

Environmental

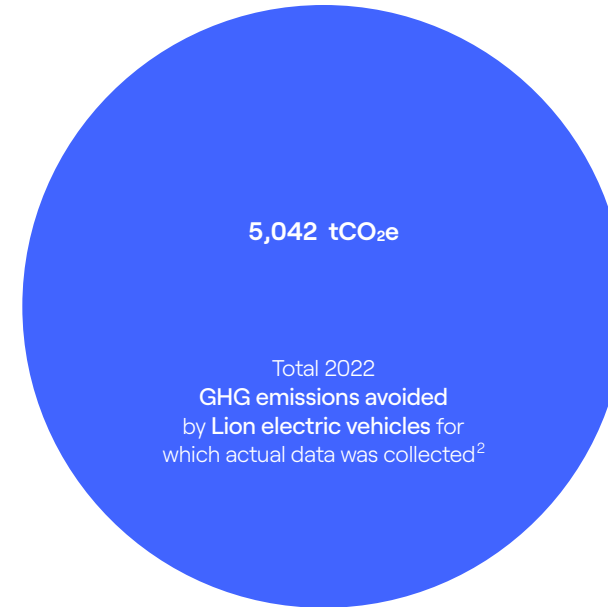
# GHG Emissions

## 2022 Avoided GHG Emissions

- The GHG emissions avoided from being released into the atmosphere in 2022 were calculated in collaboration with Tetra Tech based on actual miles driven by Lion trucks and buses on the road for which data was collected using LionBeat (our purpose-designed EV telematics), assuming the vehicles were replacing conventional diesel fueled vehicles of a similar vehicle class.
- While Lion electric trucks and buses do not have any direct tail pipe emissions, there are indirect GHG emissions produced, which are associated with operations, manufacturing and charging. These were taken into account in the avoided emissions calculation. Note that emissions associated with charging depend on the carbon intensity of the local grid electricity; emissions are lower if the electricity is produced with renewable energy versus fossil fuel-derived energy.
- In 2022, 63 Lion electric trucks and 698 Lion electric buses for which we collected data avoided 5,042 tCO<sub>2</sub>e of GHG emissions while being driven on the road in Canada and in the United States.





Total 2022 GHG emissions from Lion operations<sup>1</sup>



5,042 tCO<sub>2</sub>e  
Total 2022 GHG emissions avoided by Lion electric vehicles for which actual data was collected<sup>2</sup>

### Total avoided GHG emissions in 2022 by Lion electric vehicles on the road

	Number of Lion electric vehicles for which actual data was collected in 2022	Annual reduction of tCO <sub>2</sub> e for which actual data was collected
 <b>LION6 and LION8</b>	63	251
 <b>LIONC</b>	698	4,791
<b>TOTAL</b>	<b>761</b>	<b>5,042</b>

<sup>1</sup> Please see page 7 for more details on our 2020 and 2021 operational GHG footprint.

<sup>2</sup> Estimate calculated by using the standardized approach of ISO 14064-2:2019 standard (Specifications with guidance at the project level for quantification, monitoring and reporting or greenhouse gas emission reductions or removal enhancements) and by comparing (1) the emissions generated by the manufacturing, the energy production and distribution and the combustion of the Lion6, Lion8 and LionC vehicles (excluding emissions generated by vehicle maintenance and recycling of used batteries at the end of its lifespan), and (2) the emissions generated by the manufacturing and combustion conventional diesel fueled vehicles of a similar vehicle class (excluding emissions generated by vehicle maintenance and vehicle end of life)

# GHG Emissions

## Scope 1 and Scope 2 Emissions

To maximize the positive contributions to climate change, we engaged Quinn+Partners to assist in measuring the scope 1 and scope 2<sup>3</sup> GHG emissions associated with our operations.<sup>4</sup> In 2022, we emitted a total of 1,898 tCO<sub>2</sub>e, an increase in GHG emissions relative to 712 tCO<sub>2</sub>e in 2021.

