

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the amended and restated short form base shelf prospectus dated January 15, 2024 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this prospectus supplement and in the amended and restated short form base shelf prospectus dated January 15, 2024 to which it relates, constitutes a public offering of securities offered pursuant hereto only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*The securities covered by this prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States (as defined in Regulation S under the U.S. Securities Act) (the "**United States**"). Accordingly, except as permitted by the Agency Agreement (as defined herein), such securities may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) ("**U.S. Person**") unless registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or an exemption from such registration requirements is available. This prospectus supplement and the accompanying amended and restated short form base shelf prospectus do not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States or to, or for the account or benefit of, a U.S. Person. See "Plan of Distribution" below.*

Information has been incorporated by reference in this prospectus supplement, and in the amended and restated short form base shelf prospectus dated January 15, 2024 to which it relates, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Exro Technologies Inc. at 12 – 21 Highfield Circle South East, Calgary, AB T2G 5N6, Phone: +1 604 674-7746 and are also available electronically under the Exro Technologies Inc. profile at www.sedarplus.ca.

**PROSPECTUS SUPPLEMENT
TO THE
AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS DATED JANUARY 15, 2024**

New Issue

September 6, 2024



EXRO TECHNOLOGIES INC.

Up to \$30,000,250

Up to 85,715,000 Units

This prospectus supplement (this "**Prospectus Supplement**"), together with the accompanying amended and restated short form base shelf prospectus dated January 15, 2024 (the "**Shelf Prospectus**"), qualifies the distribution (the "**Offering**") of up to 85,715,000 units (the "**Offered Units**") of Exro Technologies Inc. (the "**Company**", "**Exro**", "**us**", "**our**" or "**we**") at a price of \$0.35 per Offered Unit (the "**Offering Price**") for aggregate gross proceeds to the Company of up to \$30,000,250. The Offering is being made pursuant to an agency agreement (the "**Agency Agreement**") dated September 6, 2024 among the Company and Stifel Nicolaus Canada Inc., as lead agent and sole bookrunner (the "**Lead Agent**"), and Canaccord Genuity Corp., Roth Canada Inc., A.G.P. Canada Investments ULC, ATB Securities Inc. and National Bank Financial Inc. (together with the Lead Agent, the "**Agents**"). The Offering Price and certain other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Agent with reference to the prevailing market price of the outstanding common shares of the Company (the "**Common Shares**"). See "**Plan of Distribution**". The Offered Units will be offered in each of the provinces and territories of Canada, other than Québec, through the Agents either directly or through their respective Canadian broker-dealer affiliates or agents, as applicable. Subject to applicable law, the Agents may offer the Offered Units in such other jurisdictions outside of Canada as agreed between the Company and the Agents. See "**Plan of Distribution**".

Each Offered Unit consists of one common share of the Company (a "**Unit Share**") and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a "**Unit Warrant**"). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share of the Company (each, a "**Warrant Share**") at an exercise price of \$0.42 for a period of 36 months following the Closing Date (as defined herein) (the "**Expiry Date**"). The Unit Warrants will be governed by a warrant indenture to be entered into on or prior to the Closing Date between the Company and Odyssey Trust Company (the "**Warrant Agent**"), as warrant agent. The Unit Shares and Unit Warrants comprising the Offered Units will be separated immediately upon closing of the Offering. See "*Description of Securities Being Distributed*".

The Common Shares are listed on the TSX under the trading symbol "EXRO" and quoted for trading on the OTCQB Venture Market ("**OTCQB**") in the United States under the symbol "EXROF". On September 5, 2024, the last trading day before the date of this Prospectus Supplement, the closing price of the Common Shares on the TSX was \$0.31. The Company has applied to list the Unit Shares, the Unit Warrants, the Warrant Shares and the Broker Warrant Shares (as defined herein) (including, as applicable, those issuable as a result of the exercise of the Over-Allotment Option (as defined herein)) issuable under the Offering on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. The Company does not intend to apply to list the Broker Warrants (as defined herein) on the TSX or any other securities exchange or trading system. **There is currently no market through which the Unit Warrants may be sold and purchasers may not be able to resell such securities acquired under this Prospectus Supplement. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation. See "Risk Factors".**

Price: \$0.35 per Offered Unit

	Price to the Public ⁽¹⁾	Agents' Fee ⁽²⁾	Net Proceeds to the Company ⁽³⁾
Per Offered Unit	\$0.35	\$0.028	\$0.322
Total ⁽⁴⁾	\$30,000,250	\$2,400,020	\$27,600,230

Notes:

- (1) The Offering Price was determined by arm's length negotiation between the Company and the Agents, with reference to the prevailing market price of the Common Shares on the TSX.
- (2) In consideration for the services rendered by the Agents in connection with the Offering, the Agents will receive from the Company a cash commission (the "**Agents' Fee**") equal to 8% of the aggregate gross proceeds of the Offering (including any gross proceeds raised as a result of the exercise of the Over-Allotment Option (as defined herein)). As additional consideration for the services rendered by the Agents in connection with the Offering, the Company will also issue to the Agents such number of compensation warrants (the "**Broker Warrants**") as is equal to 4% of the aggregate number of Offered Units issued under the Offering. Each Broker Warrant will be exercisable to acquire one Common Share of the Company (each, a "**Broker Warrant Share**") at an exercise price of \$0.35 for a period of 36 months from the Closing Date, subject to adjustment in certain events. The Agents' Fee will be payable and the Broker Warrants will be issuable on the total gross proceeds of the Offering and the total number of Offered Units issued, respectively, including any Additional Securities (as defined herein) issued upon the exercise of the Over-Allotment Option (as defined herein). This Prospectus Supplement qualifies the distribution of the Broker Warrants. The Company has also agreed to reimburse the Agents' reasonable legal fees and other expenses incurred with respect to the Offering. See "*Plan of Distribution*".
- (3) After deducting the Agents' Fee, but before deducting the expenses of the Offering, which are estimated to be approximately \$225,000 and will be paid by the Company from the proceeds of the Offering.
- (4) The Company has granted the Agents an over-allotment option (the "**Over-Allotment Option**"), which may be exercised in the Agents' sole discretion and without obligation, to acquire from the Company up to an additional 12,857,250 units (the "**Additional Units**"), at the Offering Price, to cover over-allotments, if any, made by the Agents in connection with the Offering and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents to acquire (i) Additional Units at the Offering Price, or (ii) additional Unit Shares (the "**Additional Shares**") at a price of \$0.33 per Additional Share, or (iii) additional Unit Warrants (the "**Additional Warrants**") at a price of \$0.02 per Additional Warrant, or (iv) any combination of Additional Units, Additional Shares and Additional Warrants, so long as the aggregate number of Additional Shares that may be issued under the Over-Allotment Option does not exceed 12,857,250 Additional Shares and so long as the aggregate number of Additional Warrants that may be issued under the Over-Allotment Option does not exceed 6,428,625 Additional Warrants. The Additional Units, the Additional Shares and the Additional Warrants are collectively referred to herein as the "**Additional Securities**". The

Over-Allotment Option is exercisable by the Agents, in whole or in part, at any time and from time to time for a period of 30 days from and including the Closing Date. The grant of the Over-Allotment Option and the Additional Securities issuable upon exercise of the Over-Allotment Option are hereby qualified for distribution under this Prospectus Supplement. A purchaser who acquires Additional Securities forming part of the Agents' over-allocation position acquires those Additional Securities under this Prospectus Supplement, together with the accompanying Shelf Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full for Additional Units, the total price to the public, Agents' Fee and net proceeds to the Company (before deducting the expenses relating to the Offering (see note 4, above)) will be \$34,500,287.50, \$2,760,023 and \$31,740,264.50, respectively. See "*Plan of Distribution*" and the table below.

The following table sets forth the number of securities that may be issued pursuant to the Over-Allotment Option and the Broker Warrants:

Agents' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Up to 12,857,250 Additional Units / 12,857,250 Additional Shares / 6,428,625 Additional Warrants	Exercisable at any time until 30 days from and including the Closing Date	\$0.35 per Additional Unit / \$0.33 per Additional Share / \$0.02 per Additional Warrant
Broker Warrants ⁽¹⁾⁽²⁾	Up to 3,942,890 Broker Warrant Shares	Exercisable for a period of 36 months from the Closing Date	\$0.35 per Broker Warrant Share

Notes:

- (1) These securities are qualified for distribution by this Prospectus Supplement.
- (2) Assumes the Offering is fully subscribed and exercise of the Over-Allotment Option in full.

Unless the context otherwise requires, all references to the "**Offering**" in this Prospectus Supplement includes the exercise of the Over-Allotment Option, and all references to the "**Offered Units**", "**Unit Shares**", "**Unit Warrants**" and "**Warrant Shares**" in this Prospectus Supplement includes all securities issuable assuming the exercise of the Over-Allotment Option.

Pursuant to the Agency Agreement, the Agents conditionally offer the Offered Units on a "best efforts" agency basis, subject to prior sale, if, as and when issued by Exro and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement described under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of Exro by Stikeman Elliott LLP and on behalf of the Agents by MLT Aikins LLP.

Subscriptions for the Offered Units will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. The closing of the Offering is expected to take place on or about September 12, 2024, or such other date as may be agreed upon by the Company and the Agents (the "**Closing Date**"). See "*Plan of Distribution*".

It is anticipated that the Unit Shares and the Unit Warrants comprising the Offered Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Offered Units, including a purchaser of Offered Units in the United States that is a "qualified institutional buyer" as defined in Rule 144A of the U.S. Securities Act (a "**Qualified Institutional Buyer**"), will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Unit Warrants on behalf of owners who have purchased Offered Units in accordance with the book based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the offering amount set out above.

Investors should rely only on current information contained in or incorporated by reference into this Prospectus Supplement and the accompanying Shelf Prospectus and such information is accurate only as of the date of the applicable document. We and the Agents have not authorized anyone to provide investors with different information. Information contained on our website shall not be deemed to be a part of this Prospectus Supplement or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Offered Units. We and the Agents will not make an offer of the Offered Units in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this Prospectus Supplement or incorporated by reference herein is accurate as of any date other than the date on the face page of this Prospectus Supplement or the date of any documents incorporated by reference herein.

An investment in the Offered Units is highly speculative and subject to a number of risks. Investors should review this Prospectus Supplement, together with the accompanying Shelf Prospectus, and documents incorporated by reference herein and therein in their entirety and carefully consider the risk factors described under "Risk Factors" and the risks identified in the documents incorporated by reference herein before purchasing Offered Units.

The Company presents its financial statements in Canadian dollars. The financial statements of the Company incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences in Canada. Investors should read the tax discussion in this Prospectus Supplement and consult their own tax advisors with respect to their own particular circumstances. See "Certain Canadian Federal Income Tax Considerations".

No Canadian or other securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus Supplement and the accompanying Shelf Prospectus or determined if this Prospectus Supplement and the accompanying Shelf Prospectus are truthful or complete. Any representation to the contrary is a criminal offence.

Subject to applicable laws, in connection with the Offering, the Agents may over-allot or effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Company's head office is 12 – 21 Highfield Circle South East, Calgary, Alberta T2G 5N6 and the Company's registered office is located at Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8.

The directors of the Company named below, each of whom reside outside of Canada, have appointed the following agent for service of process in Canada:

Names of Persons	Name and Address of Agent
Sue Ozdemir Rodney Copes Aleksandra Miziolek Frank Simpkins Anthony Fairweather John MacLeod Nancy Lee Gioia	152928 Canada Inc. c/o Stikeman Elliott LLP Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a

foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

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ABOUT THIS PROSPECTUS

Unless otherwise specified or the context otherwise requires, all references in this Prospectus Supplement to "we", "us", "our" or similar terms, as well as references to "Exro" or the "Company", refer to Exro Technologies Inc. and its direct and indirect subsidiaries and predecessors or other entities controlled by them.

This document is in two parts. The first part is the Prospectus Supplement, which describes the terms of the Offering and adds to and updates information contained in the accompanying Shelf Prospectus and the documents incorporated by reference therein. The second part is the Shelf Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Shelf Prospectus solely for the purpose of this Offering. You should read this Prospectus Supplement along with the accompanying Shelf Prospectus. If the information varies between this Prospectus Supplement and the accompanying Shelf Prospectus, the information in this Prospectus Supplement supersedes the information in the accompanying Shelf Prospectus.

