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**Exro Announces Closing of Previously Announced Bought Deal Convertible Debenture
Financing for Gross Proceeds of \$15 Million**

Calgary, Alberta (December 30, 2022) – Exro Technologies Inc. (TSX: **EXRO**, OTCQB: **EXROF**) (the "**Company**" or "**Exro**"), a leading clean technology company that has developed industry disruptive next generation power electronics that expands the capabilities of electric motors and batteries, announced today that it has closed its previously announced brokered private placement offering (the "**Offering**"). Pursuant to the Offering, Exro sold 15,000 units of the Company ("**Units**") at a price of \$1,000 per Unit, for aggregate gross proceeds of \$15,000,000. Each Unit consists of one senior secured convertible debenture in the principal amount of \$1,000 (each, a "**Debenture**") and 416 common share purchase warrants of the Company (each, a "**Warrant**"). The Offering was completed pursuant to an underwriting agreement ("**Underwriting Agreement**") dated December 30, 2022, among the Company and Eight Capital acting as co-lead underwriter and sole book runner, National Bank Financial Inc., acting as co-lead underwriter, ATB Capital Markets Inc. and Stifel Nicolaus Canada Inc. (collectively, the "**Underwriters**"). The Underwriters were paid a commission of 5% in respect of Units sold by them in the Offering. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

The Debentures

The Debentures are created and issued pursuant to an indenture (the "**Indenture**") dated December 30, 2022 entered into between the Company and Odyssey Trust Company, as trustee. The Debentures will mature on December 31, 2027 (the "**Maturity Date**") and will accrue interest at the rate of 12.0% per annum, payable semi-annually in arrears beginning on June 30, 2023 (the "**Interest**"). Subject to applicable regulatory approvals and provided no event of default has occurred and is continuing, at the Company's option, the Interest may be paid in common shares of the Company at a price equal to the volume weighted average price (the "**VWAP**") of the Company's common shares on the Toronto Stock Exchange (the "**TSX**") for the five (5) trading days immediately prior to the date of the press release issued by the Company announcing that it has elected to satisfy its Interest obligations in common shares.

At the holders' option, the Debentures may be converted into common shares of the Company at any time and from time to time, up to the earlier of the Maturity Date and the date fixed for redemption of the Debentures, at a conversion price of \$2.40 per common share, subject to adjustment in certain circumstances.

The Company is entitled to redeem the Debentures at 105% of the principal amount thereof plus accrued and unpaid Interest at any time following December 31, 2024.



The Debentures are secured by a first priority floating charge over all the Company's present and after-acquired personal property, an assignment of all present and after-acquired intellectual property and a pledge of the securities of the Company's material subsidiaries, provided the Company shall be permitted to incur an operating line of credit of up to \$10 million, secured by inventory and/or the accounts receivable of the Company, which permitted indebtedness may rank equally with the Debentures.

The Warrants

The Warrants are created and issued pursuant to a warrant indenture (the "**Warrant Indenture**") dated December 30, 2022 entered into between the Company and Odyssey Trust Company, as warrant agent. Each Warrant is exercisable for one common share of the Company for a period of five years from the closing of the Offering (the "**Closing Date**"), at an exercise price of \$2.40 per common share, subject to adjustment in certain events.

If at any time following the date that is four months and one day following the Closing Date, the VWAP of the common shares of the Company on the TSX, or such other stock exchange where the majority of the trading volume in the Company's common shares occurs, exceeds or is equal to \$4.80 per share for a period of twenty consecutive trading days, the Company may, at its sole discretion, elect to accelerate the expiry date of the Warrants to the date that is 30 calendar days after the Company issues a press release announcing that it has exercised such acceleration right.

All securities issued pursuant to the Offering are subject to a four month hold period under applicable securities laws expiring on May 1, 2023. Copies of the Underwriting Agreement, the Indenture and the Warrant Indenture are available on the Company's profile at www.sedar.com.

No securities regulatory authority has either approved or disapproved of the contents of this press release. The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT EXRO TECHNOLOGIES INC.

Exro Technologies Inc. is a leading clean technology company that has developed new generation power control electronics that change how the world optimizes energy by expanding the capabilities of electric motors and batteries. The Company's innovative technologies serve to bridge the performance-cost gap in e-mobility (Coil Driver™) and stationary energy storage (Cell



Driver™), and act to accelerate adoption towards a circular electrified economy by delivering more with less – minimum energy for maximum results.

For more information visit our website at www.exro.com.

Visit us on social media @exrotech.

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Cautionary Statement Regarding Forward Looking Information

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". These forward-looking statements include, but are not limited to, statements relating to the Offering generally and the intended use of the net proceeds of the Offering. Forward looking statements involve risks, uncertainties and other factors disclosed 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 all of the 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.

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