



# Exro Technologies Announces Fourth Quarter 2022 Financial Results

- Exro generated revenue of \$2.2 million for the twelve months that ended December 31, 2022.
- Successfully completed phase one of the integrated e-axle co-development program with strategic partner, and major tier-1 OEM supplier, Linamar Corporation.
- Exro Vehicle Systems Inc., a services arm to provide vehicle integration solutions for automakers pursuing electrification, successfully completed, and delivered multiple projects to customers.
- Successfully closed convertible debenture financing for gross proceeds of \$15.0 million on December 30, 2022.
- Strong financial position as of March 30, 2023, supported by the exercise of approximately 4.7 million warrants in Q1 2023 for proceeds of approximately \$6.9 million.

CALGARY, AB, March 30, 2023 /CNW/ - Exro Technologies Inc. (TSX: EXRO) (OTCQB: EXROF) (the "**Company**" or "**Exro**"), a leading clean technology company that has developed new generation power control electronics that expand the capabilities of electric motors and batteries, is pleased to announce today its financial results for the year-ended December 31, 2022.

## Fourth Quarter Operating Highlights

On October 5, 2022, Exro announced the signing of a new product development agreement with a major global automotive equipment supplier. The agreement includes the development and delivery of an engineered-to-order system incorporating Exro's proprietary Coil-Driver™ inverter for a new hybrid diesel-electric product for off-highway applications (for example: agriculture, construction, mining, etc.). After successful testing and validation through H1 2023, it is anticipated that the development agreement would transition into an agreement to supply the NDA partner with series production products. The conditional agreement is highlighted by projections of 8,000-10,000+ units annually.

On November 21, 2022, Exro announced the Company achieved International Organization for Standardization (ISO) ISO 9001:2015 certification at its world-class manufacturing center and engineering innovation center, both located in Calgary, Alberta, Canada. This certified that the Company has met the technical and quality benchmarks required by ISO 9001:2015 for its quality management system related to R&D, design, development, and testing of the Coil Driver™ inverter for e-mobility and Cell Driver™ energy storage systems for commercial & industrial applications.

In Q4 2022, Exro also announced the completion of phase one of its integrated e-axle program with Linamar Corporation by providing 800V Coil Driver™ samples. Through Q1 2023 the partners have transitioned to phase two involving additional dynamometer testing and on-road validation in a commercial vehicle by Linamar. Following the successful validation of the e-Axle program, the partners anticipate entering into a definitive agreement that would set volume production beginning in 2024.

In Q4 2022 Exro successfully piloted an HB4 motor with a low-voltage Coil Driver™ in a small passenger car with an Italian electric vehicle OEM. Subsequently, HB4 has signed a purchase agreement that forecasts HB4 placing an initial stock order to supply its customers with a baseload of Coil Driver™ beginning in Q3 2023 with the anticipation for growing volumes over an initial 3-year term. Exro, together with HB4, will co-market the products in Italy and Europe on a non-exclusive basis. Exro had been working with HB4 under NDA for more than 2 years.

On December 30, 2022, Exro announced the closing of a brokered private placement offering. Pursuant to the Offering, Exro sold 15,000 units of the Company 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 and 416 common share purchase warrants of the Company.

On February 7, 2023, Exro announced it had entered into a channel partnership agreement with Greentech Renewables Southwest ("Greentech"), a division of Consolidated Electrical Distributors (CED) Greentech, one of the largest solar equipment distributors in the United States. The agreement aligns with Exro's targeted go-to-market strategy for its Cell Driver™ Energy Storage System product offering, partnering with leading clean energy integrators that provide expertise and scalability to amplify and accelerate market penetration to commercial and industrial customers.

On February 27, 2023, Exro announced it had signed a memorandum of understanding for a strategic partnership with an undisclosed development partner, a multi-national company that is a direct supplier to the global automotive industry. Under phase one of the agreement, the partner's electric motors will be calibrated with Exro's L040 800V Coil Driver™ for prototype samples to be tested in Q3 2023. Upon successful completion of automotive dynamometer testing, including achievement of mutually agreed on performance targets, the parties shall transition to a definitive agreement for strategic partnership which will outline volume targets, sales and marketing plans, price and production targets, and compensation models. Dynamometer

testing remains on schedule to be completed by the end of Q3 2023.

Subsequent to December 31, 2022, through to March 30, 2023, the Company received total proceeds of \$6,862,129 from the exercise of 4,730,397 warrants at a weighted average exercise price of \$1.40 and 226,550 options at a weighted exercise price of \$1.02.

Additionally, effective March 13, 2023, Exro announces the retirement of Mr. Frank Borowicz from the Company's Board of Directors. Mr. Borowicz has been a long-standing Director of the Company, having joined the Board in 2017. Exro would like to thank Mr. Borowicz for his many contributions and years of service to the Board and the Company

## Fourth Quarter 2022 Financial Highlights

For the twelve months ended December 31, 2022

- Revenue of \$2,185,448 (2021 – nil).
- Comprehensive loss of \$39,495,905 (2021 – \$24,609,078).
- Selling, general and administration expenses increased by \$5,720,965 to \$11,119,270.
- Payroll and consulting fees increased by \$6,445,688 to \$13,786,604.
- Research and development increased by \$1,357,561 to \$8,765,501.
- Share based payments expenses decreased by \$7,183,818 to \$2,605,472.

For the three months ended December 31, 2022

- Revenue of \$1,807,859 (2021 – nil).
- Comprehensive loss of \$12,351,145 (Q4 2021 – \$6,537,368).
- Selling, general and administration expenses increased by \$764,420 to \$2,598,592.
- Payroll and consulting fees increased by \$851,909 to \$3,678,644.
- Research and development increased by \$280,088 to \$2,645,548.
- Share based payments expense decreased by \$1,858,198 to \$377,913.

The Company saw revenue generated of \$2,185,448 for the twelve months ended December 31, 2022, through the execution of engineering services agreements, including delivery of a major project awarded in early 2022 to design a custom electric powertrain system with a custom battery pack solution for a light-duty on-road vehicle for a leading Teir-1 supplier.

The Company experienced an increase in operating costs as a result of a higher headcount throughout 2022. This was comprised of an increase related to the Company's Engineering Services division, Exro Vehicle Systems, which began operations in November 2021, as well as resources required to deliver on its partnerships, in order to reach the start of production in 2023. Additional costs were incurred on legal fees related to litigation, and software costs related to the delivery and validation of Exro's Coil Driver™ and Cell Driver™.

## Liquidity and Capital Resources

As of December 31, 2022, the Company had cash of \$17,443,971 and amounts receivable of \$965,084. The Company had accounts payable and accrued liabilities of \$5,507,335.

## 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, 2022	\$ 2,185,448	\$ (39,495,905)	\$ (0.29)	137,685,067
December 31, 2021	\$ —	\$ (24,609,078)	\$ (0.20)	120,133,748

## Outstanding Share Data

As of March 30, 2023, there were 151,791,177 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of	
	March 30, 2023	December 31, 2022
Common Shares issued and outstanding	151,791,177	146,834,230
Options	9,718,126	9,629,531
Warrants	17,073,322	21,803,719

## Additional Information

The audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2022, released March 30, 2023, 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 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](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.

his 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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