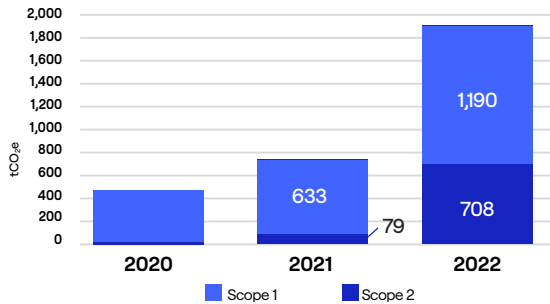
Our scope 1 and scope 2 GHG emissions have grown proportionately with our increased production. Last year's increase reflects our new manufacturing plants in Joliet, IL and Mirabel, QC, which became operational in 2022, and the continued ramp-up in our manufacturing activities in Saint-Jérôme, QC.

Our main sources of emissions are natural gas and electricity consumption at our facilities.

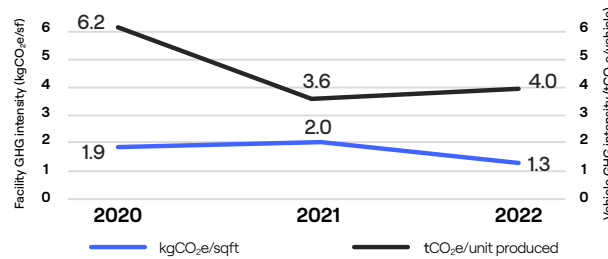
Electricity from Lion's Canadian operations is primarily generated by renewable energy sources resulting in low GHG emissions; however, our U.S.-based operations derive electricity from higher-emissions electricity grids. Last year, increased activities at U.S. locations resulted in higher emissions from electricity. While overall the GHG intensity of our facilities per square foot decreased last year, we anticipate this may increase in the future as our new facilities ramp up production.

Quinn+Partners also calculated the GHG intensity per vehicle produced, which fell from 6.2 tCO<sub>2</sub>e to 3.6 tCO<sub>2</sub>e per vehicle produced between 2020 and 2021. In 2022, this increased to 4.0 tCO<sub>2</sub>e per vehicle due to the start-up phase of our new facilities. We expect this value to decrease as vehicle production increases.

2020–2022 operational GHG footprint

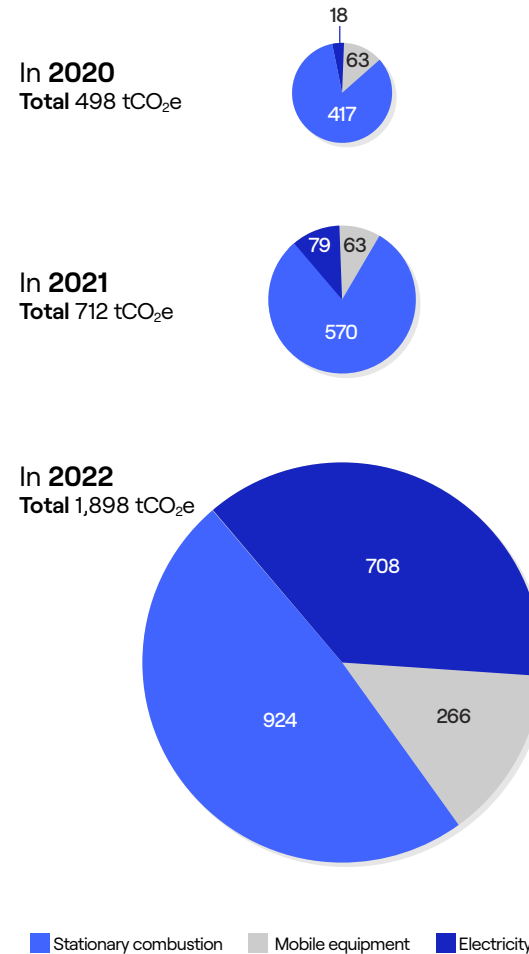


Operational scope 1 and scope 2 GHG emissions intensity\*



\* Time-weighted total square footage of facilities for operating period if less than full year

Scope 1 and scope 2 GHG emissions by source in tCO<sub>2</sub>e



<sup>3</sup> Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.

<sup>4</sup> Lion's operational GHG inventory was prepared using the GHG Protocol Corporate Accounting and Reporting Standard and the protocol's location-based approach for purchased electricity. Emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are represented in units of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) using Global Warming Potentials from the Intergovernmental Panel on Climate Change's Fourth Assessment Report. Emissions are calculated using emission factors and conversions provided by the Government of Canada and U.S. Environmental Protection Agency.



