

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*Information contained herein is subject to completion or amendment. This short form prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 2300 – 1177 West Hastings Street, Vancouver, BC V6E 4X3, Telephone: 604 674-7746 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

November 18, 2021



### EXRO TECHNOLOGIES INC.

**\$200,000,000**

**Common Shares**

**Preferred Shares**

**Debt Securities**

**Warrants**

**Units**

Exro Technologies Inc. ("**Exro**", the "**Company**", "**us**" or "**we**") may offer and issue from time to time common shares of the Company (the "**Common Shares**"), preferred shares of the Company (the "**Preferred Shares**"), debt securities (the "**Debt Securities**"), warrants to purchase Common Shares, Preferred Shares, or Debt Securities (the "**Warrants**"), or any combination thereof (the "**Units**", and collectively with all of the foregoing, the "**Securities**"), up to an aggregate offering price of \$200,000,000 (or the equivalent thereof if the Securities are denominated in any other currency or currency unit) during the 25-month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments hereto, remains effective.

The Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more accompanying prospectus supplements (each, a "**Prospectus Supplement**").

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of the Prospectus Supplement and only for the purposes of distribution of the Securities to which the Prospectus Supplement pertains. The specific terms of the

Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares or Preferred Shares, the number of shares offered, the offering price, the currency, dividend rate, if any, and any other terms specific to the Common Shares or Preferred Shares being offered, as applicable; (ii) in the case of Debt Securities, the designation of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the maturity date, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, whether the Debt Securities will bear interest, the interest rate or method of determining the interest rates, any conversion or exchange rates attached to the Debt Securities, whether the Company may redeem the Debt Securities at its option and any other specific terms; (iii) in the case of Warrants, the designation, number and terms of the Common Shares, Preferred Shares or Debt Securities issuable upon exercise of the Warrants, the offering price, the currency, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, and any other terms specific to the Warrants being offered; and (iv) in the case of Units, the designation, number of Securities comprising the Units, the offering price, the currency and any other terms specific to the Units being offered. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

The outstanding Common Shares of the Company are currently traded on the TSX Exchange (the "TSX") under the symbol "EXRO" and on the OTCQB Venture Exchange ("OTCQB") under the symbol "EXROF". Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. **There is no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and any applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See "Risk Factors".**

**The offering of Securities hereunder is subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP.**

**An investment in the Securities is subject to a number of significant risks that should be considered by a prospective purchaser. Prospective investors should carefully consider the risk factors described under "Risk Factors", in the documents incorporated by reference herein, and in the applicable Prospectus Supplement.**

**The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of a foreign country, that some or all of our officers and directors may be residents of a foreign country, that some or all of the underwriters or experts named in this Prospectus or any Prospectus Supplement may be residents of a foreign country and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR HAS THE SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES OR ANY CANADIAN SECURITIES REGULATOR APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**Investors should be aware that the acquisition, holding or disposition of the Securities described herein may have tax consequences which may not be described fully herein. You should read the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult your own tax advisor with respect to your own particular circumstances.**

**No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.**

This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Securities. The Company may offer and sell Securities to, or through, underwriters and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of

the Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters or agents and any other material terms of the plan of distribution.

This Prospectus may qualify an "at-the-market distribution" (as such term is defined in National Instrument 44-102 – *Shelf Distributions*). In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), other than an "at-the-market" distribution, the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution". No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. See "Plan of Distribution".

**The financial information of the Company contained in the documents incorporated by reference herein are presented in Canadian dollars.** In this Prospectus, references to "\$" and "C\$" are to Canadian dollars and references to US\$ are United States dollars.

Our head office is 12 – 21 Highfield Circle South East, Calgary, Alberta T2G 5N6, and registered office is located at Suite 1700 - 666 Burrard Street, Vancouver, BC V6C 2X8.

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## ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, "Exro", the "Company", "us" or "we" refer to Exro Technologies Inc. and its subsidiaries.

