



# Exro Technologies Announces Fourth Quarter 2021 Financial Results

- Research and development activities increased twofold for the twelve months ended December 31, 2021, as Exro expanded development relationships and executed on testing and validation of projects to advance the Company's goals for commercialization in 2022.
- Exro Vehicle Systems Inc. launched as a services division to provide vehicle integration solutions for automakers pursuing electrification.
- Exro successfully completed a vehicle integration of its 100 Volt Coil Driver™ technology, marking the second vehicle integration of the technology.
- Exro opened the doors for employees to its 37,000 square foot world-class manufacturing facility in Calgary and commenced construction on the clean room and automotive-grade manufacturing lines, on track to be commissioned by year end.
- Employees moved into the Company's U.S. headquarters in Mesa, Arizona, which will increase Exro's Coil Driver™ testing capacity, create space for its Energy Storage Systems, and showcase its demonstration vehicles for customers.

CALGARY, AB, March 29, 2022 /CNW/ - Exro Technologies Inc. (TSX: EXRO) (OTCQB: EXROF) (the "**Company**" or "**Exro**"), a leading clean technology company that has developed a new class of power electronics for electric motors and powertrains, announced today its financial results for the year-ended December 31, 2021.

"Our Company continued operational momentum into Q4 2021 where we achieved a number of important milestones, closing out what was a challenging year for early-stage technology companies like Exro," said Sue Ozdemir, CEO of Exro. "We continued to advance our Coil Driver towards commercialization with further product validations and integration into a second vehicle platform. We launched Exro Vehicle Systems, a services division that will provide critical automotive customer support early in the design process. We also began construction on our world-class product manufacturing facility in Calgary, which is on schedule to be commissioned later this year. These milestones allowed us to start 2022 from a position of strength with our team focused, and highly motivated, to execute our commercialization strategy in 2022. We believe this execution holds the potential to unlock value for our shareholders."

## Q4 2021 FINANCIAL HIGHLIGHTS

For the twelve months ended December 31, 2021

- Comprehensive loss of \$24,609,078 (2020 – \$10,969,454).
- Selling, general and administration expense increased by \$2,406,342 to \$5,398,305
- Payroll and consulting fees increased by \$4,309,053 to \$7,340,916
- Research and development increased by \$5,141,734 to \$7,407,940
- Share based payments expense increased by \$7,564,905 to \$9,789,290

For the three months ended December 31, 2021

- Comprehensive loss of \$6,545,931 (Q4 2020 – \$4,208,256).
- Selling, general and administration expense increased by \$729,655 to \$1,834,172
- Payroll and consulting fees increased by \$2,370,177 to \$2,826,735
- Research and development increased by \$816,289 to \$2,365,460
- Share based payments expense increased by \$1,367,363 to \$2,236,111

The main drivers for the overall cost increases are due to additional expenditures incurred as the Company is transitioning from a proof-of-concept stage to a commercialization phase and preparing for future Coil Driver production. Research and development expenses increased by 227% for the twelve months ended December 31, 2021, due to testing and validation of several projects to achieve the Company's goals for commercialization. Exro is still spending a considerable amount of time and effort to recruit top talents and to increase the awareness of its technologies and progress.

## FOURTH QUARTER OPERATING HIGHLIGHTS

On November 3, 2021, Exro announced the launch of its services division to provide vehicle integration solutions for automakers pursuing electrification. The new division, called Exro Vehicle Systems (the "division"), will provide end-to-end electric vehicle (EV) design and engineering services. Exro Vehicle Systems will focus on complete powertrain designs that integrate Exro's core technology, including embedded software, Vehicle Control Units (VCUs) and batteries. The division will build on Exro's suite of existing product offerings with Coil Driver and Battery Control System (BCS) to solve additional

challenges for automotive customers. It is expected that the services division could yield business for the Coil Driver by introducing automakers to Exro's independently tested technology in the early design stages. The services division gives Exro the opportunity to show automakers how the Coil Driver can create lower cost, yet higher performing EVs at scale, which is the key to accelerating EV adoption. The Company opened its services division facility in Michigan in January 2022.

On November 17, 2021, the Company announced the successful new vehicle integration of its 100 Volt Coil Driver technology, marking the second vehicle integration of the Company's Coil Driver technology. This milestone follows an independent assessment proving the technology successfully combines two traditionally separate formats of power electronics for the first time and has the potential to reduce the weight and cost of electric powertrains. This vehicle integration showcases how Exro technology can be applied to optimize new light-duty EV applications. The emerging growth partner entered a non-disclosure agreement (NDA) with Exro to improve performance by providing improved acceleration at low speed and power output at high speed of its fully electric compact car designed for the European market. The Exro and NDA partner teams then worked diligently to successfully integrate the 100 Volt Coil Driver into the light-duty EV, which optimizes the powertrain by expanding the torque and power output of the motor.

