



Exro and SEA Electric Announce Completion of Merger

CALGARY, AB, April 5, 2024 /CNW/ - **Exro Technologies Inc.** (TSX: EXRO) (OTCQB: EXROF) (the "Company" or "Exro") and SEA Electric Inc. ("SEA Electric") are pleased to announce the closing of the previously announced merger (the "Transaction"), pursuant to which Exro acquired all of the issued and outstanding shares of common stock and preferred stock of SEA Electric ("SEA Stock") that it did not already own. The Transaction was approved at a special meeting of shareholders of Exro held on April 4, 2024.

Pursuant to the Transaction, former SEA Electric stockholders received 31.463 common shares of Exro ("Common Shares") and 34.4999 convertible preferred shares of Exro ("Preferred Shares") for each share of SEA Stock. As a result of the Transaction, Exro issued an aggregate of 146,453,200 Common Shares and 160,589,446 Preferred Shares and SEA Electric became an indirect wholly-owned subsidiary of Exro.

Following closing of the Transaction, the combined company (the "Combined Company") will continue to operate under the name Exro Technologies Inc. and continue to be listed and trade on the Toronto Stock Exchange ("TSX") under the ticker symbol "EXRO". Concurrent with the closing of the Transaction, Tony Fairweather, CEO of SEA Electric, and John MacLeod, a director of SEA Electric, have joined the board of directors of the Combined Company and Terence Johnsson and Anita Ganti have resigned from the board of directors.

In addition, concurrently with the closing of the Transaction, 31,600,000 subscription receipts of Exro ("Subscription Receipts") issued pursuant to the previously announced bought deal private placement of subscription receipts (the "Offering") were automatically converted into 31,600,000 Common Shares and the net proceeds of the Offering of approximately \$27.85 million were released to Exro in accordance with the subscription receipt agreement dated February 16, 2024 between Exro, Canaccord Genuity Corp. and Odyssey Trust Company. Settlement of the Common Shares issued on conversion of the Subscription Receipts through the facilities of CDS Clearing and Depository Services Inc. will occur on April 8, 2024 with an effective issuance date of April 5, 2024. Exro intends to use the net proceeds from the Offering to support the business plan of the Combined Company, including but not limited to production, capital expenditures, working capital requirements, and normal course corporate and operating needs.

Early Warning Disclosure

John Bell-Allen

Prior to the closing of the Transaction, Mr. John Bell-Allen beneficially owned, or exercised control or direction over, an aggregate of (A) 878,502 shares of common stock of SEA Electric ("SEA Common Stock"), (B) 15,803 shares of preferred stock of SEA Electric ("SEA Preferred Stock") and (C) 24,133 restricted stock units of SEA Electric (each, a "SEA RSU"). Mr. John Bell-Allen did not beneficially own, or exercise control or direction over, any Common Shares or Preferred Shares prior to the closing of the Transaction.

Following completion of the Transaction, Mr. John Bell-Allen beneficially owned, or exercised control or direction over, an aggregate of (A) 28,500,554 Common Shares, representing approximately 9.00% of the issued and outstanding Common Shares, (B) 31,251,541 Preferred Shares, representing approximately 19.46% of the issued and outstanding Preferred Shares and (C) 1,591,880 restricted stock units of Exro ("Exro RSUs"), of which 761,145 were vested Exro RSUs and were settled immediately following completion of the Transaction for an aggregate of (i) 363,051 Common Shares and (ii) 398,094 Preferred Shares, and of which 830,735 are unvested Exro RSUs representing the right to receive an aggregate of (i) 396,243 Common Shares and (ii) 434,492 Preferred Shares in accordance with the terms of the Exro RSUs. After giving effect to the conversion of all of the issued and outstanding Preferred Shares into Common Shares and all Exro RSUs held by Mr. John Bell-Allen, Mr. John Bell-Allen would, directly or indirectly, beneficially own, or exercise control or direction over, an aggregate of 60,582,830 Common Shares representing approximately 12.67% of the issued and outstanding Common Shares.

