

# Project Spark

## Business Description

- The Lion Electric Company ("Lion" or the "Company"), an innovative manufacturer of zero-emission vehicles, is a North American leader in all-electric school buses
- Lion is headquartered in St-Jerome, Quebec, where is situated its vehicle manufacturing facility and nearby its highly-automated Mirabel battery facility
- The St-Jerome manufacturing facility and Mirabel battery facility have an estimated annual production capacity at full scale of up to 2,500 vehicles and 1.7 GWh (batteries for approximately 5,000 vehicles), respectively
- Lions is vertically-integrated with many components of its vehicles, including chassis, battery packs, cabin and powertrain being designed, manufactured and assembled in-house

## Investments Highlights

- ✓ Established commercial EV OEM with **14+ years of R&D** and manufacturing experience and **~2,200 vehicles** on the road, having collectively travelled **32M+ miles**
- ✓ **Revised business plan with focus on electric school buses**, repatriation of manufacturing operations in Quebec, significantly reduced cost structure and **projected profitability at production rate of 550 units / year**
- ✓ **Market leader in all-electric school buses** with 33% market share across North America and deliveries in 28 US states and 6 Canadian provinces
- ✓ **Fully invested, turnkey operations** capable of producing 2,500 vehicles annually in Canada, with additional 2,500 units / year capacity available in Joliet, IL (facility remains under lease, however, operations have been halted) and highly-automated 1.7 GWh battery plant with capacity to produce batteries required for 5,000 vehicles
- ✓ **Significant on-hand inventory** to support near-term production and deliveries (currently comprised of 135 completed buses and trucks (>50% of the completed vehicles are buses), 50 buses at 90% completion, and ~60% of the required inventory is on-hand to complete the next 200 LionC deliveries)
- ✓ **Fully-developed truck line-up** represents upside beyond the plan, via relaunch, technology licensing or sale of IP and inventory

## Situation and Process

- The Lion Electric Company has commenced proceedings before the Superior Court of Quebec under the Companies' Creditors Arrangement Act ("CCAA") and is conducting a Sale and Investment Solicitation Process ("SISP") under such court-supervised CCAA proceedings intended to solicit interest in, and opportunities for one or more sales or partial sales of all, substantially all or certain portions of the business of the Company and / or for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of its business
- Deloitte Restructuring Inc. has been appointed as Monitor of the Company pursuant to the CCAA proceeding. National Bank Financial ("NBF") has been appointed Financial Advisor in connection with the SISP
- As a necessary part of this restructuring Lion has temporarily halted production and began taking measures to significantly reduce its workforce
- The Company has prepared a revised, streamlined business plan focusing on electric school buses and repatriating all manufacturing operations to Quebec, Canada, with profitability and cash flow generation at modest volume levels
- The Company is seeking to restructure its capital structure and raise incremental liquidity sufficient to fund the relaunching of its operations upon completion of the SISP process and is inviting parties to put forth proposals in accordance with the SISP Procedures
- Key Process Dates:
  - **Phase I bid deadline:** February 5, 2025 at 5:00 p.m. EST
  - **Phase II bid deadline:** March 7, 2025 at 5:00 p.m. EST
  - **Auctions (as required):** Week of March 10, 2025
  - **Selection of final bid(s):** March 19, 2025
  - **Approval application – successful bid(s):** Week of March 31, 2025
  - **Anticipated closing date:** Week of April 7, 2025 with outside date of April 23, 2025



## Contacts

All communications or inquiries related to the process outlined herein should be directed to NBF in its capacity as Financial Advisor. No personnel of the Company should be contacted under any circumstances. Please direct all inquiries to the following professionals.

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\* Denotes NDA Contact