An investor should rely only on the information contained in this Prospectus, any applicable Prospectus Supplement and the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We have not authorized anyone to provide investors with additional or different information. The information contained on [www.exro.com](http://www.exro.com) is not included in or incorporated by reference into this Prospectus or any applicable Prospectus Supplement and prospective investors should not rely on such information when deciding whether or not to invest in the Securities. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus or any applicable Prospectus Supplement or the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement are intended only to illustrate past performance and are not necessarily indicative of our future performance or that of any other entity. The information contained in this Prospectus or any applicable Prospectus Supplement is accurate only as of the date on the front of such documents, regardless of the time of delivery of such documents or of any sale of the Securities.

This Prospectus and the information incorporated herein by reference include certain trade names and trademarks which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights to these trademarks and trade names.

## WHERE YOU CAN FIND MORE INFORMATION

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 2300 – 1177 West Hastings Street, Vancouver, BC V6E 4X3, Telephone: 604 674-7746 and are also available electronically at [www.sedar.com](http://www.sedar.com).

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces and territories of Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Our following documents, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) Our annual information form dated April 21, 2021 for the year ended December 31, 2020 (the "AIF");

- (b) Our audited annual consolidated financial statements for the fiscal years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the independent auditors' report thereon;
- (c) Our management's discussion and analysis for the fiscal year ended December 31, 2020;
- (d) Our management information circular dated June 7, 2021 prepared in connection with the annual meeting of the shareholders of the Company held on July 9, 2021;
- (e) Our unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2021; and
- (f) Our Management's Discussion & Analysis ("**MD&A**") for the three and nine months ended September 30, 2021.

Any documents of the type referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* subsequently filed by us with the various securities commissions or similar authorities in Canada after the date of this Prospectus and until the expiry of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms for an issue of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the Securities issued under that Prospectus Supplement.

Upon a new annual information form and related annual financial statements and management's discussion and analysis relating thereto being filed with and, where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, annual and interim financial statements and management's discussion and analysis relating thereto and material change reports filed prior to the commencement of the then current fiscal year will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon a new management proxy circular relating to an annual meeting of shareholders of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded.**

**You should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We are not making an offer of Securities in any jurisdiction where the offer is not permitted by law.**

#### **FORWARD-LOOKING INFORMATION**

This Prospectus, any Prospectus Supplement and the documents incorporated by reference herein contain certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or

other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of any Prospectus Supplement or the documents incorporated by reference herein, as of the date of each such document. Forward-looking statements in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward looking statements are reasonable. Assumptions have been made regarding, among other things:

- our ability to attract and retain strategic partners;
- our ability to license our technology and generate hardware/software sales and service revenue;
- our ability to protect, maintain and enforce intangible property rights;
- our ability to deliver our technology and services at expected volumes for expected prices;
- our ability to control costs;
- ability to attract and retain personnel;
- market demand for our technology;
- competitive position and expectations regarding competition;
- plans regarding our revenue, expenses and operations;
- the successful execution of our business plan;
- achievement of current timetables for research and development programs and sales;
- the availability and cost of raw materials, labour and supplies;
- our anticipated cash needs and our need for additional financing;
- the availability of additional capital;
- anticipated trends and challenges in our business and the markets in which we operate; and
- global economic and financial market condition.

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks related to:

- fluctuations in the currency markets;
- changes in interest rates;
- disruption to the credit markets and delays in obtaining financing;

- inflationary pressures;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the United States and Canada, or other countries in which the Company may carry on business;
- business opportunities that may be presented to, or pursued by the Company;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;
- employee relations;
- the risks of obtaining and renewing necessary licenses and permits;
- the occurrence of natural disasters, hostilities, acts of war or terrorism; and
- the Company may never pay any dividends.

The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "*Risk Factors*".

