

Exro Technologies Inc. Announces Collaboration Agreement with Potencia Industrial of Mexico City

Three-pronged Collaboration Focuses on Improving Electric Motor/Generator Performance for Car, Wind, and Train Markets

Vancouver, British Columbia--(Newsfile Corp. - May 7, 2018) - **Exro Technologies Inc.** (CSE: **XRO**) (OTCQB: **EXROF**) ("Exro" or the "Company") is pleased to announce an industrial collaboration agreement with Potencia Industrial, a global manufacturer of high efficiency motors and generators based in Mexico City, Mexico.

The agreement provides for a joint development collaboration for three projects with the goal of improving various aspects of motor/generator performance by integrating Exro's Dynamic Power Management technology ("DPM") into Potencia motors and generators. The three projects include: 1) an electric motor for a car conversion kit; 2) a generator for a small wind turbine; and 3) electric motors used in trams and trains. The collaboration contemplates the companies will enter into further detailed agreements as work progresses.

"We are excited to work with such a proven leader and innovator," said Mark Godsy, Exro CEO. Potencia's electric motors and generators are used around the world and often in the most challenging of circumstances because of their uncompromising quality."

"We are delighted to work with Exro," said Carlos Gottfried, president of Potencia Industrial. "A successful collaboration could have far reaching impact for our industry, for our customers, and for the environment."

More information about each area of focus in the collaboration agreement follows:

Car Conversion Kit

The first application will be for electric motors that Potencia currently manufactures for its car conversion kits. The conversion kit allows for a gas motor of an economy-sized car — the most prevalent car type in the world - to be swapped out and replaced with an electric motor. Potencia is currently introducing its car conversion kit to a sizeable market of car owners who want the lower operating costs and/or the zero-emission benefits of an electric car without having to replace the whole vehicle.

Potencia and Exro will work together to integrate Exro's DPM technology into the electric motor with a view of providing additional torque management. This feature will potentially allow the motor to operate more efficiently in a variety of speed and load conditions which occur as a car accelerates, decelerates, climbs up and down hills, and/or operates at higher speeds. Exro's DPM technology reconfigures the coils in a motor, providing more flexibility for power and torque, which traditionally has been a limitation for electric motors because they don't have the transmission systems of gas-powered motors. The expectation is that Exro's DPM technology will allow for a greater range of efficiency in circumstances where the designers of electric motors have had to choose between torque or speed.

Small Wind Turbine

The second application will focus on a small wind turbine which Potencia currently offers for sale. Here the parties will collaborate by integrating Exro's technology into a 5 kW generator. By reconfiguring the coils within the generator and adding Exro's DPM technology, the parties anticipate being able to produce more consistent voltage under varying wind conditions, leading to better overall system management and consistent energy production, which is key for offering electricity for sale or efficiently charging a battery.

A second aspect of the collaboration will explore efficiencies that may be gained when using Exro's DPM technology compared to a traditional generator working at similar speeds and torque under variable wind conditions. This exploration has the potential for far reaching impact not just for the wind industry, but also for other types of renewable electrical production where there is a variable energy source such as tidal, wave, or river.

Trams, Trains and High-Speed Trains

The third application will focus on electric trams, trains and high-speed trains. Potencia currently sells electric motors for each of these markets throughout the world. Here the parties will collaborate by integrating Exro's DPM technology into motors for each of these respective markets. Like the car converter kit application where existing limitations of a motor require a tradeoff between speed and torque, the parties hope that with Exro's DPM technology, such a tradeoff may no longer be necessary, giving the motors a greater range of efficiency, which could reduce operational strain on the motor, provide greater energy efficiency, and allow for better selection of motor sizing.

About Exro

Exro Technologies Inc. offers the potential to accelerate the transition to clean energy by improving the efficiency and reliability of fuel-powered electric motors and generators, which make up about half the worldwide market for electric power.

Exro's patented coil technology works for electric motors and generators, dynamically adapting input and output with the goal of achieving specific, measurable performance gains in applications ranging from electric cars, UAVs, pumps, ship drives, industrial motors, vacuums and anything else powered by an electric motor or generator.

About Potencia

Potencia Industrial designs and manufactures special application, high efficiency electrical motors and generators. Specializing in creative solutions and applications, Potencia meets the highest technical requirements in power security and energy efficiency. Its state of the art machines meet and exceed the most stringent customer specifications and maintain IEEE, NEMA and IEC standards. Potencia has set several industry benchmarks in permanent magnet generator, kinetic energy storage, and high efficiency patented technologies.

Structured under vertical integration, Potencia meets engineering and manufacturing challenges with the experience of a solid 50-year background. Potencia's vertical integration of its manufacturing processes include lamination stamping, core assembly, welding and fabrication, high-precision machining, coil manufacturing, winding, assembly and laboratory testing. Tools, dies, jigs, fixtures, casting patterns and molds are also designed and made in-house.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will" and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not assume any obligation to update these forward-looking statements, except as required by law.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this news release.

ON BEHALF OF THE BOARD OF DIRECTORS

Mark Godsy, Director & CEO

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