# GHG Emissions

## Scope 3 Emissions

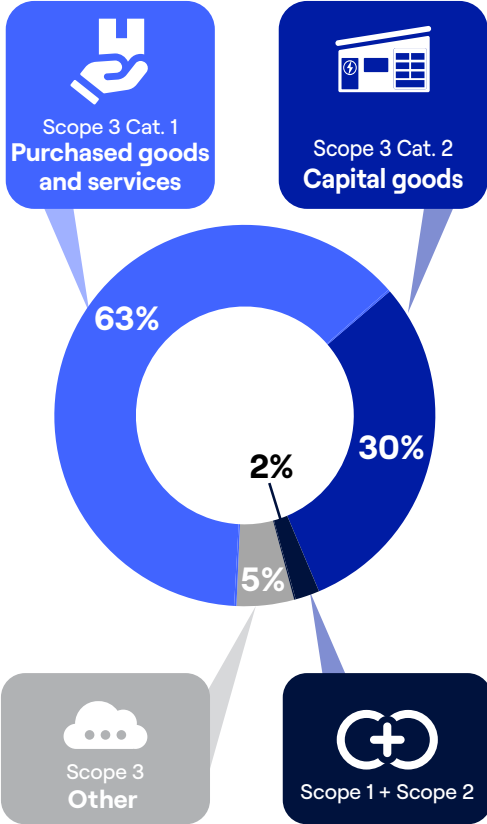
To maximize the GHG reduction benefit of our electric vehicles, we recognize the importance of having visibility over the scope 3 emissions<sup>5</sup> generated throughout the vehicle lifecycle. To do so, Quinn+Partners helped identify the most material sources of scope 3 emissions upstream and downstream of our operations. The assessment evaluated fifteen scope 3 categories defined by the GHG Protocol Corporate Value Chain (Scope 3) Standard.<sup>6</sup>

The results showed that our scope 3 emissions make up over 98% of our total lifecycle emissions, which is common in manufacturing businesses. Our most significant scope 3 categories are:

- **Purchased Goods and Services (Category 1)** associated with the materials and manufacturing of vehicle components and batteries, and
- **Capital Goods (Category 2)** associated with the development of new facilities and production lines.

Going forward, we anticipate that emissions from Capital Goods will subside down as we slow down the development, equipment or expansion of current facilities.

Share of Lion's 2022 scope 3 emissions per category



Environmental

<sup>5</sup> Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions.  
<sup>6</sup> <https://ghgprotocol.org/standards/scope-3-standard>



# GHG Emissions

## Energy Use and Management

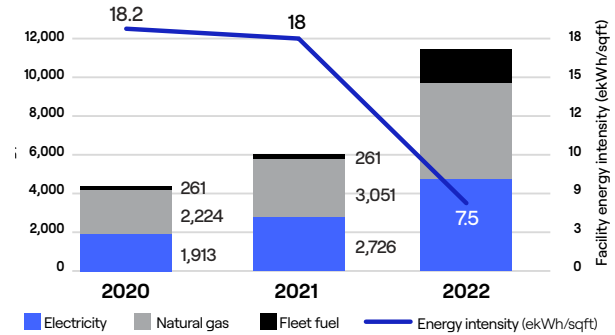
Energy, in the form of purchased electricity, natural gas and fuels, is an important input into our industrial manufacturing process. We understand the importance of using resources efficiently and strive to use clean, reliable energy in our operations.

### Actions in 2022

We calculated the amount of energy we used across our operations. In 2022, we used a total of 10,800 equivalent megawatt-hours (eMWh) of energy, up from 6,000 eMWh in 2021. Although electricity and natural

gas consumption account for roughly the same amount of energy consumed in the past two years, the impact on emissions by our electricity consumption is smaller due to the location of our facilities in Quebec, where the electricity grid is powered by renewable hydro energy. The share of our electricity-related emissions is now increasing as our U.S. facilities are becoming operational and scaling up production. They should be positively impacted by our battery plant as it scales up, since it is located in Quebec and is powered by renewable energy. The energy intensity per square foot dropped from 18.2 to 7.5 eMWh from 2021 to 2022, which is due to the addition of our new manufacturing facility in Joliet that led to a large increase in floor area associated with our energy consumption.