You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus and are not entitled to rely only on certain parts of the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus to the exclusion of the remainder. We and the Agents have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We and the Agents are not making an offer to sell or seeking an offer to buy the securities offered pursuant to this Prospectus Supplement and the accompanying Shelf Prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this Prospectus Supplement and the accompanying Shelf Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus Supplement and the accompanying Shelf Prospectus or of any sale of our securities pursuant thereto. Our business, financial condition, results of operations and prospects may have changed since those dates.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Prospectus Supplement and the accompanying Shelf Prospectus, including the documents incorporated by reference herein and therein, contain or incorporate by reference "forward-looking information", "forward-looking statements" or "future-oriented financial information" (collectively, "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. These forward-looking statements reflect the Company's expectations regarding future events, performance and results based on information available at the time and speak only as of the date of such statements.

The future-orientated financial information included or incorporated by reference in this Prospectus Supplement has been prepared by, and is the responsibility of, the Company's management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying future-orientated financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Specific statements contained in or incorporated by reference in this Prospectus Supplement or the accompanying Shelf Prospectus that constitute forward-looking statements or information include, but are not limited to, statements with respect to the intended use of the net proceeds of the Offering, the listing of the Unit Shares, the Unit Warrants, the Warrant Shares and the Broker Warrant Shares issuable pursuant to the Offering on the TSX, the proposed Closing Date, the Company's existing investments, statements or information concerning the Company's growth, acquisition and investment strategy, and the Company's future performance and business prospects and opportunities. These statements reflect management's current assumptions and expectations and by their nature are subject to certain underlying assumptions, known and unknown risks and uncertainties and other factors which may cause actual results, performance or events to be materially different from those expressed or implied by such forward-looking statements.

These forward-looking statements are based on the beliefs of Exro's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of Exro to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. These risks include, but are not limited to, the risks set out under the heading "*Risk Factors*" in this Prospectus Supplement and the accompanying Shelf Prospectus and the risks set out in the documents incorporated by reference herein and therein. New risks may emerge from time to time and the importance of current factors may change from time to time and it is not possible for the Company to predict all such factors, changes in such factors and to assess in advance the impact of such factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements contained in this Prospectus Supplement or accompanying Shelf Prospectus, or the documents incorporated by reference herein and therein.

Although the forward-looking statements contained in or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company's actual results could differ materially from those anticipated in these forward-looking statements, as a result of, amongst others, those factors noted above and those listed in the AIF (as defined herein) under the heading "*Risk Factors*". Accordingly, readers should not place undue reliance on forward-looking information. These forward-looking statements are made as of the date of this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein, as applicable, and are expressly qualified in their entirety by this cautionary statement. Subject to applicable Canadian securities laws, the Company assumes no obligation to update or revise the forward-looking statements contained or incorporated by reference herein to reflect events or circumstances occurring after the date of this Prospectus Supplement.

CURRENCY AND EXCHANGE RATE INFORMATION

This Prospectus Supplement and the accompanying Shelf Prospectus, and documents incorporated by reference herein and therein, contain references to Canadian and United States dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to "\$" are to Canadian dollars and references to "US\$" are to United States dollars. The following table shows, for the years and dates indicated, certain information regarding the Canadian dollar/United States dollar exchange rate. The information is based on the daily average exchange rate as reported by the Bank of Canada.

Such exchange rate on September 5, 2024 was US\$1.00 = \$1.3514 or \$1.00 = US\$0.7400.

	<u>Period End</u>	<u>Average⁽¹⁾</u> (\$ per US\$)	<u>Low</u>	<u>High</u>
Year ended December 31,				
2023.....	\$1.3226	\$1.3497	\$1.3128	\$1.3875
2022.....	\$1.3544	\$1.3011	\$1.2451	\$1.3856

Notes:

(1) The average of the daily average exchange rates during the relevant period.

MARKETING MATERIALS

In connection with the Offering, the Agents used the "template version" of the term sheet dated September 4, 2024 (the "**Term Sheet**") and the "template version" of the investor presentation prepared in connection with the Offering dated September 4, 2024 (the "**Investor Presentation**"), and together with the Term Sheet, the "**Marketing Materials**") as "marketing materials" (as such terms are defined under applicable Canadian securities laws). The Marketing Materials are available under the Company's profile on SEDAR+ at www.sedarplus.ca. The Marketing Materials do not form part of this Prospectus Supplement and the accompanying Shelf Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment. Any "template version" of any "marketing materials" relating to the Offering filed on SEDAR+ after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or amended versions of, the Marketing Materials) is deemed to be incorporated by reference into this Prospectus Supplement for the purposes of the Offering.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Shelf Prospectus solely for the purposes of this Offering. Information has been incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus from documents filed by us with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Exro at 12 – 21 Highfield Circle South East, Calgary, AB T2G 5N6, Phone: +1 604 674-7746 and are also available electronically under Exro's profile at www.sedarplus.ca.

As of the date of this Prospectus Supplement, our disclosure documents listed below and filed with the appropriate securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this Prospectus Supplement and Shelf Prospectus:

- (a) Our annual information form dated April 1, 2024 for the year ended December 31, 2023 (the "**AIF**");
- (b) Our audited annual consolidated financial statements as at and for the years ended December 31, 2023, and December 31, 2022, together with the notes thereto and the independent auditors' report thereon (the "**Annual Financial Statements**");
- (c) Our management's discussion and analysis for the three and twelve months ended December 31, 2023;
- (d) Our unaudited interim condensed consolidated financial statements as at and for the three and six months ended June 30, 2024, together with the notes thereto (the "**Interim Financial Statements**");

- (e) Our management's discussion and analysis for the three and six months ended June 30, 2024 (the "**Interim MD&A**");
- (f) Our business acquisition report dated May 14, 2024 regarding the acquisition by the Company of all of the issued and outstanding stock of SEA Electric Inc. ("**SEA Electric**");
- (g) Our management information circular dated March 6, 2024, prepared in connection with the special meeting of shareholders of the Company held on April 4, 2024;
- (h) Our management information circular dated May 22, 2024, prepared in connection with the annual general meeting of shareholders of the Company held on June 28, 2024;
- (i) Our material change report dated May 29, 2023 regarding the closing of a bought deal public offering of 15,525,000 Common Shares at a price of \$2.25 per Common Share for aggregate gross proceeds of \$34,931,250;
- (j) Our material change report dated January 30, 2024 regarding the entering into of a merger agreement providing for the acquisition by the Company of SEA Electric (the "**SEA Acquisition**") and the announcement of a bought deal private placement offering of 31,600,000 subscription receipts of the Company (the "**2024 Subscription Receipts**") at a price of \$0.95 per subscription receipt for aggregate gross proceeds of \$30,020,000 (the "**Subscription Receipt Offering**");
- (k) Our material change report dated February 29, 2024 regarding the closing of the Subscription Receipt Offering;
- (l) Our material change report dated April 15, 2024 regarding the closing of the SEA Acquisition and conversion of the 2024 Subscription Receipts;
- (m) the Term Sheet; and
- (n) the Investor Presentation.

Any document of the type referred to above or similar material and any documents required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, information circulars, marketing materials and business acquisition reports or amendments thereto filed by the Company with any securities commissions or similar regulatory authority in Canada after the date of this Prospectus Supplement and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference in this Prospectus Supplement for the purposes of the Offering. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement and the Shelf Prospectus, and the documents incorporated or deemed to be incorporated by reference herein and therein.

Any statement contained in this Prospectus Supplement, the Shelf Prospectus or any document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Shelf Prospectus for the purpose of the Offering shall be deemed to be modified or superseded for purposes of this Prospectus Supplement, to the extent that a statement contained herein, or in the Shelf Prospectus or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein or in the Shelf Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it

modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement, the Shelf Prospectus or the documents incorporated by reference herein or therein.

PRESENTATION OF FINANCIAL INFORMATION

Exro presents its financial statements in Canadian dollars and its financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee. Unless otherwise indicated in this Prospectus Supplement, all financial information of SEA Electric incorporated by reference in this Prospectus Supplement is reported in U.S. dollars and has been derived from audited and unaudited historical financial statements of SEA that were prepared in accordance with accounting principles generally accepted in the United States ("**U.S. GAAP**"). The recognition, measurement and disclosure requirements of U.S. GAAP differ from IFRS. Certain calculations included in tables and other figures in this Prospectus Supplement and the accompanying Shelf Prospectus have been rounded for clarity of presentation.

CAUTIONARY NOTE REGARDING PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION

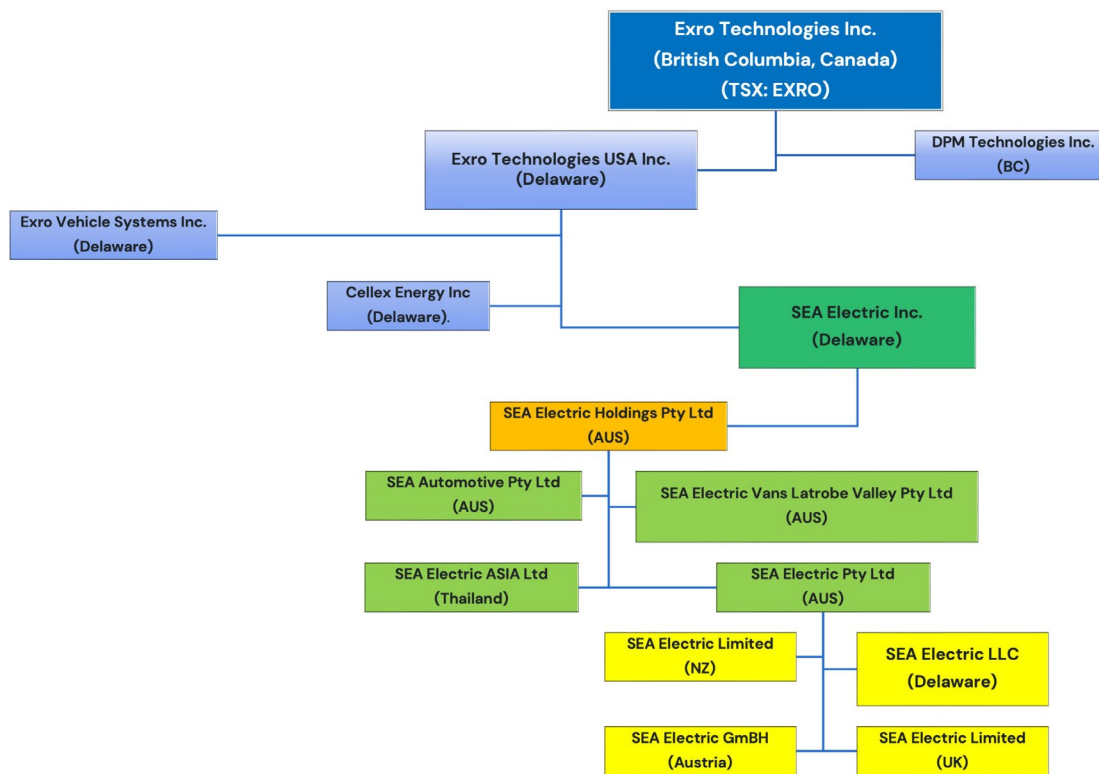
This Prospectus Supplement incorporates by reference the unaudited pro forma condensed combined consolidated financial information of Exro, comprised of the pro forma condensed combined consolidated balance sheet of Exro as at September 30, 2023 and the pro forma condensed combined consolidated statement of comprehensive loss of Exro for the year ended December 31, 2022 and the nine months ended September 30, 2023, together with the notes thereto, giving effect to the SEA Acquisition and the Subscription Receipt Offering (the "**Exro Pro Forma Financial Information**"). The Exro Pro Forma Financial Information was prepared in accordance with IFRS, using Exro and SEA Electric's respective historical financial statements as described in the notes to the Exro Pro Forma Financial Information. Exro has not independently verified the financial statements of SEA Electric that were used to prepare the Exro Pro Forma Financial Information or that are incorporated by reference in this Prospectus Supplement. The Exro Pro Forma Financial Information is not intended to be indicative of the results that actually occurred, or the results expected in future periods, had the events reflected therein occurred on the dates indicated. Actual amounts recorded following closing of the SEA Acquisition may differ from the amounts reflected in the Exro Pro Forma Financial Information. The Exro Pro Forma Financial Information incorporated by reference in this Prospectus Supplement is included for informational purposes only and undue reliance should not be placed on the Exro Pro Forma Financial Information. See "*Risk Factors*".

