



# Exro Technologies Announces First Quarter 2022 Financial Results

- The Company continued to increase its capital assets in the first quarter of 2022 through phase one of its world-class automated inverter facility, including the construction of the Company's cleanroom.
- Exro Vehicle Systems opened their office in Dexter, Michigan on January 1, 2022 further positioning the services division to execute and provide end-to-end elective vehicle (EV) design and engineering services.
- Exro received the Gold Edison Award for Best New Product in manufacturing, logistics and transportation at the 2022 Edison Awards.
- The Company entered into a sales and services agreement with its commercial partner Vicinity Motor Corp. for the sale of up to 2,500 units, including a Coil Driver™ and electric motor.
- The Company entered into an additional sales agreement with its commercial partner ev Transportation Services Inc to supply an initial quantity of 1,000 units of its 100V Coil Drive System beginning in 2023

CALGARY, AB, May 12, 2022 /CNW/ - Exro Technologies Inc. (TSX: EXRO) (OTCQB: EXROF) (the "**Company**" or "**Exro**"), a leading clean technology company which has developed a new class of power electronics for electric motors and powertrains, announced today its financial results for the three months ended March 31, 2022.

Activity in the quarter focused on the construction of the company's world-class, automotive certified ready manufacturing center in Calgary, Alberta. The Company has invested \$6.8 million of capital in the cleanroom and manufacturing equipment to date, representing the Company's continued focus on in-house manufacturing. Exro remains on track for the commissioning of phase one of the manufacturing facility by the end of 2022.

"As we continue to advance development, and recently transitioned commercialization projects with partners, all of our resources are running at full capacity," said Sue Ozdemir. "In addition to our two recently announced purchase orders and sales agreements, Exro was awarded an Edison Gold Award for Best New Product in manufacturing, logistics and transportation – another validation of our Coil Driver™ technology and the impact we can provide to drive adoption rates in the transition to electrification in mobility. I am proud of the accomplishments of our team thus far in 2022, and excited to continue to deliver on the targets we have set ahead."

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 overallotment 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).

Subsequent to the quarter, on May 3, 2022 Exro announced it has signed an agreement for the sale of up to 2,500 units with electric bus manufacturer Vicinity Motor Corp. The agreement commences with a first lot purchase order of 100 units. Over the 36-month term of the agreement, Exro will plan to deliver an increasing volume of its Coil Drive System for up to 2,500 units that include both a Coil Driver™ and an electric motor, which were designed to meet Vicinity's specific requirements to deploy clean, affordable and accessible electric buses across North America. Exro will also support the development of Vicinity's electric motor chassis for Class 5/6 bus configurations and provide engineering services to enable AC fast-charging using Coil Driver™. Upon complete execution, Vicinity Lighting™ buses optimized with Coil Driver™ are expected to be on the road in the near term and accessible for private and public transit use in several forward-looking cities in North America.

Prior to announcing the sales agreement with Vicinity, Exro was presented with the Gold Edison Award for Best new Product in manufacturing, logistics and transportation at the 2022 Edison Awards Gala in Fort Meyers, Florida for its Coil Driver™.

On May 11, 2022 Exro announced it has signed an agreement with ev Transportation Services, Inc. ("evTS") to supply an initial quantity of 1,000 units of its 100V Coil Drive System beginning in 2023 for use in evTS model year 2023 FireFly vehicles. The agreement commences with an initial purchase order of 1,000 Coil Drive System units, which consists of a Coil Driver™ controller and an optimized electric motor. Over the 36-month term of the agreement, Exro will plan to deliver an increasing volume of its Coil Drive System with production beginning in 2023. With this agreement, evTS FireFly ESVs optimized with Exro's Coil Driver™ will be used to execute essential services in leading sustainability-minded cities around the world.

## FIRST QUARTER 2022 FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2022

- Comprehensive loss of \$10,172,003 (2021 – \$6,676,520).
- Selling, general and administration expense increased by \$1,734,026 to \$2,653,998
- Payroll and consulting fees increased by \$1,671,430 to \$2,897,260
- Research and development increased by \$582,086 to \$2,283,238
- Share based payments expense decreased by \$1,247,253 to \$1,104,152

The increase in comprehensive loss was driven by higher overall spend as the Company increases its headcount compared to the previous year. The Company continues to transition from a proof-of-concept stage to a commercialization stage and preparation for the production of Coil Driver™. As the Company continues to progress, additional resources are required in order to meet both the short and long-term goals linked to commercialization. Research and development expenses increased by 34% for the three months ended March 31, 2022, as the Company continues to deliver against its strategic and commercial partnership projects. Exro continues to recruit top talents and increase the awareness of its technologies and progress.

## LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2022, the Company had cash of \$23,759,268 and amounts receivable of \$131,134, which primarily consist of GST refund. The Company had accounts payable and accrued liabilities of \$1,894,048.

## RESULTS OF OPERATIONS AND SELECTED FINANCIAL DATA

For the twelve months ended	Other comprehensive loss	Basic and diluted loss per common share	Weighted average number of common shares
March 31, 2022	\$ (10,172,003)	\$ (0.08)	131,280,873
March 31, 2021	\$ (6,676,520)	\$ (0.06)	116,343,905

## OUTSTANDING SHARE DATA

As of May 12, 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 May 12, 2022	Number outstanding as of March 31, 2022
Common Shares issued and outstanding	133,842,724	133,842,724
Options	11,394,566	10,802,116
Warrants	8,845,883	8,845,883

## ADDITIONAL INFORMATION

The audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2021, 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.

## 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, 2021, and financial statements and related MD&A for the financial year ended December 31, 2021, 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.

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