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to:

- the condition of the global economy, including trade, public health and other geopolitical risks;
- our technology may not prove useful in some of the applications in which the Company envisages it being applied;
- the rate of mass adoption of products using our technology;
- changes in technology or service pricing or cost;
- changes in our customers' and partners' requirements, the competitive environment and/or related market conditions;
- the relative strength of the value proposition that we offer our customers and partners with our technology and services;
- changes in the technology of our customers and partners, as well as changes in competitive technologies;
- challenges or delays in our technology and product development activities;
- changes in the availability or price of raw materials, labour and supplies;
- our ability to attract and retain business partners, suppliers, employees and customers;
- changing government or environmental regulations, including subsidies or incentives associated with the adoption of clean energy power systems;
- potential fluctuations in our financial and business results make forecasting difficult and may restrict our access to funding for our commercialization plan;
- we are subject to risks inherent in international operations;

- our access to funding and our ability to provide the capital required for research and development, operations, marketing efforts and working capital requirements;
- our ability to protect our intellectual property;
- our ability to extract value from strategic partnerships;
- currency fluctuations, including the magnitude of the rate of change of the Canadian dollar versus the United States dollar;
- potential merger and acquisition activities, including risks related to integration, loss of key personnel, disruptions to operations, costs of integration, and the integration failing to achieve the expected benefits of the transaction; and
- those risks discussed in this Prospectus under the heading "*Risk Factors*".

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of Securities. More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found under the heading "*Risk Factors*" commencing on page 15 of the AIF.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus, any Prospectus Supplement or in any document incorporated by reference herein. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

**We qualify all the forward-looking information contained in this Prospectus and the documents incorporated by reference herein and therein by the foregoing cautionary statements.**

## **OUR COMPANY**

### **The Company and its Business**

Exro is a clean technology company pioneering intelligent control solutions in power electronics to help solve the most challenging problems in electrification. Exro's patented control technology expands the capabilities of electric motors, generators, and batteries. Exro seeks to accelerate the global transition to clean energy by providing products and services for manufacturers to optimize the cost, performance, and efficiency of energy systems and powertrains.

For further information respecting the Company and its business, please refer to pages 2 through 15 of the AIF and pages 1 through 8 of the MD&A.

## **DESCRIPTION OF SHARE CAPITAL**

The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles.

Our authorized capital consists of an unlimited number of Common Shares and unlimited number of Preferred shares, issuable in series. As of the date of this Prospectus, there are 120,880,524 Common Shares issued and outstanding and no Preferred Shares are issued and outstanding.



## **Common Shares**

Each Common Share entitles its holder to notice of and to one vote at all meetings of the Company's shareholders. Each Common Share is also entitled to receive dividends if, as and when declared by the Company's Board of Director. Holders of Common Shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up of the Company on an equal basis per Common Share.

## **Preferred Shares**

The directors of the Company by resolution or the shareholders of the Company by ordinary resolution may, if none of the Preferred Shares of any particular series are issued, attach or alter special rights and restrictions to the shares of any of those series of Preferred Shares. No special rights or restrictions attached to any series of Preferred Shares shall confer upon the shares of such series a priority over the shares of any other series of Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital.

## **Dividend Policy**

We have not declared nor paid any dividends to date on the Common Shares. We intend to retain our earnings, if any, to finance the growth and development of our business. Accordingly, we do not currently expect to pay any dividends on our Common Shares in the near future.

## **DESCRIPTION OF DEBT SECURITIES**

The following description, together with the additional information the Company may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Debt Securities that the Company may offer under this Prospectus, which may be issued in one or more series. Debt Securities may be offered independently or together with other Securities. The following sets forth certain general terms and provisions of the Debt Securities offered under this Prospectus. The specified terms and provisions of the Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement. The terms of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below.

### **General**

Debt Securities may be issued under and governed by the terms of one or more other trust indentures (a "Trust Indenture") between the Company and a debt security trustee or trustees (each, a "Debt Security Trustee") that the Company will name in the relevant Prospectus Supplement, if applicable. Each Debt Security Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Debt Securities is not complete. The statements made in this Prospectus relating to a Trust Indenture, if any, and Debt Securities to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of a Trust Indenture, if any and as applicable. Prospective investors should refer to the Trust Indenture, if any, and as applicable. If applicable, we will file a Trust Indenture describing the terms and conditions of Debt Securities we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Debt Securities are offered.