SUMMARY DESCRIPTION OF BUSINESS

The following description of the business of the Company does not contain all of the information about the Company and its assets and business that you should consider before investing in the Offered Units. You should carefully read the entire Prospectus Supplement and the accompanying Shelf Prospectus, including the sections titled "Risk Factors", as well as the documents incorporated by reference herein and therein before making an investment decision.

Exro is a leading clean technology company focused on developing new generation power control electronics that expand the capabilities of electric motors and batteries. Exro's innovative technologies serve to bridge the performance-cost gap in e-mobility (Coil Driver™ and SEA-Drive®) 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.

The following diagram illustrates the organizational structure of the Company. Each subsidiary noted in the diagram is wholly owned, directly or indirectly, by the Company.



For further information respecting the Company and its business, please refer to pages 9 through 13 of the AIF and pages 1 through 3 of the Interim MD&A.

RECENT DEVELOPMENTS

On June 13, 2024, Exro announced the signing of Exro's first-ever outbound intellectual property licensing agreement with HB4 S.r.l. ("**HB4**") of Capri, Italy. Exro and HB4 entered into a technology licensing agreement to better serve the European market with a cost-effective and high-performing powertrain solution in electric vehicles. The agreement is a non-exclusive arrangement that will allow Exro's low-voltage Coil Driver™ technology to be coupled with HB4's SM4E motors to form a new low voltage powertrain solution.

On June 14, 2024, the Company completed a disposition of assets within its Exro Vehicle Systems Inc. entity for cash consideration of \$304,872. This resulted in discontinuing the operations and engineering services provided by Exro Vehicle Systems Inc. Exro Vehicle Systems Inc. represents a separate major line of business within the Company, therefore, its results have been classified as a discontinued operation in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Company's statement of comprehensive loss has been restated for the years ended December 31, 2023 and 2022, as set out in "*Schedule A – Restated Statement of Comprehensive Loss for Fiscal Years 2023 and 2022*".

In reviewing our management discussion and analysis for the three and six months ended June 30, 2024 in connection with the Offering, we noted certain inconsistencies in the eight quarter rolling summary of financial information contained therein. The following table sets out the revised eight quarter rolling summary of financial information, prepared as of August 14, 2024:

Quarter Ended		Revenue from continuing operations (\$'s)	Net Loss (\$'s)	Basic and diluted loss per common and preferred share (\$'s)	Weighted average number of Common Shares and preferred shares
Q2'24	June 30, 2024	5,270,259	(25,207,109)	(0.05)	490,157,725
Q1'24	March 31, 2024	87,828	(12,867,234)	(0.08)	170,077,862
Q4'23	December 31, 2023	-	(18,769,546)	(0.11)	169,405,378
Q3'23	September 30, 2023	-	(10,694,314)	(0.06)	168,731,203
Q2'23	June 30, 2023	-	(12,995,906)	(0.08)	158,685,036
Q1'23	March 31, 2023	-	(8,163,404)	(0.05)	149,820,687
Q4'22	December 31, 2022	-	(12,880,152)	(0.08)	146,217,420
Q3'22	September 30, 2022	20,126	(8,134,896)	(0.06)	139,112,088

On June 27, 2024, Exro announced that its Cell Driver™ stationary energy storage system achieved UL certification status, as well as the launch of Cellex Energy Inc. ("**Cellex**"), a new subsidiary dedicated to Cell Driver™ commercialization. UL certification is an essential requirement prior to connecting to the energy grid in the USA and Canada, ensuring that products meet rigorous safety standards and regulatory requirements. Cellex was established in order to enable the Company to concentrate resources and expertise specifically on energy storage, enhance operational efficiency and market responsiveness, and strengthen customer and stakeholder engagement through a dedicated division.

On August 12, 2024, Exro announced the entering into of a strategic agreement between Cellex and a premier North American "Energy as a Service" partner for commercial businesses with repeatable footprints. The strategic agreement includes a binding purchase order for 10 of Exro's Cell Driver™ pilot units, with plans to deploy the units in strategic US regions including California and New England. As part of the strategic agreement, 10 Cell Driver™ units are being purchased for deployment during a 12-month pilot phase. Following the pilot phase, the parties will evaluate together plans for future Cell Driver™ rollouts.

USE OF PROCEEDS

The net proceeds to the Company from the Offering are estimated to be \$27,375,230, after payment of the Agents' Fee of \$2,400,020, and after deduction of the estimated expenses of the Offering (estimated to be approximately \$225,000), assuming the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised in full for Additional Units, the net proceeds to the Company from the Offering are estimated to be \$31,515,264.50, after payment of the Agents' Fee of \$2,760,023, and after deduction of the estimated expenses of the Offering of \$225,000.

The Company currently intends to use the net proceeds of the Offering as follows:

<u>Activity or Nature of Expenditure</u>	<u>Estimated Use of Net Proceeds</u>	<u>Estimated Use of Net Proceeds after the Over-Allotment Option</u>
Research and development	\$403,900	\$465,000
Working capital	\$22,124,800	\$25,470,864.50
General corporate	\$4,846,500	\$5,579,400
Total Net Proceeds	\$27,375,230	\$31,515,264.50

The Company intends to use a portion of the net proceeds of the Offering for research and development activities necessary to complete the prototype-to-market process for its technology and to build a product with full drivability and a high level of maturity in the low voltage and high voltage electric vehicle and Battery Control Systems product segments.

The Company intends to allocate \$22,124,800 to working capital, including purchases of inventory, such as batteries and motors, and production related costs for the Company to assemble and deliver the SEA-Drive® to customers, as well as the repayment of accounts payable.

General corporate expenses consist of salaries and wages for Exro's executives, accounting, and administrative staff, and regulatory fees and professional fees such as consulting, legal and audit fees, as well as other office expenses.

Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above. See "*Risk Factors*".

Pending their use, we may hold the net proceeds of the Offering in cash balances in the Company's bank account or invest funds which we do not immediately use at the discretion of the board of directors of the Company. Such investments may include short-term marketable investment grade securities denominated in Canadian dollars, United States dollars or other currencies.

Since inception, we have incurred operating losses and negative operating cash flow. To the extent that we have negative operating cash flows in future periods, we may need to deploy a portion of the net proceeds from the Offering or existing working capital to fund such negative cash flow. See "*Risk Factors*".

DESCRIPTION OF SHARE CAPITAL

Exro's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of the date of this Prospectus Supplement, there are 350,169,018 Common Shares issued and outstanding and 160,589,446 Preferred Shares, Series 1 of the Company (each, a "**Convertible Preferred Share**") issued and outstanding.

For a description of the terms of the Common Shares and a general description of the preferred shares, see "*Description of Share Capital*" in the Shelf Prospectus.

The following is a summary of the special rights and restrictions attaching to the Convertible Preferred Shares.

The holders of Convertible Preferred Shares are not entitled to vote at meetings of the shareholders of the Company except as required pursuant to applicable law or at a meeting of shareholders of the Company called for the purpose of approving the liquidation or dissolution of the Company. Upon the liquidation, dissolution or winding-up of the Company, the holders of Convertible Preferred Shares are entitled to participate *pari passu* with the holders of the Common Shares. The holders of Convertible Preferred Shares are also entitled to participate *pari passu* with the holders of Common Shares in any dividends declared by the board of directors of the Company from time to time. The Convertible Preferred Shares are economically equivalent to the Common Shares in all respects.

Each Convertible Preferred Share is convertible, at the option of the holder thereof, into one Common Share upon sending to the Company's transfer agent (a) the certificate therefor, duly endorsed, or the equivalent in any non-certificated inventory system, and written notice of the election to convert such Convertible Preferred Share, and (b) a declaration confirming that the underlying Common Shares will be sold through the facilities of a stock exchange or alternative trading system, as applicable, in one or more transactions which are not pre-arranged with any non-arm's length acquiror.

Each Convertible Preferred Share is also convertible into one Common Share, subject to sending to the Company's transfer agent the certificate therefor, duly endorsed, or the equivalent in any non-certificated inventory system, and written notice of the election to convert such Convertible Preferred Share, in the event that a bona fide third party makes a formal take-over bid (as defined in National Instrument 62-104 – *Take-Over Bids and Issuers Bids*) for the Common Shares in order to permit the holder to tender to the take-over bid.

In addition, each Convertible Preferred Share shall be automatically converted, without any further action, into one Common Share, and each former stockholder of SEA immediately prior to the SEA Acquisition or any person controlled, directly or indirectly, by any such former stockholder of SEA (each, a "**Permitted Holder**") shall automatically be deemed to have exercised the right to convert such Convertible Preferred Share into one Common Share on the earliest to occur of: (a) the date that is five years following closing of the SEA Acquisition; (b) the date that less than 20% of the originally issued Convertible Preferred Shares remain outstanding; and (c) the date that a person other than a Permitted Holder acquires more than 50% of the issued and outstanding Common Shares.

The terms attaching to the Convertible Preferred Shares also include customary subdivision, consolidation and adjustment provisions.

DESCRIPTION OF SECURITIES OFFERED

Offering

The Offering consists of Offered Units, each of which is comprised of one Unit Share and one-half of one Unit Warrant. The Offered Units will separate into Unit Shares and Unit Warrants immediately upon the closing of the Offering. The Offered Units are offered at the Offering Price of \$0.35 per Offered Unit.

Unit Shares

For a description of the terms of the Unit Shares and Warrant Shares, see "*Description of Share Capital*" in this Prospectus Supplement and in the accompanying Shelf Prospectus.

Unit Warrants

The following is a summary of the principal attributes of the Unit Warrants and certain anticipated provisions of the Warrant Indenture (as defined herein) mentioned herein. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request from the Corporate Secretary of the Company and will be available electronically at www.sedarplus.ca and reference should be made to the Warrant Indenture for the full text of the attributes of the Unit Warrants.

Each Unit Warrant entitles its holder, upon the payment of the exercise price of \$0.42, subject to adjustment in certain events, to purchase one Warrant Share until the Expiry Date. See "*Plan of Distribution*".

The Unit Warrants will be governed by an agreement to be entered into on the Closing Date (the "**Warrant Indenture**") between the Company and the Warrant Agent. The Company will designate the Warrant Agent, at its principal office in Vancouver, British Columbia or Calgary, Alberta, as agent for the Unit Warrants. Prior to the closing of the Offering, the Company may name any other agent with respect to the Unit Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Unit Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- the subdivision, redivision or change of the Common Shares into a greater number of shares;
- the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price", as defined in the Warrant Indenture, of Common Shares on such record date; and
- the distribution to all or substantially all of the holders of Common Shares of (i) securities of any class whether of the Company or any other entity (other than Common Shares), (ii) securities convertible into or exchangeable for Common Shares, (iii) evidences of indebtedness or (iv) any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities or other property issuable upon the exercise of the Unit Warrants and/or exercise price per security in the event of the following additional events:

- the reclassification of the Common Shares;
- the capital reorganization of the Company;
- the reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger of the Company with or into any other corporation or other entity; or
- the sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Company will covenant in the Warrant Indenture that, so long as any Unit Warrant remains outstanding, the Company will give notice to the Warrant Agent and to Unit Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Unit Warrants or the number of Warrant Shares issuable upon exercise of the Unit Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Unit Warrant and no consideration will be paid in lieu thereof. Unit Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Unit Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder of Unit Warrants.

Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Unit Warrants at which there are holders of Unit Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Unit Warrants and passed by the affirmative vote of holders of Unit Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and voted on the poll for such resolution, or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of the then outstanding Unit Warrants.

The Unit Warrants and the Warrant Shares issuable upon exercise of the Unit Warrants have not been and will not be registered under the U.S. Securities Act or the securities laws of any state in the United States. The Unit Warrants may not be exercised in the United States, or by or on behalf of a U.S. Person, nor will any certificates representing the Warrant Shares issuable upon exercise of the Unit Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States is available and the Company has received an opinion of counsel of recognized standing or other evidence reasonably satisfactory to the Company to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a purchaser in the United States that purchased the Unit Warrants from the Company in the Offering for its own account, or for the account of another purchaser in the United States for which it exercised sole investment discretion with respect to such original purchase (an "**Original Beneficial Purchaser**") will not be required to deliver an opinion of counsel if it exercises the Unit Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, is an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act at the time of its purchase and exercise of the Unit Warrants. If required pursuant to the U.S. Securities Act, certificates representing Warrant Shares will be required to bear a legend describing transfer restrictions imposed by the U.S. Securities Act.

