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Exro Announces a Public Financing of up to Approximately \$30 Million

Calgary, Alberta (September 4, 2024) – Exro Technologies Inc. (**TSX: EXRO**) (**OTCQB: EXROF**) (the “**Company**” or “**Exro**”), a leading clean-technology company that provides proprietary motor-control and complete electric propulsion system technology for e-mobility, announces that it has commenced a marketed public offering (the “**Offering**”) of up to 85,715,000 units (“**Units**”) of the Company, at a price of \$0.35 per Unit (the “**Offering Price**”), for aggregate gross proceeds of up to approximately \$30 million. The Offering will be conducted on a best efforts agency basis pursuant to the terms and conditions of an agency agreement to be entered into between the Company and Stifel Nicolaus Canada Inc. (the “**Lead Agent**”) as lead agent and sole bookrunner, together with other members of an agency syndicate which may be formed in connection with the Offering (together with the Lead Agent, the “**Agents**”). Additionally, the Company has engaged Centurion One Capital Corp. to act as special advisor.

Each Unit shall consist of one (1) common share of the Company (a “**Share**”) and one-half of one (1/2) Share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant exercisable to acquire one (1) additional Share (a “**Warrant Share**”) at a price of \$0.42 per Warrant Share for a period of 36 months following the issuance date of the Warrants (the “**Closing Date**”). The Company anticipates that the Warrants will be governed by a warrant indenture to be entered into between the Company and Odyssey Trust Company, as warrant agent, on or before the Closing Date.

The Company has agreed to grant the Agents an option to increase the size of the Offering by up to 12,857,250 Units, Shares, Warrants, or any combination thereof (the “**Over-Allotment Option**”), exercisable in whole or in part at any time for a period of 30 days after the Closing Date.

In consideration for the Agents’ services with respect to the Offering, the Company has agreed to (i) pay the Agents a cash commission of 8.0% of the aggregate gross proceeds of the Offering (including the Over-Allotment Option), payable on the Closing Date (and the closing date of the Over-Allotment Option, if applicable), and (ii) issue to the Agents that number of broker warrants to acquire that number of Units which is equal to 4.0% of the number of Units sold under the Offering (including Units sold under the Over-Allotment Option) (each, a “**Broker Warrant**”) issuable on the Closing Date (and the closing date of the Over-Allotment Option, if applicable). Each Broker Warrant will entitle the holder thereof to acquire one (1) Share for a period of 36 months from the Closing Date at the Offering Price.

It is anticipated that the net proceeds of the Offering will be used for working capital (primarily inventory and parts), SG&A and for general corporate purposes. The proceeds of this Offering are intended to fund the Company through to cash flow positive in 2025.

The Offering will be conducted: (i) in each of the provinces and territories of Canada, other than Québec, by way of a prospectus supplement (the “**Prospectus Supplement**”) to the Company’s amended and restated short form base shelf prospectus dated January 15, 2024 (the “**Base Shelf Prospectus**”); (ii) in the United States (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act) on a private placement basis to a limited number of institutional “accredited investors” (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D under the U.S. Securities Act)



(“**Institutional Accredited Investors**”) and to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) who are also Institutional Accredited Investors, in each case, pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506(b) of Regulation D thereunder and/or Section 4(a)(2) thereof and similar exemptions under applicable securities laws of any state of the United States; and (iii) in such other jurisdictions outside of Canada and the United States as may be agreed to by the Company and the Lead Agent, each acting reasonably. Exro intends to file the Prospectus Supplement with the securities regulatory authorities in each of the provinces and territories of Canada, other than Québec, which will be available on SEDAR+ under the Company’s profile at www.sedarplus.ca.

The Offering is expected to close on or about September 11, 2024 and is subject to customary closing conditions, including listing of the Shares and Warrant Shares on the Toronto Stock Exchange (the “**TSX**”) and any required approvals of the TSX and applicable securities regulatory authorities.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein in the United States or to, or for the account or benefit of, a U.S. person. The securities described herein have not been and will not be registered under the U.S. Securities Act, or any securities laws of any state of the United States. Accordingly, the securities may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. United States and U.S. person are as defined in Regulation S under the U.S. Securities Act.

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 (Exro Coil Driver®) and stationary energy storage (Exro 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 filing of the Prospectus Supplement, the timing and completion of the Offering, the satisfaction and timing of the receipt of required stock exchange approvals and other conditions to closing of the Offering, the intended use of the net proceeds of the Offering and the expectation that the net proceeds of the Offering will fund the Company through to cash flow positive in 2025. Forward looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements, including, among others: the risk that the Company may not file the Prospectus Supplement to qualify the distribution of the Units issued pursuant to the Offering; the risk that the Company may not complete the Offering; the risk that the Offering may not be completed on the anticipated terms; the risk that required regulatory approvals for the Offering are not obtained; the risk that the conditions to the completion of the Offering may not be satisfied, including, without limitation, satisfactory completion of due diligence by the Agents; the state of the financial markets for the Company's securities; recent market volatility and potentially negative capital raising conditions resulting from macro-economic trends and inflationary pressures and risks relating to the extent and duration of such forces and its impact on global markets; the conflict in Eastern Europe and the Middle East; the Company's ability to raise the necessary capital or to be fully able to implement its business strategies; other risk factors disclosed under the heading "Risk Factors" in the Base Shelf Prospectus, most recent annual information form and elsewhere in the Company's filings with Canadian securities regulators; and other risks and factors that the Company is unaware of at this time. 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, 2023, and financial statements and related MD&A for the financial year ended December 31, 2023 and the six month period ended June 30, 2024, 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.

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