The applicable Prospectus Supplement relating to any Debt Securities offered by the Company will describe the particular terms of those Debt Securities and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Debt Securities;
- the price at which the Debt Securities will be offered;
- the currency or currencies in which the Debt Securities will be offered and in which the principal, premium, if any, and interest, if any, will be paid;

- the date or dates on which principal of the Debt Securities will be payable and the amount of principal which will be payable;
- the rate or rates (which may be fixed or variable) at which the Debt Securities will bear interest, if any, or contingent interest, if any, as well as the dates from which interest will accrue, the dates on which interest will be payable, the persons to whom interest will be payable, if other than the registered holders on the record date, and the record date for the interest payable on any payment date;
- the dates on which and the price or prices at which the Debt Securities will, pursuant to any required repayment provisions, or may, pursuant to any repurchase or redemption provisions, be repurchased, redeemed or repaid and the other terms and provisions of any such optional repurchase or redemption or required repayment;
- the right, if any, of holders of the Debt Securities to convert them into Common Shares or other securities, including any contingent conversion provisions and any provisions intended to prevent dilution of those conversion rights;
- the extent and manner, if any, to which payment on or in respect of the Debt Securities will be senior to, or will be subordinated to the prior payment of, other liabilities and obligations of the Company;
- any special or modified events of default or covenants with respect to the Debt Securities;
- any index or formula used to determine the required payments of principal, premium, if any, or interest, if any;
- the percentage of the principal amount of the debt securities which is payable if maturity of the Debt Securities is accelerated because of a default;
- any special or modified events of default or covenants with respect to the Debt Securities;
- the effect of any merger, consolidation, sale or other disposition of our business on the Debt Securities and the Debenture Indenture or Trust Indenture, if any and as applicable;
- whether the Company will issue the Debt Securities as global securities and, if so, the identity of the depository of the global securities;
- whether the Debt Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Debt Securities; and
- any other material terms or conditions of the Debt Securities.

We may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof. We may reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series (unless the reopening was restricted when such series was created).

### **Ranking and Other Indebtedness**

The Debt Securities will be senior or subordinated indebtedness of the Company, as described in the relevant Prospectus Supplement. In the event of the Company's insolvency or winding up, the Company's subordinated indebtedness, including any subordinated Debt Securities, will be subordinate in right of payment to the prior payment in full of all of the Company's other liabilities (including senior indebtedness), except those which by their terms rank equally in right of payment with or are subordinate to such subordinated indebtedness.

### **DESCRIPTION OF WARRANTS**

The following description, together with the additional information we may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Warrants that we may offer under this Prospectus, which will consist of Warrants to purchase Common Shares or Debt Securities and may be issued in one or more series. Warrants may be offered independently or together with other Securities, and may be attached to or separate from those Securities. While the terms we have summarized below will apply generally to any Warrants that we may offer under this

Prospectus, we will describe the particular terms of any series of Warrants that we may offer in more detail in the applicable Prospectus Supplement. The terms of any Warrants offered under a Prospectus Supplement may differ from the terms described below.

## General

Warrants may be issued under and governed by the terms of one or more warrant indentures (a "**Warrant Indenture**") between us and a warrant trustee (a "**Warrant Trustee**") that we will name in the relevant Prospectus Supplement, if applicable. Each Warrant Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant Indenture, if any, and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Warrant Indenture, if any, and the Warrant certificate. Prospective investors should refer to the Warrant Indenture, if any, and the Warrant certificate relating to the specific Warrants being offered for the complete terms of the Warrants. If applicable, we will file a Warrant Indenture describing the terms and conditions of Warrants we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Warrants are offered.

The applicable Prospectus Supplement relating to any Warrants offered by us will describe the particular terms of those Warrants and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the manner of exercise;
- the number of Common Shares, Preferred Shares, or Debt Securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the Common Shares, Preferred Shares, or Debt Securities may be purchased upon exercise of each Warrant;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the other Securities with which the Warrants will be offered will be transferable separately;
- the effect of any merger, consolidation, sale or other disposition of our business on the Warrants and the Warrant Indenture, if any;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- whether the Company will issue the Warrants as global securities and, if so, the identity of the depository of the global securities;
- whether the Warrants or the underlying Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Warrants;
- the manner in which the Warrants and the Warrant Indenture, if any, may be modified; and
- any other material terms or conditions of the Warrants.

## Rights of Holders Prior to Exercise

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities issuable upon exercise of the Warrants.