CONSOLIDATED CAPITALIZATION

Other than as a result of this Offering or as set out under the heading "*Prior Sales*", there have been no material changes in the Company's share and loan capital since June 30, 2024.

PRIOR SALES

Other than as described below, during the 12 months preceding the date of this Prospectus Supplement, there were no issuances of Common Shares or common share purchase warrants:

Date Issued	No. of Securities Issued	Securities Issued	Transaction Type	Price (\$)
September 8, 2023	50,000	Common Shares	Option Exercise	1.00
September 11, 2023	11,500	Common Shares	Option Exercise	1.00
September 12, 2023	1,700	Common Shares	Option Exercise	1.05
September 12, 2023	20,833	Common Shares	Convertible Debenture	2.40
September 15, 2023	33,500	Common Shares	Option Exercise	1.00
September 27, 2023	10,000	Common Shares	Option Exercise	0.38
September 28, 2023	8,600	Common Shares	Option Exercise	0.38
September 29, 2023	11,400	Common Shares	Option Exercise	0.38
October 3, 2023	3,300	Common Shares	Option Exercise	1.05
October 3, 2023	70,754	Common Shares	RSU Issuance	1.98
October 3, 2023	23,349	Common Shares	RSU Issuance	1.98
October 3, 2023	23,349	Common Shares	RSU Issuance	1.98
October 3, 2023	10,000	Common Shares	Option Exercise	0.38
October 4, 2023	15,400	Common Shares	Option Exercise	0.38
October 5, 2023	14,600	Common Shares	Option Exercise	0.38
October 6, 2023	10,000	Common Shares	Option Exercise	0.38

Date Issued	No. of Securities Issued	Securities Issued	Transaction Type	Price (\$)
October 10, 2023	10,000	Common Shares	Option Exercise	0.38
October 10, 2023	1,320	Common Shares	Option Exercise	1.05
October 11, 2023	40,000	Common Shares	Option Exercise	0.38
October 11, 2023	20,000	Common Shares	Option Exercise	1.00
October 11, 2023	20,000	Common Shares	Option Exercise	0.38
October 11, 2023	50,000	Common Shares	Option Exercise	0.41
October 12, 2023	10,000	Common Shares	Option Exercise	0.38
October 13, 2023	10,000	Common Shares	Option Exercise	0.38
October 16, 2023	10,000	Common Shares	Option Exercise	0.38
October 18, 2023	10,000	Common Shares	Option Exercise	0.38
October 23, 2023	10,000	Common Shares	Option Exercise	0.38
October 24, 2023	10,000	Common Shares	Option Exercise	0.38
October 25, 2023	4,200	Common Shares	Option Exercise	0.38
October 26, 2023	5,800	Common Shares	Option Exercise	0.38
October 27, 2023	10,000	Common Shares	Option Exercise	0.38
December 31, 2023	60,908	Common Shares	Interest Payment	1.32
December 31, 2023	618,636	Common Shares	Interest Payment	1.32
February 9, 2024	100,000	Common Shares	Option Exercise	0.41
April 5, 2024	146,453,200	Common Shares	Acquisition of SEA Electric	0.85
April 5, 2024	31,600,000	Common Shares ⁽¹⁾	Conversion of 2024 Subscription Receipts	0.95
June 30, 2024	1,794,000	Common Shares	Interest Payment	0.50
August 2, 2024	100,000	Common Shares	Option Exercise	0.25
August 12, 2024	100,000	Common Shares	Option Exercise	0.25

Notes:

- (1) Issued on conversion of the 2024 Subscription Receipts pursuant to the terms of the Subscription Receipt Offering concurrent with the closing of the SEA Acquisition.

Other than as described below, during the 12 months preceding the date of this Prospectus Supplement, there were no issuances of securities that are convertible into Common Shares or common share purchase warrants:

Date Issued	Number of Securities	Type of Security	Exercise Price
October 17, 2023	150,000	Restricted Share Units	N/A
February 16, 2024	31,600,000	Subscription Receipts ⁽¹⁾	N/A
April 5, 2024	160,589,446	Convertible Preferred Shares	N/A
April 5, 2024	15,457,723	Restricted Share Units ⁽²⁾	N/A
April 5, 2024	4,085,873	Options ⁽³⁾	\$0.83
April 5, 2024	13,192,842	Warrants ⁽⁴⁾	\$0.81

Notes:

- (1) On February 16, 2024, the Company issued 31,600,000 2024 Subscription Receipts, which were each converted into one Common Share without any further action from the holder thereof concurrent with the closing of the SEA Acquisition.
- (2) On April 5, 2024, the Company issued 15,457,723 restricted share units to former holders of restricted stock units of SEA Electric. Each such restricted share unit is convertible into 0.47698 of a Common Share and 0.52302 of a Convertible Preferred Share of the Company upon vesting and settlement in accordance with the terms of such restricted share units.
- (3) On April 5, 2024, the Company issued 4,085,873 options to acquire 1,948,880 Common Shares and 2,136,993 Convertible Preferred Shares of the Company to former holders of options to acquire shares in the capital stock of SEA Electric. Each such option entitles the holder thereof to acquire 0.47698 of a Common Share and 0.52302 of a Convertible Preferred Share at an exercise price of \$0.83 until June 8, 2026, provided that the first such exercise must involve a payment to the Company of not less than \$516,724.
- (4) On April 5, 2024, the Company issued 13,192,842 common share purchase warrants to former holders of warrants to purchase common stock of SEA Electric. Each such warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.81 until April 5, 2029.

TRADING PRICES AND VOLUMES

The Common Shares are listed for trading on the TSX under the symbol "EXRO". The following table sets forth trading information for the Common Shares on the TSX for the 12 month period prior to the date of this Prospectus Supplement:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
September 2023	\$2.45	\$2.00	3,315,200
October 2023	\$2.25	\$1.50	4,006,700
November 2023	\$1.93	\$1.33	4,331,500
December 2023	\$1.51	\$1.16	3,901,700
January 2024	\$1.34	\$0.88	4,805,000
February 2024	\$0.96	\$0.76	3,891,500
March 2024	\$0.93	\$0.70	3,723,100
April 2024	\$0.94	\$0.61	3,636,500
May 2024	\$0.77	\$0.63	2,363,600
June 2024	\$0.77	\$0.46	4,775,700
July 2024	\$0.68	\$0.49	2,790,800
August 2024	\$0.56	\$0.23	7,612,300
September 1-5, 2024	\$0.415	\$0.275	624,650

In connection with the closing of a bought deal financing on February 4, 2022, the Company issued 6,361,225 publicly traded common share purchase warrants (the "**Listed Warrants**"). The Listed Warrants are listed for trading on the TSX under the symbol "EXRO.WT". The following table sets forth trading information for the Common Shares on the TSX for the 12 month period prior to the date of this Prospectus Supplement:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
September 2023	\$1.17	\$0.71	185,555
October 2023	\$0.80	\$0.50	389,238
November 2023	\$0.85	\$0.48	129,321
December 2023	\$0.68	\$0.475	76,550
January 2024	\$0.69	\$0.20	157,805
February 2024	\$0.295	\$0.14	183,897
March 2024	\$0.20	\$0.16	9,108
April 2024	\$0.22	\$0.18	52,928
May 2024	\$0.245	\$0.14	36,610
June 2024	\$0.245	\$0.12	65,300
July 2024	\$0.18	\$0.09	17,100
August 2024	\$0.10	\$0.03	101,110
September 1-5, 2024	\$0.06	\$0.03	9,000

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Company has engaged the Agents as its agents to offer for sale to the public on a "best efforts" basis an aggregate of up to 85,715,000 Offered Units at the Offering Price for

aggregate gross proceeds of up to \$30,000,250, payable in cash to the Company against delivery of the Offered Units, subject to compliance with all necessary legal requirements and with the terms and conditions contained in the Agency Agreement. The Offering Price and certain other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Agent with reference to the prevailing market price of the Common Shares. The obligations of the Agents under the Agency Agreement are subject to certain closing conditions and may be terminated at its discretion on the basis of "regulatory out", "diligence out", "material adverse change out", "breach of agreements out", "litigation out", "disaster out" and "market out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agents are not obligated to purchase any Offered Units under the Agency Agreement.

The Company has granted the Agents the Over-Allotment Option, which may be exercised in the Agents' sole discretion and without obligation, to acquire from the Company up to an additional 12,857,250 Additional Units, at the Offering Price, to cover over-allotments, if any, made by the Agents in connection with the Offering and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents to acquire (i) Additional Units at the Offering Price, or (ii) Additional Shares at a price of \$0.33 per Additional Share, or (iii) Additional Warrants at a price of \$0.02 per Additional Warrant, or (iv) any combination of Additional Units, Additional Shares and Additional Warrants, so long as the aggregate number of Additional Shares that may be issued under the Over-Allotment Option does not exceed 12,857,250 Additional Shares and so long as the aggregate number of Additional Warrants that may be issued under the Over-Allotment Option does not exceed 6,428,625 Additional Warrants. The Over-Allotment Option is exercisable by the Agents, in whole or in part, at any time and from time to time for a period of 30 days from and including the Closing Date. The grant of the Over-Allotment Option and the Additional Securities issuable upon exercise of the Over-Allotment Option are hereby qualified for distribution under this Prospectus Supplement. A purchaser who acquires Additional Securities forming part of the Agents' over-allocation position acquires those Additional Securities under this Prospectus Supplement, together with the accompanying Shelf Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full for Additional Units, the total price to the public, Agents' Fee and net proceeds to the Company (before deducting the expenses relating to the Offering) will be \$34,500,287.50, \$2,760,023 and \$31,740,264.50, respectively.

Pursuant to the Agency Agreement, the Agents have reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Agents and such selling group participants, but at no additional cost to the Company. The Offering Price and other terms of the Offering were determined based on arm's length negotiations between the Company and the Lead Agent with reference to the prevailing market price of the Common Shares and TSX requirements.

The Offered Units will be offered in each of the provinces and territories of Canada, other than Québec, through the Agents either directly or through their respective Canadian broker-dealer affiliates or agents, as applicable. No Offered Units will be offered or sold in any jurisdiction except by or through brokers or dealers duly registered under the applicable securities laws of that jurisdiction, or in circumstances where an exemption from such registered dealer requirements is available. Subject to applicable law, the Agents may offer the Offered Units in such other jurisdictions outside of Canada as agreed between the Company and the Agents. The Company and the Agents are not making an offer to sell or a solicitation of an offer to buy the Offered Units in any jurisdiction where the offer is not permitted.

Each Offered Unit will consist of one Unit Share and one-half of one Unit Warrant. Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.42 until the Expiry Date. The Unit Warrants will be created and issued pursuant to the terms of the Warrant Indenture to be dated as of the Closing Date between the Company and the Warrant Agent. The Warrant Indenture will contain provisions designed to protect holders of the Unit Warrants against dilution upon the happening of certain events. No fractional Unit Warrants will be issued.

In consideration for the services rendered by the Agents in connection with the Offering, the Agents will receive from the Company the Agents' Fee equal to 8% of the gross proceeds of the Offering (including any gross proceeds raised as a result of the exercise of the Over-Allotment Option). As additional consideration for the services rendered by the Agents in connection with the Offering, the Company will also issue to the Agents the number of Broker Warrants being equal to 4% of the aggregate number of Offered Units issued under the Offering. Each Broker Warrant will be exercisable to acquire a Broker Warrant Share at an exercise price of \$0.35 for 36 months from the Closing Date, subject to adjustment in certain events. The Agents' Fee will be payable and the Broker Warrants will be issuable on the total gross proceeds of the Offering and the total number of Offered Units issued, respectively, including any Additional Securities issued upon the exercise of the Over-Allotment Option. This Prospectus Supplement also qualifies the distribution of the Broker Warrants.