Total annual energy consumption



Environmental



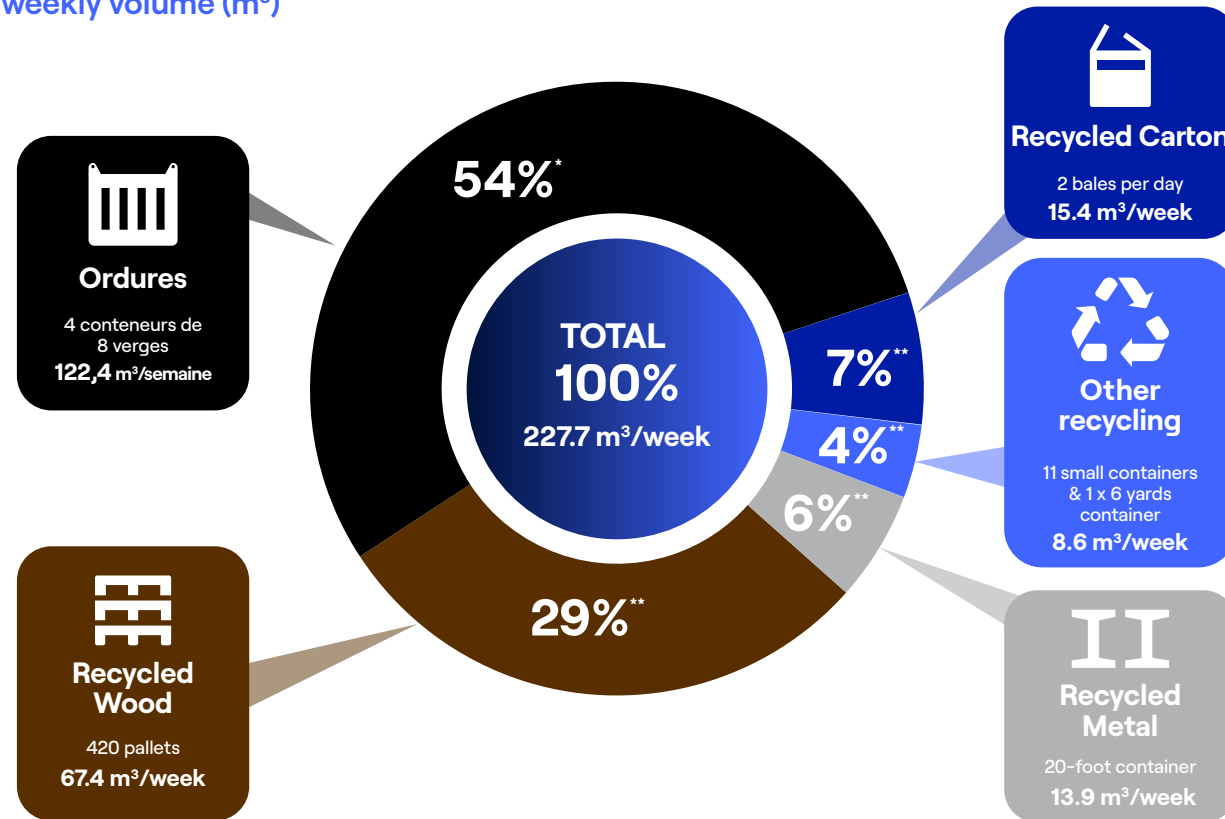
# Waste Management and Recycling Data

Waste management plays a pivotal role in fostering environmental principles, which have become essential for businesses' sustainable practices. Proper waste management ensures that companies minimize their ecological footprint, conserve resources, and protect local ecosystems. Addressing waste generation and disposal not only reduces environmental pollution but also exhibits a commitment to social responsibility by safeguarding the health and well-being of communities. Effective waste management demonstrates a company's dedication to responsible operations, helping build trust between stakeholders and contributing to a greener and more sustainable future.

In 2022, we appointed an environmental specialist, whose role is to implement and oversee waste management initiatives. Following her recommendations, we improved our waste management practices by implementing recycling initiatives at our Saint-Jérôme facility, optimizing our landfill stockage practices and improving our processes and communications around waste management.

Going forward, we will set specific objectives and targets for each of the categories of our waste.

