

# Exro Announces Coil Driver™ Start of Production Backed by Purchase Orders from HB4 and Vicinity Motor Corp

## At a Glance:

- Exro achieves major milestone with start of production of its patented next-generation Coil Driver™ inverter technology for electric vehicles at the company's state-of-the-art manufacturing facility in Calgary, Alberta, Canada.
- First production is backed by initial purchase order commitments for low-voltage Coil Driver™ units from Italian OEM supplier HB4 Group following on-road commercial truck testing that demonstrated a more than 20% range increase over the predecessor technology.
- Initial low-voltage production and deliveries for HB4 Group will be followed by high-voltage Coil Driver™ systems production and deliveries to Canadian electric bus and commercial vehicle manufacturer, Vicinity Motor Corp for e-bus applications.
- To celebrate the start of production, Exro will host an exclusive event for public dignitaries, media, shareholders, and employees on Wednesday, September 20<sup>th</sup>.
- In addition to starting production, Exro is on schedule to integrate Coil Driver™ products with several strategic customers in Canada, Europe, South America, and the United States in 2023 – demonstrating its patented technology, continued growth opportunities, and credibility towards unlocking the ~\$45 billion market opportunity in commercial e-vehicles.

CALGARY, AB, Sept. 6, 2023 /CNW/ - Exro Technologies Inc. (TSX: EXRO) (OTCQB: EXROF) (the "Company" or "Exro"), a leading clean-technology company that develops new generation power-control electronics that expand the capabilities of electric motors and batteries, today announced a significant corporate milestone with the official start of production ("SOP") of the company's patented Coil Driver™ technology. The milestone is backed by purchase orders from Italian OEM supplier HB4 Group and Canadian electric bus and commercial vehicle manufacturer Vicinity Motor Corp (NASDAQ: VEV) (TSXV: VMC) ("VMC").

## Start of Production

"On behalf of everyone at Exro, we are thrilled to announce the official start of production of our Coil Driver™ technology", said Exro CEO Sue Ozdemir. "This achievement marks a tremendous milestone in bringing our next-generation technology to market from proof-of-concept on paper over three years ago, to now being in production for on-road customer vehicles. We are thankful for the ongoing support of our shareholders who have weathered many storms along the way. They have remained steadfast in our shared vision of a sustainable future that requires innovative technologies that increase efficiency and change the way the world consumes energy."

Exro's Manufacturing Center is a 37,000 ft<sup>2</sup> world-class automated inverter manufacturing and assembly facility. Boasting a class 10,000 clean room, the facility brings European automotive standards for technical cleanliness and track and trace to North America. The only facility of its kind in North America, the manufacturing center fills a unique gap by providing customers with a strategic onshore supply chain solution for key powertrain components. This net-zero targeted facility will be capable of producing 100,000 Coil Driver™ units per year, per an 8-hour work shift.

The manufacturing center complements Exro's research and development, design, and testing innovation centers in Calgary, Alberta, and Mesa, Arizona as well as Exro Vehicle Systems EV integration services in Ann Arbor, Michigan, to provide end-to-end full-stack technology solutions for customers.

To celebrate the start of production, Exro will host an exclusive invitation-only event for distinguished guests, key partners, media, and employees on Wednesday, September 20<sup>th</sup>, 2023. The event will be accompanied by a live webcast with replay available. Details to follow.

## Initial Purchase Orders

The start of production is backed by initial purchase order commitments for low-voltage Coil Driver™ units from Italian OEM supplier HB4 Group, and high-voltage Coil Driver™ motor-inverter systems to Canadian electric bus and commercial vehicle manufacturer, Vicinity Motor Corp.

### HB4 Group

"We are very pleased to work with Exro to bring leading sustainable electric vehicles to customers in Italy and Europe", said HB4 Chief Executive Officer Renato Bruno. "Exro's technology is truly next generation as demonstrated in our on-road testing which demonstrated an exceptional increase in performances and range from 100km to more than 120 km in a Casalini commercial delivery truck".

HB4 is an Italian Tier-1 OEM supplier of vehicle lighting systems, radio keyless systems, batteries, electric motors, fuel tank caps, and other components to main automotive companies worldwide such as Casalini, Ducati, Ferrari, KTM, Aprilia, Harley Davidson, MV Agusta, and others. In 2023, Exro's low-voltage Coil Driver™, paired with an HB4 group electric motor designed and manufactured by SM4E part of HB4 Group, was integrated by HB4-Exro and commissioned in two applications – a small passenger vehicle and a small commercial truck manufactured by Casalini in Italy. Under the purchase order agreement, HB4 Group placed an initial order of 500 units to supply its customers with a baseload of Coil Drivers™, backed with growing volumes over an initial 3-year term. The order followed on-road testing with Casalini through Q2 2023 which demonstrated a more than 20% range increase over HB4's predecessor powertrain inverter technology. Together, HB4 and Exro will co-market our products in Europe and North America on a non-exclusive basis.

### Vicinity Motor Corp

"We are excited to advance our relationship with Exro to the next stage", said Vicinity Chief Executive Officer, William Trainer. "Together we are on a mission to move people more efficiently and effectively while supporting a cleaner and more sustainable planet."

Deliveries of high-voltage systems, consisting of a 400V TSA-motor paired with Exro Coil Driver™, are scheduled to begin by mid Q4 2023. Initial deliveries are intended for electric bus applications destined for operations across North America. Exro and Vicinity intend to unveil their combined next generation technology for electric busses at the APTA Expo, the world's largest public transportation showcase, in Orlando in early October.

## Positioning to Unlock a Significant Total Addressable Market in Commercial e-Vehicles

Unlike passenger vehicles currently, commercial vehicles are being regulated and incentivized to convert from combustion to electric within set timelines. This large secular shift is contributing to a significant opportunity for Exro. According to the latest Bloomberg NEF Electric Vehicle Outlook report, the market opportunity for Coil Driver™ is forecast to grow at an annual CAGR of 22% between 2023 and 2030 to ~\$45 billion.

During the remainder of 2023, Exro is scheduled to integrate Coil Driver™ products with a host of customers in Canada, Europe, South America, and the United States. The focus over the coming months is on successful customer integrations and real-world applications. The on-road miles driven, including completing third-party track testing in Q4, are anticipated to build credibility while demonstrating top-tier miles per kWh efficiency. Exro will leverage the information collected to continue to unlock the global commercial e-vehicle space through 2024 and beyond.

For additional information on Coil Driver™ please follow this link: <[Exro-Coil-Driver-Product-Catalogue.pdf](#)>

## ABOUT HB4 GROUP

HB4 Group is a holding family business operating in the automotive, industrial, real estate and interior led light design sectors in Italy and Europe. HB4 group balances the technological know-how and increases innovative features of the investee companies through the synergy between various specific skills with the purpose of an increasingly global projection. HB4 proposes to redesign the management and financial structure of the investee companies in order to release capacities for innovation within a balanced growth scenario and productive financial development. For more information, please visit <https://www.hb4.com/en/hb4eng/>

## ABOUT VICINITY MOTORS CORP.

Vicinity Motor Corp. (NASDAQ: VEV) (TSXV: VMC) ("VMC") is a North American supplier of electric vehicles for both public and commercial enterprise use. The Company leverages a dealer network and close relationships with world-class manufacturing partners to supply its flagship electric, CNG, and clean-diesel Vicinity buses, as well as the VMC 1200 electric truck to the transit and industrial markets. For more information, please visit [www.vicinitymotorcorp.com](http://www.vicinitymotorcorp.com).

## 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)

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## 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, 2022, and financial statements and related MD&A for the financial year ended December 31, 2022, 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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