On December 9, 2021, the Company officially opened the doors for employees to its manufacturing facility (the "facility" or "new facility") in Calgary, Alberta. Exro's 37,000 square foot Canadian facility will feature automotive-grade production lines, product showrooms and collaborative office space for the Company's growing team of more than 50 Calgary-based employees. Exro's Canadian facility will be compliant with automotive-grade manufacturing standards ISO 9001:2015 and IATF 16949, as well as ISO 26262 for functional safety. The facility can support low-volume manufacturing and deliver approximately 100,000 Coil Driver units per year for use across a wide range of electric mobility applications from two-wheeled recreational vehicles to passenger vehicles and even commercial and industrial vehicle applications. The facility will also manufacture the BCS for energy storage applications.

## SUBSEQUENT EVENTS

On February 4, 2022, the Company announced the closing of a bought deal offering (the "Offering"). Pursuant to the Offering, Exro sold 12,722,450 units (the "Units") at a price of \$1.60 per Unit (the "Issue Price") for aggregate gross proceeds of \$20,355,920. The total number of Units sold in the offering includes 1,659,450 Units issued pursuant to the exercise of an over-allotment option granted to the Underwriters, which was fully exercised by the Underwriters. Each Unit consists of one common share in the capital of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one common share at a price of \$2.00 per common share until February 4, 2025. The Units were offered by way of an amended and restated prospectus supplement dated February 1, 2022 to the Company's base shelf prospectus dated December 16, 2021, filed with the securities regulators in each of the provinces of Canada, copies of which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

On March 23, 2022, Alan Gaines resigned his position as director of the Company in order to concentrate on his other business interests. Exro thanks Mr. Gaines for his service to the Company, as well as his guidance and contributions to the Company's growth. Exro wishes him the best in his personal and professional endeavors.

## LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, the Company had cash of \$15,349,212 and amounts receivable of 135,091, which primarily consist of GST refund. The Company had accounts payable and accrued liabilities of \$3,004,848.

## RESULTS OF OPERATIONS AND SELECTED FINANCIAL DATA

for the twelve months ended	Revenue	Other comprehensive loss	Basic and diluted loss per common share	Weighted average number of common shares
December 31, 2021	-	\$ (24,609,078)	\$ (0.20)	120,133,748
December 31, 2020	-	\$ (10,969,454)	\$ (0.12)	90,318,733

## OUTSTANDING SHARE DATA

As of March 29, 2022, there were 133,842,724 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of March 29, 2022	Number outstanding as of December 31, 2021
Common Shares issued and outstanding	133,842,724	120,906,274
Options	11,437,966	11,812,216
Warrants	8,845,883	1,848,811

## ADDITIONAL INFORMATION

The audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2021, dated March 29, 2022, can be viewed at [www.exro.com/investors](http://www.exro.com/investors) or on SEDAR under Exro Technologies Inc. at [www.sedar.com](http://www.sedar.com).

**Unless otherwise noted, all figures are in Canadian currency, Cdn.**

**About Exro Technologies Inc.**

Exro is a clean technology company pioneering intelligent control solutions in power electronics to help solve the most challenging problems in electrification. Exro has developed a new class of control technology that expands the capabilities of electric motors, generators, and batteries. Exro enables the application to achieve more with less energy consumed.

Exro's advanced motor control technology, the Coil Driver™, expands the capabilities of electric powertrains by enabling intelligent optimization for efficient energy consumption. Exro is working with many partners from all over the world to bring their technology to the electric mobility industries and beyond.

For more information visit our website at [www.exro.com](http://www.exro.com).

To view our Corporate Presentation visit us at [www.exro.com/investors](http://www.exro.com/investors)

Visit us on social media @exrotech.

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

*Sue Ozdemir, Chief Executive Officer*

## **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This news release contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved". Forward looking statements involve risks, uncertainties and other factors disclosed under the heading "Risk Factors" and elsewhere in the Company's filings with Canadian securities regulators, that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company believes that the assumptions and factors used in preparing these forward-looking statements are reasonable based upon the information currently available to management as of the date hereof, actual results and developments may differ materially from those contemplated by these statements. Readers are therefore cautioned not to place undue reliance on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by the Company with the Canadian securities regulators, including the Company's annual information form for the financial year ended December 31, 2020, and financial statements and related MD&A for the financial year ended December 31, 2020, filed with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements contained herein include the risk factors set out in Exro's annual information form and also include, but not limited to:

- The listing of the Exro's common shares on Nasdaq remains subject to the review and approval of the listing application and the satisfaction of all applicable listing and regulatory requirements, including approval of a registration statement to be filed by the Company with the U.S. Securities and Exchange Commission;
- The NASDAQ listing may not provide Exro with broadened access to international investors or enhance Exro's liquidity
- Anticipated market demand and sales orders may differ based on changes in customers' pipelines and/or product requirements; and
- Potential delays in completion of testing and validation of future Coil Driver™ products and prototypes.

Neither the Toronto Stock Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this press release.

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