## Waste management and recycling weekly volume (m<sup>3</sup>)



\* Landfill waste

\*\* Recycled waste



# Social

*We firmly believe that electric transportation is a major catalyst for improving our society, environment and, above all, quality of life. Together, we drive progress.*

Social



# Employees

## Employee Engagement, Well-Being and Culture

At Lion, we believe that creative, passionate, and authentic people are behind every innovation. The best ideas come to life when we work together. In 2022, we undertook an exercise to align our values with our culture and mission, the results of which was recently shared with employees and will be implemented throughout 2023.

Our objective is to create a stimulating, creative, respectful, safe, collaborative, rewarding, and enlightening work environment that we will all be proud of. Specifically, we are committed to building an inclusive

and diverse culture that respects and maximizes the contributions of the different backgrounds that our employees bring to Lion for the benefit of our clients, employees, shareholders and wider communities.

Our culture, which is defined by the tagline “We are breathing the Lion Air”, is based on the values “Agility”, “Intensity” and “Respect”, which are all attributes that are embodied by our people in their daily activities.

Social

### LION Celebrating our 1,000<sup>th</sup> Employee Milestone

In 2022, we crossed a threshold by hiring our 1,000th employee and celebrated by sharing a video that captures what the Lion family loves most about their work and what excites them about the future.



### Our Corporate Values

We are **breathing** Lion



**Agility**

Having fun while thinking outside the box.



**Intensity**

Driven by our passion; powered by our raw energy.



**Respect**

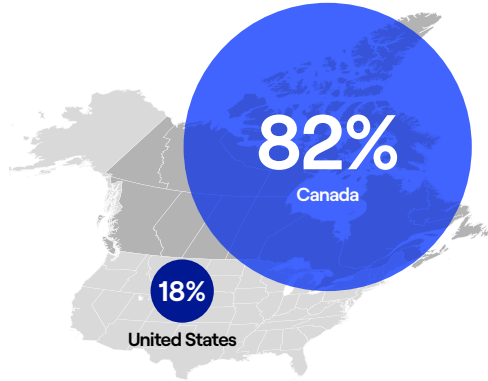
Everyone is equal; everyone matters.

# Employees

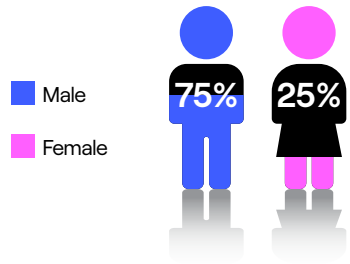
## Employee Data

(as of January 2023)

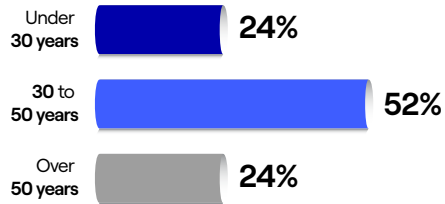
Geographic location



Gender



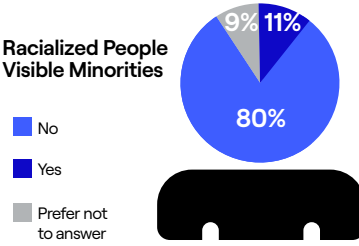
Age Group



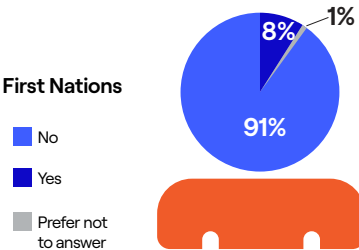
## Results of the employment equity survey

(based on a 50% response rate from office-based employees who filled the employment equity survey).

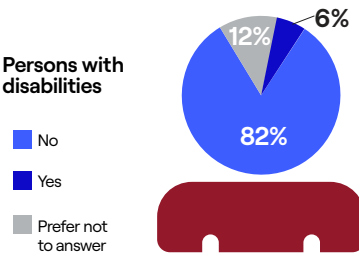
### Racialized People Visible Minorities



### First Nations



### Persons with disabilities



Social

# Health and Safety

As a vehicle designer, developer, manufacturer and distributor, we take a robust approach to keeping our people safe. This includes regular communications and mandatory training, particularly for manufacturing employees.

We promote and maintain a healthy and safe workplace for all our employees, subcontractors and visitors.

We diligently track all work permits, accidents and incidents happening at the workplace and provide

procedures to follow in case of an incident or accident at work.

We keep track of all chemicals stored, used and disposed of, and regularly inspect all cranes and jibs.