## DESCRIPTION OF UNITS

The following description, together with the additional information we may include in any applicable Prospectus Supplements, summarizes the material terms and provisions of the Units that we may offer under this Prospectus. While the terms we have summarized below will apply generally to any Units that we may offer under this Prospectus, we will describe the particular terms of any series of Units in more detail in the applicable Prospectus Supplement. The terms of any Units offered under a Prospectus Supplement may differ from the terms described below.

We will file the form of unit agreement ("**Unit Agreement**"), if any, between us and a unit agent that describes the terms and conditions of the series of Units we are offering, and any supplemental agreements, concurrently with the filing of the applicable Prospectus Supplement under which such series of Units are offered. The following summaries of material terms and provisions of the Units are subject to, and qualified in their entirety by reference to, all the provisions of the Unit Agreement, if any, and any supplemental agreements applicable to a particular series of Units. We urge you to read the applicable Prospectus Supplements related to the particular series of Units that we sell under this Prospectus, as well as the complete Unit Agreement, if any, and any supplemental agreements that contain the terms of the Units.

### General

We may issue Units comprising one or more of the Securities described herein in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The Unit Agreement under which a Unit may be issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe in the applicable Prospectus Supplement the terms of the series of Units, including:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- provisions of the governing Unit Agreement, if any; and
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the securities comprising the Units.

The provisions described in this section, as well as those described under "*Description of Share Capital*", "*Description of Debt Securities*" and "*Description of Warrants*" will apply to each Unit and to any Security included in each Unit, respectively.

### Issuance in Series

We may issue Units in such amounts and in numerous distinct series as we determine.

## PRIOR SALES

The following table summarizes the issuances by the Company of Common Shares, and stock options and common share purchase warrants exercised for or converted into Common Shares within the 12 months prior to the date of this Prospectus:

Date	Type of Security	Price per Security	Number of Securities
November, 2020	Common Shares	\$0.20	225,000
November, 2020	Warrant exercise	\$0.42	40,500

<b>Date</b>	<b>Type of Security</b>	<b>Price per Security</b>	<b>Number of Securities</b>
November, 2020	Warrant exercise	\$0.70	384,295
November, 2020	Warrant exercise	\$0.90	273,141
December, 2020	Common Shares <sup>(1)</sup>	--	645,769
December, 2020	Common Shares	\$0.20	150,000
December, 2020	Common Shares	\$0.25	33,000
December, 2020	Common Shares	\$0.375	60,000
December, 2020	Common Shares <sup>(2)</sup>	\$3.25	12,915,384
December, 2020	Warrant exercise	\$0.70	15,930
December, 2020	Warrant exercise	\$0.90	27,500
January, 2021	Common Shares	\$0.20	200,000
January, 2021	Common Shares	\$0.25	591,664
January, 2021	Common Shares	\$0.41	150,000
January, 2021	Warrant exercise	\$0.90	37,500
February, 2021	Common Shares	\$0.20	275,000
February, 2021	Common Shares	\$0.28	50,000
February, 2021	Common Shares	\$0.375	13,333
February, 2021	Warrant exercise	\$0.42	7,655
February, 2021	Warrant exercise	\$0.90	394,000
February, 2021	Warrant exercise	\$3.25	253,650
March, 2021	Common Shares	\$0.20	25,000
March, 2021	Common Shares	\$0.25	67,002
March, 2021	Common Shares	\$0.375	16,666
March, 2021	Common Shares	\$1.00	41,250
March, 2021	Warrant exercise	\$0.30	210,000
March, 2021	Warrant exercise	\$0.70	20,960
March, 2021	Warrant exercise	\$0.90	63,500
April, 2021	Common Shares	\$0.20	75,000
April, 2021	Common Shares	\$0.25	116,668
April, 2021	Common Shares	\$0.27	11,500
April, 2021	Common Shares	\$3.15	150,000
April, 2021	Warrant exercise	\$0.90	27,500
May, 2021	Warrant exercise	\$0.90	25,000
June, 2021	Common Shares	\$0.20	100,000
June, 2021	Common Shares	\$0.28	50,000
July, 2021	Common Shares	\$3.15	148,500
July, 2021	Warrant exercise	\$0.70	1,500
July, 2021	Warrant exercise	\$0.90	4,000
August, 2021	Common Shares	\$1.00	4,950
August, 2021	Common Shares	\$0.375	30,000