Pursuant to the terms of the Agency Agreement, the Company has also agreed to reimburse the Agents for certain expenses, including legal and out-of-pocket expenses incurred in connection with the Offering. The Company has agreed to indemnify the Agents and each of their respective affiliates, directors, officers, employees, partners, agents and each other person, if any, controlling any of the Agents against certain liabilities and expenses and to contribute to payments they may be required to make insofar as any expenses, losses, claims, actions, damages or liabilities arise out of or are based, directly or indirectly, upon the performance of the professional services rendered to the Company by the Agents pursuant to the Agency Agreement.

Pursuant to rules and policy statements of certain securities regulators, the Agents may not, at any time during the period ending on the date the selling process for the Offered Units ends and all stabilization arrangements relating to the Offered Units are terminated, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions, including: (i) a bid for or purchase of Common Shares if the bid or purchase is made in accordance with the Universal Market Integrity Rules of the Canadian Investment Regulatory Organization; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Agents, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules; and (iii) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Agents may rely on such exemptions on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. Subject to applicable laws and in connection with the Offering, the Agents may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Agents may carry out these transactions on the TSX, on the OTCQB, in the over-the-counter market or otherwise.

Subscriptions for Offered Units will be received by the Agents subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. The closing of the Offering is expected to take place on or about September 12, 2024, or such other date as may be agreed upon by the Company and the Agents.

It is anticipated that the Unit Shares and the Unit Warrants comprising the Offered Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Offered Units, including a purchaser of Offered Unit in the United States that is a Qualified Institutional Buyer, will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Unit Warrants on behalf of owners who have purchased Offered Units in accordance with the book based system. No definitive certificates will be issued unless specifically requested or required.

The Company has applied to list the Unit Shares, the Unit Warrants, the Warrant Shares and the Broker Warrant Shares (including as applicable those issuable as a result of the exercise of the Over-Allotment

Option) issuable under the Offering on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. The Company does not intend to apply to list the Broker Warrants on the TSX or any other securities exchange or trading system. **There is currently no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

The Company has agreed in the Agency Agreement that it will not sell or agree to sell any securities of the Company (including those that are convertible or exchangeable into securities of the Company) for a period of 90 days from the Closing Date without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, except: (i) pursuant to the Offering; (ii) the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date of the Agency Agreement; (iv) pursuant to the Company's obligations in respect of existing agreements, stock option plan or any other share compensation arrangement of the Company; (v) pursuant to any acquisition of shares or assets of arm's length persons; and (vi) in connection with any strategic transactions, investments or supply, consulting, licensing, joint venture or similar agreements between the Company and an arm's length third party.

Pursuant to the Agency Agreement, the Company has also agreed to use its reasonable efforts to cause each of the directors and senior officers of the Company to agree, in a lock-up agreement to be executed on the Closing Date, that for a period of 90 days from the Closing Date, that each such person will not, directly or indirectly, without the consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Company, subject to certain exceptions.

Pursuant to the Agency Agreement, at any time following the Closing Date and until a period that is the later of: (i) one (1) year from the Closing Date; and (ii) the closing date of the next brokered or underwritten financing undertaken by the Company in Canada for aggregate gross proceeds in excess of \$100,000 raised in Canada, the Lead Agent shall be provided with the exclusive right and opportunity to act as lead agent and sole bookrunner for any offering of securities of the Company to be issued and sold in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Company is intending to proceed with any such issuance or the performance of such services, or has received a proposal for any such issuance or the performance of such services, the Company shall provide to the Lead Agent written notice of the proposed terms thereof (including the commission payable to those agents) and the Lead Agent shall have an opportunity to respond, within two (2) business days following receipt of the notice, to the Company that they wish to act as lead agent, sponsor or advisor, as the case may be, on the terms and conditions contained therein. If the Lead Agent declines, in writing, the Company may proceed with such offering or advisory engagement through another agent, advisor or underwriter, provided the arrangements with such agent, advisor or underwriter are no less favourable to the Company and are entered into within thirty (30) days thereafter. The right of first refusal shall not terminate in the event that the Lead Agent declines to act as agent, advisor or underwriter, as the case may be, and excludes any offering of Common Shares in the United States undertaken in connection with a US listing (including, for certainty, listing on the Nasdaq stock exchange).

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units in the United States or to, or for the account or benefit of, a U.S. Person. The Offered Units have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States, and 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 any applicable securities laws of any state of the United States. The Agents have agreed that they (or their respective U.S. registered broker-dealer affiliate (the "**U.S. Affiliates**")) which conducts

U.S. offers and sales) will not offer or sell the Offered Units within the United States or to, or for the account or benefit of, a U.S. Person, except that they (or their respective U.S. Affiliates) may offer the Offered Units in certain transactions exempt from the registration requirements of the U.S. Securities Act, in compliance with any applicable securities laws of any state of the United States and in accordance with the Agency Agreement.

Pursuant to the Agency Agreement, the Agents may offer the Offered Units in the United States or to, or for the account or benefit of, a U.S. Person through their U.S. Affiliates to a limited number of (i) institutional "accredited Investors" that meet one or more of the criteria set forth in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D under the U.S. Securities Act and (ii) Qualified Institutional Buyers that are also "accredited investors" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, in each case for sale by the Company pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under any applicable securities laws of any state of the United States. The Agents will offer and sell the Offered Units outside the United States to, or for the account or benefit of, non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Units in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption from such registration requirements.

Any Offered Units offered or sold in the United States or to, or for the account or benefit of, a U.S. Person will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable securities laws of any state of the United States and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States.

RISK FACTORS

An investment in the Offered Units involves certain risks. A prospective purchaser of the Offered Units should carefully consider the risks and uncertainties described in this Prospectus Supplement and the documents incorporated by reference into this Prospectus Supplement together with the other risks described under the "Risk Factors" section of the accompanying Shelf Prospectus before purchasing any Offered Units. These are not the only risks and uncertainties that we face. Additional risks not presently known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition, results of operations and prospects could be materially harmed.

Risks Related to our Business

Uncertainty about the Company's ability to continue as a going concern

There is no certainty that the Company will continue as a going concern. If the Company does not, shareholders could lose their investment. The financial statements of the Company have historically been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, the Company has a history of net losses and, as at June 30, 2024, the Company had an accumulated deficit of \$189,539,105.

The Company's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the

issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

For further information regarding the Company's ability to continue as a going concern, please refer to Note 1 to the Annual Financial Statements and Note 1 to the Interim Financial Statements.

We operate in a capital-intensive industry and will require a significant amount of capital to continue operations

If the future revenue from sales of our products, if any, is not sufficient to cover our cash requirements, we will need to raise additional funds through the sale of equity or other securities, or the issuance of debt. Financing may not be available at terms that are acceptable to us, if at all.

Our ability to obtain the necessary financing for our business is subject to a number of factors, including general market conditions and investor acceptance of our business plan. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, delay or cancel our planned activities, or substantially change our current operations and plans in order to reduce our cost structure.

Pro forma financial information may not be indicative of Exro's financial condition or results following the SEA Acquisition

The unaudited pro forma condensed combined consolidated financial information incorporated by reference in this Prospectus Supplement is presented for illustrative purposes only as of its respective dates and may not be indicative of the financial condition, results of operations or cash flows of Exro following completion of the SEA Acquisition. The unaudited pro forma condensed combined consolidated financial information was derived from the respective historical financial statements of Exro and SEA Electric, and certain adjustments and assumptions were made to give effect to the SEA Acquisition. The information upon which such adjustments and assumptions were made was preliminary and adjustments and assumptions of this nature are difficult to make with complete accuracy. Moreover, the unaudited pro forma condensed combined consolidated financial information does not include, among other things, estimated synergies or adjustments related to restructuring or integration activities in connection with the SEA Acquisition, or future acquisitions or disposals not yet known or probable. Actual amounts recorded upon the finalization of the SEA Acquisition may differ from the amounts reflected in the Exro Pro Forma Financial Information. Additionally, the unaudited pro forma condensed combined consolidated financial information may not reflect all of the costs that were incurred by SEA Electric and the Company in connection with the SEA Acquisition. Accordingly, the unaudited pro forma condensed combined consolidated financial information incorporated by reference in this Prospectus Supplement is presented for informational purposes only and Exro's assets, results of operations and financial condition following the SEA Acquisition may differ significantly from those indicated in the unaudited pro forma financial information.

Historical Financial Information

The historical financial information relating to SEA Electric incorporated by reference in this Prospectus Supplement, including such information used to prepare the Exro Pro Forma Financial Information, was derived on a historical basis from the historical accounting records of SEA Electric. The historical financial information may not reflect what SEA Electric's financial position, results of operations or cash flows would have been had the Company owned all of the membership interests in SEA Electric during the period presented or what the Company's financial position, results of operations or cash flows will be in the future. The historical financial information does not contain any adjustments to reflect changes that may have occurred in the Company's cost structure, financing and operations as a result of the SEA Acquisition.

Risks Related to the Offering

The market price of the Common Shares may be subject to wide price fluctuations

The Common Shares currently trade on the TSX in Canada and the OTCQB in the United States. The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares.

Currently no market for Unit Warrants

There is currently no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus Supplement. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. The Company has applied to list the Unit Warrants on the TSX but the TSX has not conditionally approved the listing application and there is no assurance the TSX will approve the listing application. Listing will be subject to the Company fulfilling all of the requirements of the TSX. Even if the Unit Warrants are listed on the TSX, there is no assurance that an active liquid market for the Unit Warrants will develop and investors may not be able to sell their Unit Warrants quickly, at all, or at the latest market price if trading in the securities is not active.

Unit Warrants are speculative

The Unit Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Warrant Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Unit Warrants may exercise their right to acquire Warrant Shares and pay an exercise price of \$0.42 per Warrant Share, subject to adjustment in certain events, until the Expiry Date.

Dilution

As Exro has less revenue than costs currently, we rely on raising additional equity capital or incur borrowings from third parties to finance our business. The board of directors of the Company has the authority, without the consent of any of the Company's shareholders, to cause the Company to issue more Common Shares. Consequently, shareholders may experience more dilution in their ownership of Exro in the future. The issuance of additional Common Shares would dilute shareholders' ownership in Exro.

Dividends

The Company has no history of paying dividends, and does not anticipate paying any dividends in the foreseeable future. In the event that the Company were to pay dividends, such dividends would be subject to tax and potentially, statutory withholdings.

No guarantee of a positive return in an investment

There is no guarantee that an investment in the Offered Units will earn any positive return in the short term or long term. An investment in the Offered Units involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who

have no need for immediate liquidity in their investment. An investment in the Offered Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Discretion in the use of proceeds

The Company intends to spend the funds available as stated in this Prospectus Supplement. See "*Use of Proceeds*". However, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. In such circumstances, the net proceeds of the Offering will be reallocated at the Company's sole discretion. Management will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the net proceeds of the Offering.

Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the board of directors of the Company. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds of the Offering are not applied effectively, the Company's results of operations may suffer.

Negative cash flows

The Company had a negative operating cash flow for the financial years ended December 31, 2023 and 2022 and for the six months ended June 30, 2024. To the extent that the Company has negative cash flow in any future period, the Company may be required to use net proceeds from the Offering to fund such negative cash flow from operating activities. In order to stay in business, in the absence of cash flow from operations, the Company will have to raise funding through financing activities. However, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company in the event it needs to do so. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences or privileges senior to those of the Company's shareholders. The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations. See "*Use of Proceeds*".

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and MLT Aikins LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada), including the regulations thereunder, (the "**Tax Act**"), the Unit Shares, Unit Warrants and Warrant Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a first home savings account and a tax-free savings account (collectively, the "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**"), as those terms are defined in the Tax Act, provided that, at such time:

- (a) in the case of Unit Shares and Warrant Shares, the Unit Shares or the Warrant Shares, as applicable, are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the TSX) or the Company qualifies as a "public corporation" other than a "mortgage investment corporation" (as defined in the Tax Act); and
- (b) in the case of the Unit Warrants, either the Unit Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) or the Warrant Shares to

be acquired on the exercise of the Unit Warrants are qualified investments as described in (a) above and the Company is not a beneficiary, an employer or a subscriber under, or a holder of, such Registered Plan or DPSP, and deals at arm's length with each person who is an annuitant, subscriber or holder of such Registered Plan or DPSP.