We observe signs of musculoskeletal issues among our production assemblers that could potentially be linked to their work activities. Our aim is to recognize potential work-related sources of pain or discomfort, ultimately striving to enhance the overall work environment.



## Health and Safety by the Numbers



**5.76**

Total recordable incident rate.\*



**29**

Number of near misses.\*\*



**100%**

Number of employees hired in 2022 in the manufacturing plant that have completed operational Health and Safety training.

\* Number of recordable incidents per 100 full-time workers during a year.

\*\* Potential hazard or incident in which no property was damaged, and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury easily could have occurred.

Social



# Governance

*We have an experienced Board and management team poised to help drive ESG matters.*



# Board Composition and Competencies

Lion's board of directors (the "Board") is responsible for monitoring the implementation of procedures and initiatives relating to ESG matters. In 2022, the Board reviewed topics such as mandatory disclosure regulations and net-zero emissions trends.

Our Board is responsible for oversight of ESG matters, informed by the cross-functional Nominating and Corporate Governance Committee.

Governance



From left to right:  
Ann L. Payne, Marc Bedard, Pierre-Olivier Perras, Pierre Larochelle,  
Michel Ringuet, Sheila C. Bair, Dane L. Parker, Lorenzo Roccia  
On the left: Latasha Akoma and Pierre Wilkie

**FOR MORE INFORMATION** about our  
**Board competencies, please visit our**  
[2022 Management Information Circular.](#)