Date	Type of Security	Price per Security	Number of Securities
September, 2021	Common Shares	\$0.20	16,668
October, 2021	Common Shares	\$0.20	250,000
November 1-17, 2021	Warrant exercise	\$0.90	6,250

Notes:

- (1) On December 14, 2020, the Company issued 645,769 Common Shares to Raymond James Ltd. and Gravitus Securities Inc. as payment for brokerage fee.
- (2) On December 14, 2020, the Company closed a marketed public offering of common shares of the Company. The prospectus financing closed on December 14, 2020 issuing 12,915,384 common shares at a price of \$3.25 per share for gross proceeds of \$41,974,998.

### TRADING PRICE AND VOLUME

Since July 8, 2021, the Company's outstanding Common Shares have been listed for trading on the TSX under the symbol "EXRO". Between September 22, 2020 and July 7, 2021, the Company's outstanding Common Shares were listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "EXRO", prior to which the Company's outstanding Common Shares were listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "XRO". The following table sets forth the high and low trading price and trading volumes of the Common Shares as reported by the TSX, TSXV and CSE, as applicable, for the periods indicated:

<b>COMMON SHARES</b>			
Month	High(\$)	Low(\$)	Volume
November 2020	\$4.80	\$2.41	16,130,003
December 2020	\$4.72	\$4.19	8,845,499
January 2021	\$4.20	\$3.75	7,845,774
February 2021	\$7.17	\$3.74	13,845,778
March 2021	\$5.59	\$3.09	29,309,790
April 2021	\$4.95	\$3.88	7,416,705
May 2021	\$4.51	\$3.53	4,306,486
June 2021	\$4.186	\$3.774	3,869,100
July 2021	\$4.06	\$3.69	2,286,159
August 2021	\$3.78	\$2.85	4,807,322
September 2021	\$3.44	\$2.74	3,743,753
October 2021	\$2.95	\$2.65	3,906,233
November 1-17, 2021	\$2.95	\$3.93	3,701,918

## PLAN OF DISTRIBUTION

### General

We may offer and sell the Securities, separately or together: (a) to one or more underwriters; (b) through one or more agents; (c) directly to one or more other purchasers; or (d) through at-the-market offerings. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at: (i) a fixed price or prices, which may be changed from time to time; (ii) market prices prevailing at the time of sale; (iii) prices related to such prevailing market prices; or (iv) other negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the Securities.

We may only offer and sell the Securities pursuant to a Prospectus Supplement during the period that this Prospectus, including any amendments hereto, remains effective. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters or agents, the initial offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the proceeds to us from such sale, any underwriting commissions or discounts and other items constituting underwriters' compensation.

The agents and/or underwriters will contractually commit not to make any offers or sales of Securities in the Territories or in the Provinces of Québec. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby. If, in connection with the offering of Securities at the initial offering price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, and have been unable to do so, the public offering price may be decreased and thereafter further changed from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers is less than the gross proceeds paid by the underwriters to us. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

Underwriters and agents may, from time to time, purchase and sell the Securities described in this Prospectus and the relevant Prospectus Supplement in the secondary market, but are not obligated to do so. No assurance can be given that there will be a secondary market for the Securities or liquidity on the secondary market if one develops. From time to time, underwriters and agents may make a market in the Securities.

### By Underwriters

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of underwriters to purchase the Securities will be subject to certain conditions, but the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any of such Securities are purchased. We may offer the Securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The Company may agree to pay the underwriters a fee or commission for various services relating to the offering of any Securities. Any such fee or commission will be paid out of our general corporate funds. We may use underwriters with whom we have a material relationship. We will describe in the Prospectus Supplement, naming the underwriter, the nature of any such relationship.

### By Agents

The Securities may also be sold through agents designated by us. Any agent involved will be named, and any fees or commissions payable by us to such agent will be set forth in the applicable Prospectus Supplement. Any such fees or commissions will be paid out of our general corporate funds. Unless otherwise indicated in the Prospectus Supplement, any agent will be acting on a best efforts basis for the period of its appointment.