Notwithstanding that a Unit Share, Unit Warrant or Warrant Share may be a qualified investment for a Registered Plan as discussed above, if the Unit Share, Unit Warrant or Warrant Share is a "prohibited investment" for the purposes of the Tax Act of the Registered Plan, the holder or subscriber of, or annuitant under, such Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax as set out in the Tax Act. A Unit Share, Unit Warrant or Warrant Share generally will not be a prohibited investment for a Registered Plan if the Controlling Individual deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" as defined in the Tax Act, for a Registered Plan.

Prospective purchasers who intend to hold the Unit Shares, Unit Warrants or Warrant Shares in a Registered Plan or DPSP should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and MLT Aikins LLP, counsel to the Agents, the following is, as of the date of this Prospectus Supplement, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a purchaser who acquires an Offered Unit, consisting of one Unit Share and one-half of one Unit Warrant, pursuant to the Offering.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares and Unit Warrants acquired pursuant to this Offering, and who, for the purposes of the Tax Act, and at all relevant times, (i) deals at arm's length with the Company and the Agents, (ii) is not affiliated with the Company or the Agents, and (iii) acquires and holds the Unit Shares and Unit Warrants, and upon exercise of the Unit Warrants will hold the Warrant Shares acquired on the exercise of the Unit Warrants, as capital property (a "**Holder**"). For purposes of this summary, references to "Shares" shall include Unit Shares and Warrant Shares unless otherwise indicated. Generally, the Shares and Unit Warrants will be considered to be capital property to a Holder provided that the Holder does not acquire or hold the Shares or Unit Warrants in the course of carrying on a business of trading or dealing in securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a "financial institution" (as defined in the Tax Act) for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "restricted financial institution" or "specified financial institution", as each term is defined in the Tax Act; (iii) an interest in which is or would be a "tax shelter investment" as defined in the Tax Act; (iv) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (v) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as each term is defined in the Tax Act, with respect to the Shares or Unit Warrants; (vi) that receives dividends on Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (vii) that is exempt from tax under the Tax Act; or (viii) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of Offered Units, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act, all within the meaning of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Offered Units.

This summary is based upon the current provisions of the Tax Act as of the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all, and where the Tax Proposals are not enacted or otherwise implemented, the tax consequences may not be as described below in all cases. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of an Offered Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Unit Warrant comprising such Offered Unit to determine the respective costs of each to such Holder for purposes of the Tax Act. Holders should consult their own tax advisors in this regard.

For its purposes, the Company has advised counsel that it intends to allocate \$0.33 to each Unit Share and \$0.02 to each Unit Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

A Holder's adjusted cost base of the Unit Share comprising a part of each Offered Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Unit Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Unit Warrant to acquire a Warrant Share. When a Unit Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Unit Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to the exercise of the Unit Warrant.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**").

A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act) held by such Resident Holder, in the taxation year of the election and each subsequent taxation year, to be capital property. This election is not available with respect to Unit Warrants. **Resident Holders should consult their own tax advisors regarding this election.**

Expiry of Unit Warrants

In the event of the expiry of an unexercised Unit Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Unit Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Dividends

Dividends received or deemed to be received on the Shares are required to be included in computing a Resident Holder's income for a taxation year. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (each as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" (as defined in the Tax Act) designated by the Company in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Shares must be included in computing its income but generally will be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, to the extent and under the circumstances specified in the Tax Act. **Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.**

A Resident Holder that is a "private corporation" (as defined in the Tax Act), or any other corporation resident in Canada controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. **Such Resident Holders should consult their own tax advisors in this regard.**

Dispositions of Shares and Unit Warrants

Upon a disposition (or a deemed disposition) of a Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or a Unit Warrant (other than on the exercise or expiry of a Unit Warrant), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such Share or Unit Warrant, as applicable, to the Resident Holder immediately prior to the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Capital Gains and Capital Losses

For capital gains realized on or after June 25, 2024, under Tax Proposals released on August 12, 2024 (the "**Capital Gains Tax Proposals**"), and subject to certain transitional rules discussed below, generally, a Resident Holder is required to include in computing its income for a taxation year in which a Share or Unit Warrant is disposed of two-thirds of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct two-thirds of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in such year by such Resident Holder. However, under the Capital Gains Tax Proposals, a Resident Holder that is an individual (other than most types of trusts) is required to include in income only one-half of net capital gains realized (including net capital gains realized

indirectly through a trust or partnership) in a taxation year (and on or after June 25, 2024) up to a maximum of \$250,000, with the two-thirds inclusion rate applying to the portion of net capital gains realized in the year (and on or after June 25, 2024) that exceed \$250,000. To the extent that allowable capital losses are being applied to offset taxable capital gains which have been determined using the one-half inclusion rate, the allowable capital loss will be determined based on one-half of the amount of the capital loss. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act (as proposed to be amended by the Capital Gains Tax Proposals).

The Capital Gains Tax Proposals also provide for transitional rules for the 2024 taxation year in respect of capital gains and losses derived by a Resident Holder during the period from January 1, 2024 to June 24, 2024 and during the period commencing on June 25, 2024, and other consequential amendments. This summary only generally describes, and is not exhaustive of all possible Canadian federal income tax considerations arising from the Capital Gains Tax Proposals, including the transitional proposals. Accordingly, Resident Holders are advised to consult their own tax advisors regarding the implications of the Capital Gains Tax Proposals with respect to their particular circumstances.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such Shares or shares substituted for such Shares to the extent and in the circumstances specified by the Tax Act. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or trust. **Resident Holders to whom these rules may be relevant should consult their own tax advisors.**

Refundable Tax

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) or, at any time in a relevant taxation year, a "substantive CCPC" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which is defined to include taxable capital gains and certain dividends. **Such Resident Holders should consult their own tax advisors in this regard.**

Minimum Tax

Capital gains realized or deemed to be realized and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts designated within the Tax Act, may give rise to an alternative minimum tax under the Tax Act. Revised alternative minimum tax rules were enacted on June 20, 2024, which may increase a Resident Holder's liability for such tax and Tax Proposals contained in the 2024 Federal Budget released on April 16, 2024 and Tax Proposals released on August 12, 2024 include further proposals to modify the rules computing alternative minimum tax under the Tax Act. **Resident Holders should consult their own advisors with respect to the application of such minimum tax.**

Holders Not Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, (i) is not and is not deemed to be resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention, and (ii) does not and will not use or hold (or be deemed to use or hold) the Shares or Unit Warrants in carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere, or that is an "authorized foreign bank" (as defined in the Tax Act). **Such Holders should consult their own tax advisors.**

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company on the Shares will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty or convention to which Canada is a signatory, subject to the application of The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") of which Canada is a signatory and which affects many of Canada's bilateral tax treaties (but not the Treaty as defined below), including the ability to claim benefits thereunder. For example, under the *Canada-United States Tax Convention* (1980), as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Treaty, is the beneficial holder of the dividends, and is fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). **Non-Resident Holders should consult their own tax advisors in this regard.**

Dispositions of Shares and Unit Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Unit Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Unit Warrant constitutes "taxable Canadian property" of the Non-Resident Holder for purposes of the Tax Act, and the Non-Resident Holder is not entitled to an exemption under an applicable tax treaty or convention including as a result of the application of the MLI.

Generally, provided the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), at the time of disposition, the Shares and Unit Warrants will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition both: (a) one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, and partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of shares of the Company; and (b) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, in respect of, or an interest or civil law right in, any such property, whether or not such property exists.

Notwithstanding the foregoing, a Share or Unit Warrant may otherwise be deemed to be taxable Canadian property of a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Shares or Unit Warrants that constitute or are deemed to constitute taxable Canadian property of a Non-Resident Holder (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "*Holders Resident in Canada — Dispositions of Shares and Unit Warrants*". **Non-Resident Holders whose Shares or Unit Warrants are or may be taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.**

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Company, and by MLT Aikins LLP, on behalf of the Agents. As at the date hereof, the designated professionals of Stikeman Elliott LLP, as a group, and the designated professionals of MLT Aikins LLP, as

a group, each beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is PricewaterhouseCoopers LLP at its office in 111 – 5th Avenue S.W., Calgary, Alberta T2P 5L3. PricewaterhouseCoopers LLP has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

Prior to the closing of the SEA Acquisition, the auditor of SEA Electric was BDO USA, P.C. at its office in 2600 W. Big Beaver Road, Suite 600, Troy, Michigan 48084. BDO USA, P.C. has advised that they are independent with respect to SEA Electric under the American Institute of Certified Public Accountants Code of Professional Conduct, and its interpretations and rulings.

Our transfer agent and registrar is Odyssey Trust Company at its office in Calgary at Stock Exchange Tower, 1230 – 300 5th Avenue S.W., Calgary, Alberta T2P 3C4.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.

SCHEDULE A
RESTATED STATEMENT OF COMPREHENSIVE LOSS FOR FISCAL YEARS 2023 AND 2022

See attached.

Exro Technologies Inc.
Restated Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

On June 14, 2024, the Company completed a disposition of assets within its Exro Vehicle Systems Inc. entity for a cash consideration of \$304,872. This resulted in discontinuing the operations and engineering services provided by Exro Vehicle Systems Inc. Exro Vehicle Systems Inc. represents a separate major line of business within the Company, therefore, its results have been classified as a discontinued operation in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Accounting for discontinued operations is required to be applied retrospectively; however, the Company has not refiled its annual financial statements for the years ended 2023 and 2022. As such, the below represents the restated consolidated statement of comprehensive loss for the years ended December 31, 2023 and 2022 adjusting for the impact of discontinued operations in the periods, should the statements be retrospectively adjusted. The Company has also prepared the required discontinued operations note disclosures in accordance with IFRS, should the statements for the years ended 2023 and 2022 be refiled.

	Note	For the years ended December 31,	
		2023	2022
Revenue		—	20,126
Cost of sales		—	34,459
Gross Profit		—	(14,333)
EXPENSES			
Payroll and consulting		15,562,210	11,055,528
Research and development		11,788,094	8,449,829
Selling, general and administration		10,152,262	12,899,331
Share-based payments		3,916,464	2,605,472
Depreciation expense		2,745,835	2,062,104
Interest expense (income)		2,332,894	861,939
Loss on disposal of assets		96,844	66,268
TOTAL EXPENSES		(46,594,603)	(38,000,471)
Gain (loss) on investment		(2,200,747)	(2,700,221)
Change in fair value of derivative asset		(1,172,216)	—
Foreign exchange gain (loss)		(968,481)	1,776,139
Other income (loss)		227,464	65,014
Net loss from continuing operations		(50,708,583)	(38,873,872)
Net Income (loss) from discontinued operations	1	85,413	(1,151,040)
NET LOSS		(50,623,170)	(40,024,912)
Gain (loss) on translation of foreign currency		479,972	529,007
COMPREHENSIVE LOSS		(50,143,198)	(39,495,905)
Loss per share			
From continuing operations - basic and diluted		(0.31)	(0.28)
From discontinued operations - basic and diluted		—	(0.01)
Net loss per share - basic and diluted		(0.31)	(0.29)
Weighted average number of common shares outstanding		161,707,518	137,685,067

Exro Technologies Inc.
Restated Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

1. DISCONTINUED OPERATIONS

(a) Results from discontinued operation

The following table summarizes the Company's financial results from discontinued operations:

	For the years ended December 31,	
	2023	2022
Revenue	5,736,140	2,165,322
Cost of sales	3,203,735	1,866,229
Gross Profit	2,532,405	299,093
EXPENSES		
Selling, general and administration	731,486	951,015
Research and development	1,048,798	315,672
Depreciation expense	379,666	183,020
Interest expense (income)	132,083	590
TOTAL EXPENSES	(2,292,033)	(1,450,297)
Loss on disposal of assets	(9,773)	—
Foreign exchange gain (loss)	(3,547)	164
Other income (loss)	(141,639)	—
NET INCOME FROM DISCONTINUED OPERATIONS	85,413	(1,151,040)

(b) Cash flows from discontinued operation

	For the years ended December 31,	
	2023	2022
Cash provided by (used in):		
Cash flows from operating activities	\$ 701,284	\$ 1,932,621
Cash flows used in investing activities	(721,558)	(1,734,287)
Cash flows used in financing activities	(86,650)	(18,082)
Impact of foreign currency translation	95,370	(180,675)
Net cash flow for the period	\$ (11,554)	\$ (423)

CERTIFICATE OF THE COMPANY

Dated: September 6, 2024

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

EXRO TECHNOLOGIES INC.

