



Taiga Doubles its Production During the Third Quarter of 2023

- *Production more than doubles sequentially with 365 vehicles manufactured during the third quarter of 2023*
- *Revenue continues to grow as Company begins scaling deliveries with \$4.2 million in revenue from 147 vehicle deliveries*
- *Launched Orca™ Performance allowing Taiga to scale manufacturing meaningfully and achieving an important milestone of producing more than 50 vehicles a week*
- *Entered into a \$15 million Secured Term Loan Agreement with Export Development Canada*
- *Reached 1,000th vehicle production milestone in November 2023*

MONTREAL, November 13, 2023 – [Taiga Motors Corporation](#) (TSX: TAIG) (“**Taiga**” or the “**Company**”), a leading electric off-road vehicle manufacturer, today reported its financial and operating results for the third quarter ending September 30, 2023.

Management Commentary

Taiga reported \$4.2 million from the sale of 147 vehicles during the third quarter ending September 30, 2023, showcasing revenue growth of 222% compared to the third quarter of 2022. Taiga’s production experienced a significant ramp up with the introduction of the Orca Performance model which was engineered for manufacturing efficiency, utilizing a sheet moulding composite for high volume manufacturing and a sixth generation tractive unit with greater part integration. As a result, Taiga has been able to double its quarterly manufacturing capabilities and produced 365 Orca personal watercrafts during the third quarter while achieving the 50 vehicles per week milestone.

During the quarter, Taiga continued to expand its Taiga Service Provider (“TSP”) network and as of September 30, 2023, Taiga’s TSP network included 31 locations to provide deliveries and after-sales service across Canada and the United States. Taiga initiated deliveries in California, which results in the TSP network now covering top key boating and EV markets in Canada and the United States. The Company is now focusing on scaling its TSP network and driving sales. Along with expanding the TSP network, Taiga is also working on improving its production schedule to better align with seasonal consumer retail timings. As such, the Nomad™ snowmobile is expected to begin its production run imminently for the upcoming 2023/2024 winter season.

“The third quarter was another step towards establishing Taiga as a leader in powersport electrification. We launched the Orca Performance and with it, we were able to ramp up our production to double the prior quarterly throughput. The Orca Performance personal watercraft was designed for scalability in order for Taiga to leap forward in mass-market powersport electrification and drive mass adoption at a competitive price,” said Sam Bruneau, CEO of Taiga. “The next phase for us at Taiga is to continue to build on our production momentum and I’m excited to announce that we produced our historic 1,000th offroad EV in November 2023. We’re also working hard to improve our supply chain, ramp up our TSP network and invest in marketing as we further grow our brand.”

On September 29, 2023, Taiga closed a \$15 million Secured Term Loan Agreement with Export Development Canada (“EDC”). The Term Loan provides Taiga with additional liquidity and flexibility in managing its working capital. The Term Loan bears interest on the drawn funds at the annual rate of the



prevailing Canadian prime rate plus 5.00%, provides for multiple advances over a nine-month drawdown period and matures on February 10, 2028.

Third Quarter 2023 Financial Highlights *(All amounts in Canadian dollars unless indicated otherwise)*

- Revenue of \$4.2 million recorded during the third quarter of 2023, compared to \$1.3 million recorded in the third quarter of 2022. The 222% increase in revenue is associated with the delivery ramp up with 147 vehicles delivered in the third quarter of 2023 compared to 40 vehicles delivered in the prior year quarter.
- Cost of Sales of \$12.1 million recorded during the third quarter of 2023, compared to \$5.7 million reported in the third quarter of 2022. The increase in Cost of Sales is associated with the increased production output and in part by an additional \$2.1 million provision to write-down inventories to Net Realisable Value.
- Research & Development (R&D) expense (net of tax credits) decreased to \$4.1 million from \$4.4 million compared to the third quarter of 2022.
- General & Administration (G&A) expense decreased to \$4.7 million from \$5.5 million compared to the third quarter of 2022.
- Sales & Marketing (S&M) expense increased to \$1.8 million from \$1.3 million compared to the third quarter of 2022.
- Net loss for the period increased to \$20.2 million compared to \$15.5 million in the third quarter of 2022.
- Additions to Property and Equipment increased to \$5.8 million compared to \$4.5 million in the third quarter of 2022.
- Cash and cash equivalents of \$5.8 million as at September 30, 2023, compared to \$22.8 million as at December 31, 2022. On September 29, 2023, Taiga closed a \$15 million secured term loan agreement with Export Development Canada to provide additional liquidity and flexibility in managing its working capital.
- Inventory increased to \$32.0 million as at September 30, 2023, compared to \$20.8 million as at December 31, 2022. The increase in inventory is largely associated with higher levels of finished goods as well as parts purchased for the Orca Performance build.

Third Quarter Operational Updates

- Produced 365 Orca personal watercrafts during the third quarter of 2023. The Company is expected to begin the upcoming Nomad snowmobile production run in November 2023.
- Delivered 147 vehicles, including 112 personal watercrafts and 35 snowmobiles during the third quarter of 2023.

