



Exro Technologies Announces Third Quarter 2023 Financial Results

At a Glance:

- Exro generated revenue of \$2,032,669 for the three months ended September 30, 2023, and \$4,800,730 for the nine months ended September 30, 2023.
- Exro announced the official start of production of the Company's Coil Driver™ technology on September 6, 2023.
- On August 22, Exro announced the achievement of certification of its Cell Driver™ battery modules to the UL 1973 standard, along with the recent grant of patent #US11,708,005 B2, "Systems and Methods for Individual Control of a Plurality of Battery Cells," for its Cell Driver™.

CALGARY, AB, Nov. 9, 2023 /CNW/ - Exro Technologies Inc. (TSX: EXRO) (OTCQB: EXROF) (the "**Company**" or "**Exro**"), a leading clean technology company which has developed new generation power control electronics that expand the capabilities of electric motors and batteries, announced today its financial results for the quarter ended September 30, 2023.

2023 score card check-in

In January, Exro kicked-off its launch year with a Q1 Letter to Shareholders which outlined 10 strategic objectives for 2023 ([LINK](#)). The purpose in setting these objectives was to continue transparency efforts with investors while aligning with what management believes are demonstrable value drivers for the Company's shareholders. An update on the score card was provided on [October 26, 2023](#), in addition to the MD&A released on November 9, 2023.

Third quarter and subsequent operating highlights

On July 13, 2023 Exro announced a non-exclusive innovation agreement with a Major Automaker to mutually explore powertrain innovations in the Company's electric passenger vehicles utilizing Exro's advanced power electronics technology. The purpose of the collaboration is to determine the performance Exro's Coil Driver™ product for improving continuous power and torque output of the powertrain in the OEM's vehicle. Under the terms of the agreement, the Parties will work together to design a proof-of-concept Coil Driver™ plus motor system. The Parties anticipate completion on the design of the proof-of-concept Coil Driver™ plus optimized motor system by the end of Q4 2023, followed by delivery of functional prototypes to the OEM by the end of Q4 2024. The prototypes are then expected to enter a period of testing, including performance, durability, and reliability while determining next steps.

On August 22, 2023 Exro announced a milestone achievement with certification of its Cell Driver™ battery modules to the UL 1973 standard. UL 1973 is an industry standard for stationary energy storage systems which confirms Exro's modules' quality, resilience, and ability to operate safely and effectively in a variety of conditions. With successful completion of UL 1973, the Cell Driver™ has moved to the final phase of testing requirements for UL certification. UL certification is required prior to connecting the Cell Driver™ to the utility grid in North America.

On August 22, 2023 Exro also announced it is now patent protected in relation to a key differentiating feature within its Cell Driver™ Energy Storage System (ESS) with the recent grant of patent #US11,708,005 B2, "Systems and Methods for Individual Control of a Plurality of Battery Cells". Exro's patent supports cell level control, resulting in superior charging, deeper discharge rates, enhanced safety, and continuous operation. This enables commercial and industrial buildings to manage energy consumption, safeguard against grid outages, store energy produced on-site, and realize benefits through peak shaving and load shifting.

On September 6, 2023 Exro announced 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").

Third quarter 2023 financial highlights

For the three months ended September 30, 2023

- Revenue of \$2,032,669 (2022 – \$131,251)

- Comprehensive loss of \$11,180,243 (2022 – \$7,613,152)
- Selling, general and administration expense decreased by \$163,808 to \$2,533,045 from \$2,696,853
- Payroll and consulting fees decreased by \$136,645 to \$3,900,282 from \$4,036,927
- Research and development increased by \$1,395,767 to \$3,228,608 from \$1,832,841

For the nine months ended September 30, 2023

- Revenue of \$4,800,730 (2022 – \$377,589)
- Comprehensive loss of \$31,941,587 (2022 – \$26,524,493)
- Selling, general and administration expense decreased by \$1,337,348 to \$7,183,330 from \$8,520,678
- Payroll and consulting fees increased by \$2,087,261 to \$12,195,221 from \$10,107,960
- Research and development increased by \$2,231,106 to \$8,351,059 from \$6,119,953

The Company generated revenue of \$2,032,669 and \$4,800,730, for the three and nine months ended September 30, 2023 respectively, through the execution on engineering services agreements.

Exro saw an overall increase in operating costs for the nine months ended September 30, 2023, which was driven largely by higher payroll and research and development costs compared to the same period in 2022, in addition to higher non-cash costs related to depreciation and share-based payments, offset by lower selling, general and administration costs.

Liquidity and capital resources

As at September 30, 2023, the Company had cash and cash equivalents of \$19,700,822 and accounts receivable of \$563,837. The Company had accounts payable and accrued liabilities of \$4,701,075.

Results of operations and selected financial data

For the nine months ended	Revenue	Comprehensive loss	Basic and diluted loss per common share	Weighted average number of common shares
September 30, 2023	\$4,800,730	\$(31,941,587)	\$(0.20)	159,148,244
September 30, 2022	\$377,589	\$(26,524,493)	\$(0.20)	134,809,695

Outstanding share data

As of November 9, 2023, there were 169,342,274 Common Shares issued and outstanding.

Additional information

The condensed consolidated interim financial statements and Management's Discussion and Analysis for the quarter ended September 30, 2023, released November 9, 2023, can be viewed at www.exro.com/investors or on SEDAR+ under Exro Technologies Inc. at www.sedarplus.ca.

Unless otherwise indicated, 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.

Visit us on social media @exrotech.

On behalf of the board of directors

Sue Ozdemir, Chief Executive Officer

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.sedarplus.ca. 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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