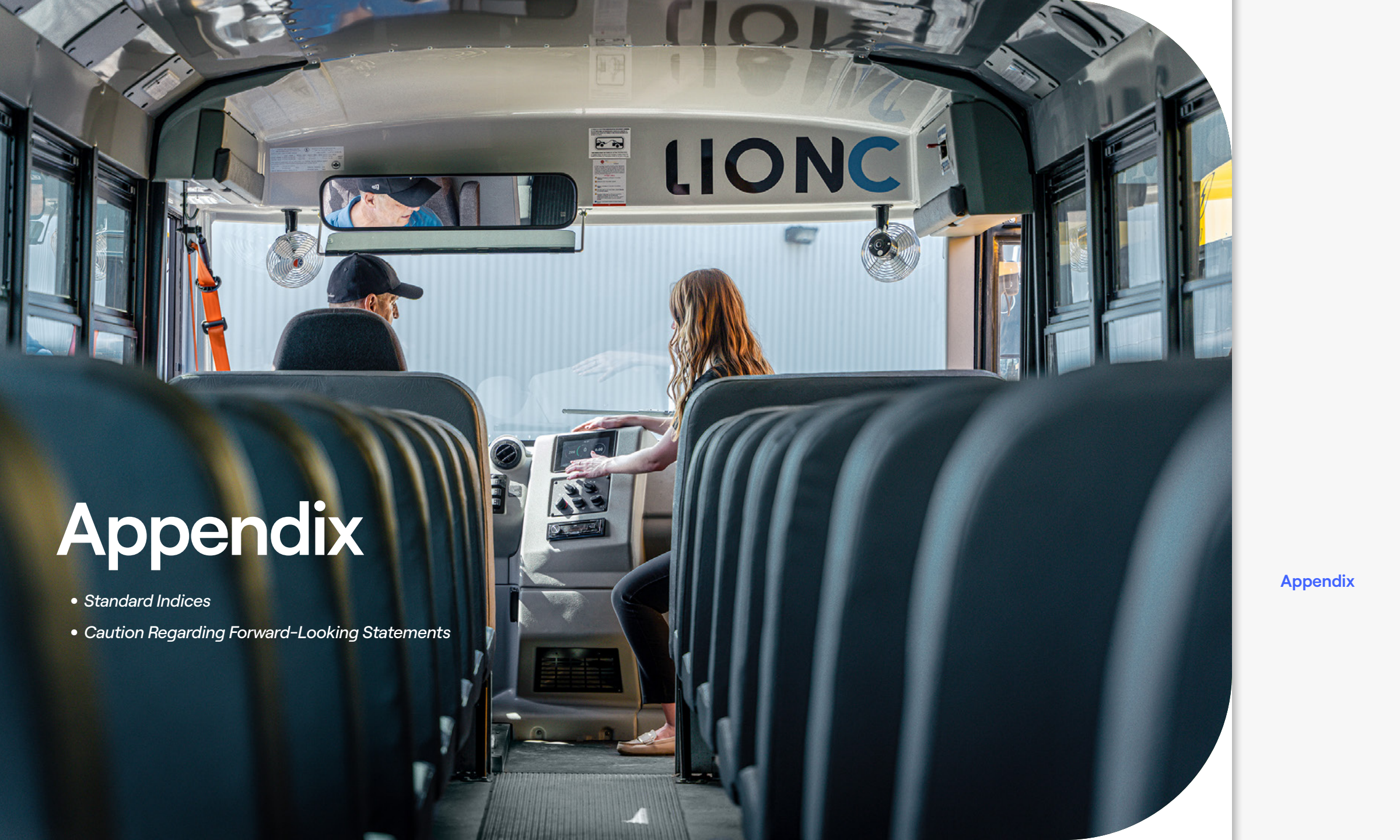
# ESG and Climate Risk Management

Our CEO-Founder, assisted by our Vice President of Investor Relations and Sustainable Development, oversees the implementation of Lion's ESG strategy throughout the organization.

Over the long term, our objective is to incorporate ESG criteria in our procurement activities to identify and manage risks and opportunities, build supply chains resilient to climate change and social disruptions, and motivate our suppliers in helping us achieve our ESG objectives.

Responsibility for reporting on sustainability and climate change is delegated to the Vice President of Investor Relations and Sustainable Development, who engages regularly with the Board and provide quarterly updates on ESG initiatives.

Governance



# Appendix

- *Standard Indices*
- *Caution Regarding Forward-Looking Statements*

# Standard Indices: SASB – Automotive Standards

## Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting metric	Code	Disclosure
Product Safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	TR-AU-250a.1	Not applicable
	Number of safety-related defect complaints, percentage investigated	TR-AU-250a.2	0
	Number of vehicles recalled	TR-AU-250a.3	<a href="#">Transport Canada Recall—Lion Electric</a> <a href="#">NHTSA Safety Issues and Recalls</a>
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	TR-AU-310a.1	0%
	(1) Number of work stoppages and (2) total days idle	TR-AU-310a.2	(1) 0 (2) 0
Fuel Economy and Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	TR-AU-410a.1	Energy efficiency (kWh/km) Canada: 0.83 USA: 0.84 CO <sub>2</sub> efficiency (gCO <sub>2</sub> e/km) Canada: 2.1 United States: 280.8
	Number of (1) zero emission vehicles, (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	TR-AU-410a.2	(1) 196 units in 2021 and 519 units in 2022 (2) 0 (3) 0
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	TR-AU-410a.3	Not disclosed
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AU-440a.1	Not disclosed
Materials Efficiency and Recycling	Total amount of waste from manufacturing, percentage recycled	TR-AU-440b.1	Total amount of waste (metric tons): 1,001.81 Percentage recycled: 46%
	Weight of end-of-life material recovered; percentage recycled	TR-AU-440b.2	Not applicable
	Average recyclability of vehicles sold	TR-AU-440b.3	In 2022, a significant portion of material used to make our vehicles were recyclable

## Activity Metrics

Activity metric	Code	Disclosure
Number of vehicles manufactured	TR-AU-000.A	Not disclosed
Number of vehicles sold	TR-AU-000.B	196 units in 2021 and 519 units in 2022

Appendix

# Standard Indices:

## SASB – Industrial Machinery and Goods

### Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting metric	Code	Disclosure
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	<a href="#">Environnement-GHG emissions-Energy Use and Management</a>
Employee Health and Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	<a href="#">Social – Health and Safety</a>
Fuel Economy and Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium and heavy-duty vehicles	RT-IG-410a.1	See indicator TR-AU-410a.1 in Automobiles Standard table
	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	Not applicable
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	Not applicable
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium—and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Not disclosed
Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Not applicable

### Activity metrics

Activity metric	Code	Disclosure
Number of units produced by product category	RT-IG-000.A	Not disclosed
Number of employees	RT-IG-000.B	<a href="#">Message from our CEO-Founder</a>

Appendix

## Caution regarding forward-looking statements

- This report 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 report 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 Systems, Inc. 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 Company's MD&A for the years ended December 31, 2022 and 2021 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. 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.

## Appendix