"Sue Ozdemir"

Sue Ozdemir
Chief Executive Officer

"Darrell Bishop"

Darrell Bishop
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Rodney Copes"

Rodney Copes
Director

"Frank Simpkins"

Frank Simpkins
Director

CERTIFICATE OF THE AGENTS

Dated: September 6, 2024

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

STIFEL NICOLAUS CANADA INC.

"Brandon Roopnarinesingh"

Brandon Roopnarinesingh
Director

CANACCORD GENUITY CORP.

"Andrew D. Birkby"

Andrew D. Birkby
Managing Director, Head of Investment
Banking

ROTH CANADA INC.

"Michael Tait"

Michael Tait
Head of Investment Banking

A.G.P. CANADA INVESTMENTS ULC

"James Kirsch"

James Kirsch
President

ATB SECURITIES INC.

"Tim Hart"

Tim Hart
Managing Director

NATIONAL BANK FINANCIAL INC.

"Sean McIntyre"

Sean McIntyre
Managing Director & Head of
Diversified Industries

This amended and restated short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this amended and restated short form base shelf prospectus has become final and that permits the omission from this amended and restated short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this amended and restated short form base shelf prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 1000 – 355 Burrard Street, Vancouver, BC V6C 2G8, Telephone: 604 674-7746 and are also available electronically at www.sedarplus.com.

**AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS
(amending and restating the short form base shelf prospectus dated May 8, 2023)**

New Issue

January 15, 2024



EXRO TECHNOLOGIES INC.

\$200,000,000

Common Shares

Preferred Shares

Debt Securities

Warrants

Subscription Receipts

Units

Exro Technologies Inc. (“**Exro**”, the “**Company**”, “**us**” or “**we**”) may offer and issue from time to time common shares of the Company (the “**Common Shares**”), preferred shares of the Company (the “**Preferred Shares**”), debt securities (the “**Debt Securities**”), warrants to purchase Common Shares, Preferred Shares, Debt Securities or Subscription Receipts (the “**Warrants**”), subscription receipts of the Company (the “**Subscription Receipts**”) or any combination thereof (the “**Units**”, and collectively with all of the foregoing, the “**Securities**”), up to an aggregate offering price of \$200,000,000 (or the equivalent thereof if the Securities are denominated in any other currency or currency unit) during the 25-month period commencing on May 8, 2023 that this amended and restated short form base shelf prospectus (this “**Prospectus**”), including any amendments hereto, remains effective.

This Prospectus amends and restates the Company’s final short form base shelf prospectus dated May 8, 2023 (the “**Original Base Shelf Prospectus**”) in order to reflect (i) the addition of Subscription Receipts as Securities that may be offered and issued under this Prospectus and (ii) updates to certain other information herein. As of the date of this Prospectus, the Company has issued an aggregate of \$34,931,250 of Securities under the Original Base Shelf Prospectus.

The Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more accompanying prospectus supplements (each, a “**Prospectus Supplement**”).

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus except where delivery is not required pursuant to exemptions from the delivery requirements contained in item 3 of section 5.5 of National Instrument 44-102 *Shelf Distributions*. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of the Prospectus Supplement and only for the purposes of distribution of the Securities to which the Prospectus Supplement pertains. The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares or Preferred Shares, the number of shares offered, the offering price, the currency, dividend rate, if any, and any other terms specific to the Common Shares or Preferred Shares being offered, as applicable; (ii) in the case of Debt Securities, the designation of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the maturity date, whether payment on the Debt Securities will be senior or subordinated to the Company’s other liabilities and obligations, whether the Debt Securities will bear interest, the interest rate or method of determining the interest rates, any conversion or exchange rates attached to the Debt Securities, whether the Company may redeem the Debt Securities at its option and any other specific terms; (iii) in the case of Warrants, the designation, number and terms of the Common Shares, Preferred Shares, Debt Securities or Subscription Receipts issuable upon exercise of the Warrants, the offering price, the currency, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, and any other terms specific to the Warrants being offered; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the terms, conditions and procedures for the exchange or conversion of the Subscription Receipts for or into Common Shares and/or other securities and any other specific terms; and (v) in the case of Units, the designation, number of Securities comprising the Units, the offering price, the currency and any other terms specific to the Units being offered. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

The outstanding Common Shares of the Company are currently traded on the TSX Exchange (the “**TSX**”) under the symbol “EXRO” and on the OTCQB Venture Exchange under the symbol “EXROF”. Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. **There is no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and any applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See “Risk Factors” commencing on page 19 of the Company’s annual information form dated March 30, 2023, for the year ended December 31, 2022 (the “AIF”) and in the applicable Prospectus Supplement.**

The offering of Securities hereunder is subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP.

An investment in the Securities is subject to a number of significant risks that should be considered by a prospective purchaser. Prospective investors should carefully consider the risk factors described under “Risk Factors” commencing on page 19 of the AIF and in the applicable Prospectus Supplement.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of a foreign country, that some or all of our officers and directors may be residents of a foreign country, that some or all of the underwriters or experts named in this Prospectus or any Prospectus Supplement may be residents of a foreign country and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC”) NOR HAS THE SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES OR ANY CANADIAN SECURITIES REGULATOR APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Investors should be aware that the acquisition, holding or disposition of the Securities described herein may have tax consequences which may not be described fully herein. You should read the tax discussion contained

in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult your own tax advisor with respect to your own particular circumstances.

No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.

This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Securities. The Company may offer and sell Securities to, or through, underwriters and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters or agents and any other material terms of the plan of distribution.

This Prospectus may qualify as an “at-the-market distribution” (as such term is defined in National Instrument 44-102 – *Shelf Distributions*). In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), other than an “at-the-market” distribution, the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. See “Plan of Distribution”.

The financial information of the Company contained in the documents incorporated by reference herein is presented in Canadian dollars. In this Prospectus, references to “\$” and “C\$” are to Canadian dollars and references to “US\$” are United States dollars.

Our head office is 12 – 21 Highfield Circle South East, Calgary, Alberta T2G 5N6, and registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8.

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ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, “Exro”, the “Company”, “us” or “we” refer to Exro Technologies Inc. and its subsidiaries.

An investor should rely only on the information contained in this Prospectus, any applicable Prospectus Supplement and the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We have not authorized anyone to provide investors with additional or different information. The information contained on www.exro.com is not included in or incorporated by reference into this Prospectus or any applicable Prospectus Supplement and prospective investors should not rely on such information when deciding whether or not to invest in the Securities. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus or any applicable Prospectus Supplement or the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement are intended only to illustrate past performance and are not necessarily indicative of our future performance or that of any other entity. The information contained in this Prospectus or any applicable Prospectus Supplement is accurate only as of the date on the front of such documents, regardless of the time of delivery of such documents or of any sale of the Securities.

This Prospectus and the information incorporated herein by reference include certain trade names and trademarks which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights to these trademarks and trade names.

WHERE YOU CAN FIND MORE INFORMATION

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 1000 – 355 Burrard Street, Vancouver, BC V6C 2G8, Telephone: 604 674-7746 and are also available electronically at www.sedar.com.

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces and territories of Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Our following documents, filed with the various securities commissions or similar authorities in each of

the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) Our annual information form dated March 30, 2023, for the year ended December 31, 2022 (the “AIF”);
- (b) Our audited annual consolidated financial statements for the fiscal years ended December 31, 2022, and December 31, 2021, together with the notes thereto and the independent auditors’ report thereon;
- (c) Our management’s discussion and analysis for the fiscal year ended December 31, 2022 (the “MD&A”);
- (d) Our condensed consolidated interim financial statements for the three and nine months ended September 30, 2023;
- (e) Our management’s discussion and analysis for the three and nine months ended September 30, 2023;
- (f) Our management information circular dated May 31, 2023, prepared in connection with the annual meeting of the shareholders of the Company held on June 30, 2023; and
- (g) Our material change report dated May 29, 2023 with respect to our brokered public offering of 15,525,000 Common Shares for aggregate gross proceeds of \$34,931,250.

Any documents of the type referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* subsequently filed by us with the various securities commissions or similar authorities in Canada after the date of this Prospectus and until the expiry of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms for an issue of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the Securities issued under that Prospectus Supplement.

Upon a new annual information form and related annual financial statements and management’s discussion and analysis relating thereto being filed with and, where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, annual and interim financial statements and management’s discussion and analysis relating thereto and material change reports filed prior to the commencement of the then current fiscal year will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon a new management proxy circular relating to an annual meeting of shareholders of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded.

You should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We are not making an offer of Securities in any jurisdiction where the offer is not permitted by law.

FORWARD-LOOKING INFORMATION

This Prospectus, any Prospectus Supplement and the documents incorporated by reference herein contain certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as “expect”, “likely”, “may”, “will”, “should”, “intend”, or “anticipate”, “potential”, “proposed”, “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of any Prospectus Supplement or the documents incorporated by reference herein, as of the date of each such document.

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward looking statements are reasonable. Assumptions have been made regarding, among other things:

- our ability to attract and retain strategic partners;
- our ability to license our technology and generate hardware/software sales and service revenue;
- our ability to protect, maintain and enforce intangible property rights;
- our ability to deliver our technology and services at expected volumes for expected prices;
- our ability to control costs;
- ability to attract and retain personnel;
- market demand for our technology;
- competitive position and expectations regarding competition;
- plans regarding our revenue, expenses and operations;
- the successful execution of our business plan;
- achievement of current timetables for research and development programs and sales;
- the availability and cost of raw materials, labour and supplies;
- our anticipated cash needs and our need for additional financing;
- the availability of additional capital;
- anticipated trends and challenges in our business and the markets in which we operate; and
- global economic and financial market condition.

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from

those projected in the forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks related to:

- fluctuations in the currency markets;
- changes in interest rates;
- disruption to the credit markets and delays in obtaining financing;
- inflationary pressures;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the United States and Canada, or other countries in which the Company may carry on business;
- business opportunities that may be presented to, or pursued by the Company;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;
- employee relations;
- the risks of obtaining and renewing necessary licenses and permits;
- the occurrence of natural disasters, hostilities, acts of war or terrorism; and
- the Company may never pay any dividends.

The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading “*Risk Factors*” commencing on page 19 of the AIF.

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to:

- the condition of the global economy, including trade, public health and other geopolitical risks;
- our technology may not prove useful in some of the applications in which the Company envisages it being applied;
- the rate of mass adoption of products using our technology;
- changes in technology or service pricing or cost;
- changes in our customers’ and partners’ requirements, the competitive environment and/or related market conditions;
- the relative strength of the value proposition that we offer our customers and partners with our technology and services;
- changes in the technology of our customers and partners, as well as changes in competitive technologies;
- challenges or delays in our technology and product development activities;
- changes in the availability or price of raw materials, labour and supplies;

- our ability to attract and retain business partners, suppliers, employees and customers;
- changing government or environmental regulations, including subsidies or incentives associated with the adoption of clean energy power systems;
- potential fluctuations in our financial and business results make forecasting difficult and may restrict our access to funding for our commercialization plan;
- we are subject to risks inherent in international operations;
- our access to funding and our ability to provide the capital required for research and development, operations, marketing efforts and working capital requirements;
- our ability to protect our intellectual property;
- our ability to extract value from strategic partnerships;
- currency fluctuations, including the magnitude of the rate of change of the Canadian dollar versus the United States dollar;
- potential merger and acquisition activities, including risks related to integration, loss of key personnel, disruptions to operations, costs of integration, and the integration failing to achieve the expected benefits of the transaction; and
- those risks discussed under the heading “*Risk Factors*” commencing on page 19 of the AIF.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of Securities. More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found under the heading “*Risk Factors*” commencing on page 19 of the AIF.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management’s expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus, any Prospectus Supplement or in any document incorporated by reference herein. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

We qualify all the forward-looking information contained in this Prospectus and the documents incorporated by reference herein and therein by the foregoing cautionary statements.

OUR COMPANY

The Company and its Business

Exro Technologies Inc. is a leading clean technology company that has developed new generation power control electronics that changes 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 further information respecting the Company and its business, please refer to pages 2 through 19 of the AIF and pages 1 through 10 of the MD&A.