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- Pre-ordersⁱ at 2,754 during the third quarter as the Company focuses on maintaining a pre-order level and sales pipeline in line with its production plan.
- Launched the Orca Performance, which was optimized for high volume manufacturing and represents a leap forward in mass-market boating electrification.
- Made initial deliveries in California, United States. Taiga vehicles are now available in the United States' top three prominent boating and EV adoption hubs.
- Expanded the TSP network with 9 new locations, with a total of 31 locations in Canada and the United States as of September 30, 2023.
- Headcount at 314 full time employees at the end of the third quarter of 2023, with approximately 40% of the workforce employed in engineering.

2023 Priorities

For 2023, Taiga is focused on three key areas of the business, which include ramping up production, establishing a world-class customer experience, and furthering our technology advantage in off-road electrification. The future of off-road is electric, and Taiga is committed to strategically investing in and manufacturing the next generation of off-road vehicles to accelerate no-compromise access to the outdoors.

Outlook

While the Company was able to reach targeted throughput with its 2023 Nomad snowmobile and 2023 Orca Performance, the Company faced a slower than expected ramp up on its Orca Carbon and Orca Performance models largely due to parts availability. As a result of the delayed ramp up, the Company expects to produce approximately 1,000 vehicles in 2023. See “Forward-Looking Statements” below and “Business Risks” sections of the accompanying third quarter 2023 MD&A.

Conference Call

Taiga management will hold a conference call today (November 13, 2023) at 9:00 a.m. Eastern time (6:00 a.m. Pacific time) to discuss these results.

Toll-Free Dial-In: +1 855-658-2585

International Dial-In: +1 514-375-0364

The conference call will be broadcast live and available for replay [here](#) and via the Investor Relations section of Taiga's website.

ⁱ Pre-orders for new Taiga vehicles are cancelable and the deposit fully refundable, and there can be no assurance that such pre-orders will be converted into sales.



A telephonic replay of the conference call will be available after 12:00 p.m. Eastern time on the same day through November 20, 2023.

Toll-free replay number: +1 800-319-6413

International replay number: +1 604-638-9010

Replay ID: 0544

About Taiga

Taiga (TSX: TAIG) is a Canadian company reinventing the powersports landscape with breakthrough electric off-road vehicles. Through a clean-sheet engineering approach, Taiga has pushed the frontiers of electric technology to achieve extreme power-to-weight ratios and thermal specifications required to outperform comparable high-performance combustion powersports vehicles. The first models released include a lineup of electric snowmobiles and personal watercraft to deliver on a rapidly growing demand from recreational and commercial customers who are seeking better ways to explore the great outdoors without compromise. For more information, visit www.taigamotors.com.

Forward-Looking Statements

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, the expected operations, financial results and condition of the Company, expectations regarding market trends, the Company’s growth rates, the Company’s future objectives and strategies to achieve those objectives, expected timelines for achieving mass production capabilities, the ramp-up of its current facility, expected deliveries, the ability to advance the Taiga Service Providers program in a measured manner and the associated manufacturing benefits in respect thereof, including increased capacity as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions.

This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, and “continue”, as well as the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and therefore the reader is cautioned that such information may not be appropriate for other purposes.

We draw your attention to the “Key Factors Affecting Taiga’s Performance” section of the Company’s management’s discussion and analysis for the three and nine-month periods ended September 30, 2023, and to note 2 of our consolidated financial statements which indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern for the next twelve months involves significant judgment and is dependent on, among other things, its ability to obtain necessary financing, either

through a combination of public or private equity or debt financing or other sources. On March 24, 2023, the Company successfully closed a private placement of \$40.15 million aggregate principal amount of 10% convertible debentures due March 31, 2028 (the "Debentures"). An option for additional convertible debenture with the same terms was exercised and resulted in an additional \$6.6 million, totalling \$46.8 million in capital raised through the private placement. The entirety of the Debentures was subscribed for by two institutional investors. Further, on September 29, 2023, the Company closed a \$15 million Secured Term Loan Agreement ("Term Loan") with Export Development Canada. See "Highlights of the Three-Month Period ended September 30, 2023 - Update on Financing" in the accompanying third quarter 2023 MD&A for additional details.

Management is committed to secure additional sources of funds for the Company to achieve its business objectives. While the Company has been successful in securing financing in the past and believes it will be able to obtain sufficient funds in the future and ultimately achieve profitability and positive cash flows from operations, raising additional funds is dependent on a number of factors outside the Company's control, as such there is no assurance that it will be able to do so in the future.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in, or implied by, such forward-looking information. These risks and uncertainties include, but are not limited to, the effective further supply chain disruptions, and the impact of such disruptions on ability to fulfil orders, pre-orders for the Company's vehicles being cancelled and those described in the Company's management's discussion and analysis for the three and nine-month periods ended September 30, 2023, and under the "Risk Factors" section of the Company's annual information form filed on March 30, 2023 on the Company's SEDAR profile at sedar.com. Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements.

All of the forward-looking information contained in this press release is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Investor Relations

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