## **Direct Sales**

Securities may also be sold directly by us at such prices and upon such terms as agreed to by us and the purchaser. In this case, no underwriters or agents would be involved in the offering.

## **General Information**

Underwriters or agents who participate in the distribution of Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian provincial, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof. Such underwriters or agents may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

We may enter into derivative transactions with third parties, or sell securities not covered by this Prospectus to third parties in privately negotiated transactions. If the applicable Prospectus Supplement indicates, in connection with those derivatives, the third parties may sell Securities covered by this Prospectus and the applicable Prospectus Supplement, including in short sale transactions. If so, the third parties may use Securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use Securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be identified in the applicable Prospectus Supplement.

One or more firms, referred to as "remarketing firms," may also offer or sell the Securities, if the Prospectus Supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us. These remarketing firms will offer or sell the Securities in accordance with the terms of the Securities. The Prospectus Supplement will identify any remarketing firm and the terms of its agreement, if any, with us and will describe the remarketing firm's compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket.

In connection with any offering of Securities, other than an "at-the-market" distribution, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an "at-the-market" offering, as defined under applicable Canadian securities laws, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer may enter into any transaction that is intended to stabilize or maintain the market price of the Securities or Securities of the same class as the Securities distributed under the applicable prospectus supplement, including selling an aggregate number or principal amount of Securities that would result in the underwriter or dealer creating an over-allocation position in the Securities.

## **CONSOLIDATED CAPITALIZATION**

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

There have been no material changes in the consolidated share and loan capital of the Company from August 10, 2021, the date of its most recently filed condensed consolidated interim financial statements, to the date of this Prospectus.

## **EARNINGS COVERAGE**

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement will describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada of acquiring any Securities offered thereunder, including whether the payments of distributions on the Securities will be subject to Canadian non-resident withholding tax.



## LEGAL MATTERS

Unless otherwise specified in the applicable Prospectus Supplement, certain legal matters relating to the Canadian law will be passed upon on our behalf by Stikeman Elliott LLP. As at the date of this Prospectus, the partners and associates of Stikeman Elliott LLP beneficially own, directly and indirectly, less than 1% of any class of our issued and outstanding securities or securities of our affiliates or associates.

If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities offered thereunder, such counsel will be named in such Prospectus Supplement.

### AUDITOR, TRANSFER AGENT AND REGISTRAR

Dale Matheson Carr- Hilton Labonte LLP have prepared an independent auditor's report dated April 6, 2021 in respect of the consolidated financial statements of the Company for the years ended December 31, 2020 and December 31, 2019. Dale Matheson Carr- Hilton Labonte LLP has advised that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

On April 16, 2021, the Company changed its auditors from Dale Matheson Carr-Hilton Labonte LLP to PricewaterhouseCoopers LLP. As of the date of this Prospectus, the auditor of the Company is PricewaterhouseCoopers LLP at its office in 111 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 5L3. PricewaterhouseCoopers LLP has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

Our transfer agent and registrar is Computershare Investor Services Inc. at its office in 510 Burrad Street, 3<sup>rd</sup> Floor, Vancouver, BC V6C 3B9.

### PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. However, purchasers of the Securities distributed under an "at-the-market distribution" by the Company do not have the right to withdraw from an agreement to purchase the Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102 – *Shelf Distributions*. Any remedies under securities legislation that a purchaser of the Securities distributed under an "at-the-market distribution" by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory, if applicable, for the particulars of these rights or consult with a legal advisor. Rights and remedies may also be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. lawyer for particulars of these rights.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Warrant.

The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant, the amount paid upon conversion, exchange or exercise upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the

*Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers of Warrants, or other convertible, exchangeable or exercisable securities are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

## **CERTIFICATE OF THE ISSUER**

Dated: November 18, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador.

### **EXRO TECHNOLOGIES INC.**

(Signed) *Sue Ozdemir*  
Chief Executive Officer

(Signed) *John Meekison*  
Chief Financial Officer

### **ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) *Mark Godsy*  
Director

(Signed) *Jill Bodkin*  
Director