The Common Shares, Preferred Shares and Exro RSUs were issued in connection with the Transaction and were

acquired by Mr. John Bell-Allen for investment purposes. Mr. John Bell-Allen may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of Exro, in such manner as he deems advisable from time to time, subject to applicable laws, and the terms of the applicable securities and lock-up provisions contained in the stockholders' agreement of SEA Electric. Further to the requirements of National Instrument 62-104 – *Take Over Bids and Issuer Bids* and National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Mr. John Bell-Allen will file an early warning report in accordance with applicable securities laws. Mr. John Bell-Allen's address is Level 13, 1 Eagle Street, Brisbane, Queensland 4000, Australia.

Warren Fairweather

Prior to the closing of the Transaction, Mr. Warren Fairweather beneficially owned, or exercised control or direction over, an aggregate of (A) 1,256,529 shares of SEA Common Stock and (B) 2,014 shares of SEA Preferred Stock. Mr. Warren Fairweather did not beneficially own, or exercise control or direction over, any Common Shares or Preferred Shares prior to the closing of the Transaction.

Following completion of the Transaction, Mr. Warren Fairweather beneficially owned, or exercised control or direction over, an aggregate of (A) 39,597,518 Common Shares, representing approximately 12.51% of the issued and outstanding Common Shares and (B) 43,419,627 Preferred Shares, representing approximately 27.04% of the issued and outstanding Preferred Shares. After giving effect to the conversion of all of the issued and outstanding Preferred Shares into Common Shares, Mr. Warren Fairweather would, directly or indirectly, beneficially own, or exercise control or direction over, an aggregate of 83,017,145 Common Shares, representing approximately 17.40% of the issued and outstanding Common Shares.

The Common Shares and Preferred Shares were issued in connection with the Transaction and were acquired by Mr. Warren Fairweather for investment purposes. Mr. Warren Fairweather may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of Exro, in such manner as he deems advisable from time to time, subject to applicable laws, and the terms of the applicable securities and lock-up provisions contained in the stockholders' agreement of SEA Electric. Further to the requirements of National Instrument 62-104 – *Take Over Bids and Issuer Bids* and National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Mr. Warren Fairweather will file an early warning report in accordance with applicable securities laws. Mr. Warren Fairweather's address is 2/79 Fourth St, Beaumaris, Victoria 3193, Australia.

For further information or to obtain a copy of the early warning reports filed under applicable Canadian securities laws in connection with the foregoing matters, please see the Company's profile on SEDAR+ at www.sedarplus.ca or contact the Corporate Secretary of the Company at +1-604 674-7746.

About Exro Technologies

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.

Exro's head office is located at: 12–21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6.

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

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

Visit us on social media @Exrotech.

About SEA Electric

SEA Electric is a leading automotive and e-mobility technology company that provides 100% electric drivetrain system technology. SEA Electric has a worldwide presence, deploying products in the USA, Canada, Australia, New Zealand, Thailand, Indonesia, India, and South Africa, collectively achieving more than three million miles of service via independent OEM-testing and real-world operation.

Cautionary Statement Regarding Forward Looking Statements

This news release contains forward-looking statements within the meaning of Canadian securities laws. These

statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors management believe are appropriate. Forward-looking statements may include but are not limited to statements respecting: the realization of the benefits of the Transaction by the Combined Company; the use of net proceeds of the Offering; and the Combined Company's ability to commercialize its technology.


These forward-looking statements are based on the beliefs of the management of Exro and on assumptions which such management believes to be reasonable, based on information available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things: demand for the technology of the Combined Company; the Combined Company's ability to maintain existing partners and attract new partners; the impact of competition; the Combined Company's ability to obtain and maintain existing financing on acceptable terms; the Combined Company's ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management; volatility of stock price and market conditions; technology risks and risks associated with the commercialization of the Combined Company's technology; the Combined Company's reliance on key personnel; the Combined Company's limited operating history; market uncertainties; the protection of patents and intellectual property; conflicts of interest; market competition; and operating in an environment subject to regulation.

The preceding list is not exhaustive of all possible factors. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors.

Please refer to the management information circular of the Company dated March 6, 2024, the Company's annual information form and other public continuous disclosure documents filed with the Canadian securities regulators under its profile on SEDAR+ at www.sedarplus.com for additional disclosure respecting the risks affecting the Company and its business.


Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. The Company does not undertake to update any forward-looking information, except as, and to the extent required by applicable securities laws.

Neither the TSX nor the Canadian Investment Regulatory Organization accepts responsibility for the adequacy or accuracy of this press release.

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