



Exro Technologies Announces Second Quarter 2022 Financial Results

- The Company continued progress on its world-class manufacturing facility during the quarter, including delivery of all equipment required for Surface Mount Technology ("SMT") and Printed Circuit Board ("PCB") assembly lines, included in phase one of the facility operations. Exro is on track to commission the phase one assets in the second half of 2022.
- Exro Vehicle Systems Inc, a division of Exro Technologies Inc., continued to deliver against its ongoing projects, in addition to securing a purchaser order to provide more than \$US1 million in engineering design services to a Tier-1 automotive supplier.
- The Company announced initial purchase orders backed by multiyear master sales agreements from both Vicinity Motor Company ("Vicinity") and ev Transportation Services, Inc. ("evTS") to supply Coil Drive Systems.
- Exro has initiated the process to obtain Underwriter Laboratories ("UL") certification for its Energy Storage System ("ESS") powered by its patented Battery Control System™ ("BCS") technology. Submission for UL certification marks a significant milestone for the Company's ESS in its path to commercialization.

CALGARY, AB, Aug. 11, 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 batteries, announced today its financial results for the six months ended June 30, 2022.

"Despite a volatile macro environment through the first half of the year, Exro successfully achieved a number of key milestones during the second quarter," said CEO Sue Ozdemir. "Our world-class net-zero-target manufacturing facility continues to progress on schedule with all equipment for the first phase now on site. Our team at Exro Vehicle Systems in Michigan secured a design project with a leading Tier-1 automotive supplier delivering our company's first revenues in 2022, and we announced two major supply agreements for our Coil Drive Systems with initial purchase orders backed by multiyear sales agreements for both our low voltage and high voltage product lines. As we look to the second half of 2022 and into 2023, we are excited to continue to execute for our shareholders. While there are bound to be bumps in the road, like those most companies are facing these days, our technology is de-risked, we are recognized as a differentiator in the electric vehicle space, and momentum with our customers continues to build."

During the quarter the Company continued to focus on the construction of its world-class manufacturing facility in Calgary, Alberta. During Q2, the delivery of all equipment related to the phase one surface mount technology ("SMT") line was completed which allowed the Company to fit the last three panels in the cleanroom east wall and prepare for the cleanroom HVAC start up. Exro continues to remain on schedule for construction of the manufacturing facility and expects to have the development process completed in the second half of 2022, allowing the Company to exercise the line by assembling Printed Circuit Board Assemblies ("PCBAs") for internal use and evaluation.

In addition, the Company entered into several agreements during Q2, including a secured purchase order through Exro Vehicle Systems, a division of Exro Technologies Inc., with a leading Tier-1 automotive supplier to provide more than \$USD 1 million in engineering design and consulting services. Under the terms of the purchase order, Exro will deliver design and installation services for a custom electric powertrain system that features a custom battery pack solution. The custom system, designed for a light-duty on-road vehicle, will also integrate with many automotive original equipment manufacturer (OEM) systems, including power and control architectures. Exro's Vehicle Systems division will execute this order from its 15,000 square foot facility in Ann Arbor, Michigan.

On April 22, 2022 the Company announced that its Coil Driver™ technology received a Gold Edison Award for Best New Product in manufacturing, logistics and transportation at the 2022 Edison Awards Gala in Fort Myers, Florida.

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 Company. 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 includes 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 Lightning 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.

On May 11, 2022 Exro announced it has signed an agreement with ev Transportation Services, Inc. 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.

On August 9, 2022 the Company announced it has initiated the process to obtain Underwriter Laboratories ("UL") certification for its Energy Storage System (ESS), powered by its patented Battery Control System™ (BCS) technology. The submission for UL certification marks a significant milestone for Exro's ESS in its continued path to commercialization. The submission enables the Company to secure pilot locations and proceed with in-field validations of the ESS on specific locations and comes ahead of the Company's anticipated timing. UL certifications demonstrate that products have been tested to applicable industry-wide standards. UL is widely recognized as the long-time safety science leader and the organization's expertise provides credibility to regulators and the broader marketplace.

SECOND QUARTER 2022 FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2022

- Comprehensive loss of \$(18,911,341) (2021 – \$10,419,364).
- Selling, general and administration expense increased by \$3,894,928 to \$5,823,825
- Payroll and consulting fees increased by \$3,349,229 to \$6,071,033
- Research and development increased by \$1,263,935 to \$4,287,112
- Share based payments expense decreased by \$3,487,613 to \$1,539,898

For the three months ended June 30, 2022

- Comprehensive loss of \$8,739,338 (2021 – \$3,742,844).
- Selling, general and administration expense increased by \$2,160,902 to \$3,169,827
- Payroll and consulting fees increased by \$1,677,799 to \$3,173,773
- Research and development increased by \$681,849 to \$2,003,874
- Share based payments expense decreased by \$2,240,360 to \$435,746

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 42% for the six months ended June 30, 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 June 30, 2022, the Company had cash of \$13,604,371 and amounts receivable of \$288,725, which primarily consist of amounts owing to Exro Vehicle Systems Inc. for engineering services performed, and a GST refund. The Company had accounts payable and accrued liabilities of \$3,407,253.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL DATA

For the six months ended	Other comprehensive loss	Basic and diluted loss per common share	Weighted average number of common shares
June 30, 2022	\$ (18,911,341)	\$ (0.14)	132,622,843
June 30, 2021	\$ (10,419,364)	\$ (0.09)	119,564,250

OUTSTANDING SHARE DATA

As of August 10, 2022, there were 135,348,864 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of August 10, 2022	Number outstanding as of June 30, 2022
Common Shares issued and outstanding	135,348,864	134,398,164
Options	10,600,216	10,802,216
Warrants	7,736,743	8,487,443

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 or on SEDAR under Exro Technologies Inc. at 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.

To view our Corporate Presentation visit us at www.exro.com/investors

Visit us on social media [@exrotech](https://twitter.com/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. 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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