RECENT DEVELOPMENTS

On February 7, 2023, Exro announced that it had entered into a channel partnership agreement with Greentech Renewables Southwest (“**Greentech**”), a division of Consolidated Electrical Distributors Greentech and one of the largest solar equipment distributors in the United States, to accelerate and amplify Exro’s market presence by introducing the Cell Driver™ product to Greentech’s network of commercial integrators.

On February 27, 2023, Exro announced that it had signed a memorandum of understanding for strategic partnership with an undisclosed development partner, a multi-national company that is a direct supplier to the global automotive industry, to leverage Exro’s Coil Driver™ technology and the undisclosed development partner’s design, manufacturing, and supply capabilities to develop next-generation powertrain solutions for electric commercial vehicles and off-highway applications in Europe and North America.

On April 6, 2023, Exro announced that Mark Godsy stepped down as Chairman of Exro effective March 31, 2023 and Rod Copes was appointed as the Interim Chairman of Exro. On June 30, 2023, Rod Copes was appointed as the Chairman of Exro.

On April 17, 2023, Exro announced that it had entered into a strategic partnership with Wolong Electric Group Ltd. (“**Wolong**”), world-renowned automation solution supplier and one of world’s top three motor manufacturers for industrial and automotive applications, to leverage Exro’s Coil Driver™ technology and the Wolong’s design, manufacturing, and supply capabilities to develop next-generation powertrain solutions for electric commercial vehicles and off-highway applications in Europe and North America, with the future possibility of licensing the Exro inverter to Wolong for use in Asia.

On May 8, 2023, Exro announced that Re:Build Manufacturing became Exro’s exclusive manufacturing partner for Cell Driver™. Exro also announced new channel sales partnership agreements with renewable energy and energy management integrators that provide access to commercial and industrial markets in California, Colorado, Florida, the Caribbean, and regions within Canada.

On May 15, 2023, Exro announced that it had signed a definitive commercialization agreement (the “**Definitive Commercialization Agreement**”) with strategic partner, and global tier-1 automotive supplier, Linamar Corporation (“**Linamar**”) to commercialize the integrated electric axle utilizing Exro’s Coil Driver™ traction inverter that was co-developed by Exro and Linamar.

On May 23, 2023, Exro announced that it had completed its previously announced bought deal financing, for a total of 15,525,000 Common Shares sold at a price of \$2.25 per Common Share for aggregate gross proceeds to the Company of \$34,931,250.

On June 30, 2023, Exro announced that Aleksandra Miziolek, Anita Ganti and Frank Simpkins were elected as new directors of the Company at its annual general meeting held on June 30, 2023.

On July 13, 2023, Exro announced an innovation agreement with a world leading global automotive OEM to mutually explore powertrain innovations in the Company’s electric passenger vehicles utilizing Exro’s advanced power electronics technology.

On August 22, 2023, Exro announced that the Exro’s Cell Driver had successfully completed certification of its battery module per UL 1973 requirements, a key milestone which confirms Exro’s modules’ quality, resilience, and ability to operate safely and effectively in a variety of conditions.

On September 6, 2023, Exro announced a major milestone with the start of production of its patented next-generation Coil Driver inverter technology for electric vehicles. This was backed by purchase orders from HB4 Group and Vicinity Motor Corp.

On December 31, 2023, the Company issued 679,544 Common Shares at a deemed price of \$1.32 per Common Shares to holders of the Company’s 12% secured convertible debentures issued December 30, 2022 in satisfaction of accrued interest thereon, such interest being payable semi-annually in arrears.

DESCRIPTION OF SHARE CAPITAL

Our authorized capital consists of an unlimited number of Common Shares and unlimited number of Preferred shares, issuable in series. As of the date of this Prospectus, there are 170,021,819 Common Shares issued and outstanding and no Preferred Shares are issued and outstanding.

Common Shares

Each Common Share entitles its holder to notice of and to one vote at all meetings of the Company's shareholders. Each Common Share is also entitled to receive dividends if, as and when declared by the Company's Board of Director. Holders of Common Shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up of the Company on an equal basis per Common Share.

Preferred Shares

The directors of the Company by resolution or the shareholders of the Company by ordinary resolution may, if none of the Preferred Shares of any particular series are issued, attach or alter special rights and restrictions to the shares of any of those series of Preferred Shares. No special rights or restrictions attached to any series of Preferred Shares shall confer upon the shares of such series a priority over the shares of any other series of Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital.

Dividend Policy

We have not declared nor paid any dividends to date on the Common Shares. We intend to retain our earnings, if any, to finance the growth and development of our business. Accordingly, we do not currently expect to pay any dividends on our Common Shares in the near future.

DESCRIPTION OF DEBT SECURITIES

The following description, together with the additional information the Company may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Debt Securities that the Company may offer under this Prospectus, which may be issued in one or more series. Debt Securities may be offered independently or together with other Securities. The following sets forth certain general terms and provisions of the Debt Securities offered under this Prospectus. The specified terms and provisions of the Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement. The terms of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below.

General

Debt Securities may be issued under and governed by the terms of one or more other trust indentures (a "**Trust Indenture**") between the Company and a debt security trustee or trustees (each, a "**Debt Security Trustee**") that the Company will name in the relevant Prospectus Supplement, if applicable. Each Debt Security Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Debt Securities is not complete. The statements made in this Prospectus relating to a Trust Indenture, if any, and Debt Securities to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of a Trust Indenture, if any and as applicable. Prospective investors should refer to the Trust Indenture, if any, and as applicable. If applicable, we will file a Trust Indenture describing the terms and conditions of Debt Securities we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Debt Securities are offered.

The applicable Prospectus Supplement relating to any Debt Securities offered by the Company will describe the particular terms of those Debt Securities and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Debt Securities;

- the price at which the Debt Securities will be offered;
- the currency or currencies in which the Debt Securities will be offered and in which the principal, premium, if any, and interest, if any, will be paid;
- the date or dates on which principal of the Debt Securities will be payable and the amount of principal which will be payable;
- the rate or rates (which may be fixed or variable) at which the Debt Securities will bear interest, if any, or contingent interest, if any, as well as the dates from which interest will accrue, the dates on which interest will be payable, the persons to whom interest will be payable, if other than the registered holders on the record date, and the record date for the interest payable on any payment date;
- the dates on which and the price or prices at which the Debt Securities will, pursuant to any required repayment provisions, or may, pursuant to any repurchase or redemption provisions, be repurchased, redeemed or repaid and the other terms and provisions of any such optional repurchase or redemption or required repayment;
- the right, if any, of holders of the Debt Securities to convert them into Common Shares or other securities, including any contingent conversion provisions and any provisions intended to prevent dilution of those conversion rights;
- the extent and manner, if any, to which payment on or in respect of the Debt Securities will be senior to, or will be subordinated to the prior payment of, other liabilities and obligations of the Company;
- any special or modified events of default or covenants with respect to the Debt Securities;
- any index or formula used to determine the required payments of principal, premium, if any, or interest, if any;
- the percentage of the principal amount of the debt securities which is payable if maturity of the Debt Securities is accelerated because of a default;
- any special or modified events of default or covenants with respect to the Debt Securities;
- the effect of any merger, consolidation, sale or other disposition of our business on the Debt Securities and the Debenture Indenture or Trust Indenture, if any and as applicable;
- whether the Company will issue the Debt Securities as global securities and, if so, the identity of the depository of the global securities;
- whether the Debt Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Debt Securities; and
- any other material terms or conditions of the Debt Securities.

We may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof. We may reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series (unless the reopening was restricted when such series was created).

Ranking and Other Indebtedness

The Debt Securities will be senior or subordinated indebtedness of the Company, as described in the relevant Prospectus Supplement. In the event of the Company's insolvency or winding up, the Company's subordinated indebtedness, including any subordinated Debt Securities, will be subordinate in right of payment to the prior payment in full of all of the Company's other liabilities (including senior indebtedness), except those which by their terms rank equally in right of payment with or are subordinate to such subordinated indebtedness.

DESCRIPTION OF WARRANTS

The following description, together with the additional information we may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Warrants that we may offer under this Prospectus, which will consist of Warrants to purchase Common Shares, Preferred Shares, Debt Securities or Subscription Receipts and may be issued in one or more series. Warrants may be offered independently or together with other Securities, and may be attached to or separate from those Securities. While the terms we have summarized below will apply generally to any Warrants that we may offer under this Prospectus, we will describe the particular terms of any series of Warrants that we may offer in more detail in the applicable Prospectus Supplement. The terms of any Warrants offered under a Prospectus Supplement may differ from the terms described below.

General

Warrants may be issued under and governed by the terms of one or more warrant indentures (a “**Warrant Indenture**”) between us and a warrant trustee (a “**Warrant Trustee**”) that we will name in the relevant Prospectus Supplement, if applicable. Each Warrant Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant Indenture, if any, and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Warrant Indenture, if any, and the Warrant certificate. Prospective investors should refer to the Warrant Indenture, if any, and the Warrant certificate relating to the specific Warrants being offered for the complete terms of the Warrants. If applicable, we will file a Warrant Indenture describing the terms and conditions of Warrants we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Warrants are offered.

The applicable Prospectus Supplement relating to any Warrants offered by us will describe the particular terms of those Warrants and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the manner of exercise;
- the number of Common Shares, Preferred Shares, Debt Securities or Subscription Receipts that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the Common Shares, Preferred Shares, Debt Securities or Subscription Receipts may be purchased upon exercise of each Warrant;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the other Securities with which the Warrants will be offered will be transferable separately;
- the effect of any merger, consolidation, sale or other disposition of our business on the Warrants and the Warrant Indenture, if any;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- whether the Company will issue the Warrants as global securities and, if so, the identity of the depository of the global securities;

- whether the Warrants or the underlying Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Warrants;
- the manner in which the Warrants and the Warrant Indenture, if any, may be modified; and
- any other material terms or conditions of the Warrants.

Rights of Holders Prior to Exercise

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities issuable upon exercise of the Warrants.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following description, together with the additional information we may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Subscription Receipts that we may offer under this Prospectus, which will consist of Subscription Receipts convertible into Common Shares or other securities of the Company. While the terms we have summarized below will apply generally to any Subscription Receipts that we may offer under this Prospectus, we will describe the particular terms of Subscription Receipts that we may offer in more detail in the applicable Prospectus Supplement. The terms of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below.

General

The Subscription Receipts may be issued under a subscription receipt agreement (a “**Subscription Receipt Agreement**”). The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement, if any, governing the Subscription Receipts being offered.

This summary of some of the provisions of the Subscription Receipts is not complete. The statements made in this Prospectus relating to any Subscription Receipts to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Subscription Receipt Agreement, if any. Prospective investors should refer to the Subscription Receipt Agreement, if any, and the Subscription Receipt certificate, if any, relating to the specific Subscription Receipt being offered for the complete terms of the Subscription Receipts. If applicable, we will file a Subscription Receipt Agreement describing the terms and conditions of the Subscription Receipts we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Subscription Receipts are offered.

The applicable Prospectus Supplement relating to any Subscription Receipts offered by us will describe the particular terms of those Subscription Receipts and include specific terms relating to the offering. This description will include, where applicable:

- the number of Subscription Receipts offered; the price or prices, if any, at which the Subscription Receipts will be issued;
- the manner of determining the offering price(s);
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- the Securities into which the Subscription Receipts may be exchanged;
- conditions to the exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- the number of Securities that may be issued upon the exchange of each Subscription Receipt and the price per Security or the aggregate principal amount and the events or conditions under which the amount of Securities may be subject to adjustment;

- the dates or periods during which the Subscription Receipts may be exchanged;
- the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically exchanged;
- provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;
- if applicable, the identity of the Subscription Receipt agent;
- whether the Subscription Receipts will be listed on any securities exchange;
- whether the Subscription Receipts will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Subscription Receipts are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts.

Rights of Holders Prior to Exercise

Prior to the exchange of any Subscription Receipts, holders of such Subscription Receipts will not have any of the rights of holders of the Securities for which the Subscription Receipts may be exchanged, including the right to receive payments of dividends or the right to vote such underlying securities.

DESCRIPTION OF UNITS

The following description, together with the additional information we may include in any applicable Prospectus Supplements, summarizes the material terms and provisions of the Units that we may offer under this Prospectus. While the terms we have summarized below will apply generally to any Units that we may offer under this Prospectus, we will describe the particular terms of any series of Units in more detail in the applicable Prospectus Supplement. The terms of any Units offered under a Prospectus Supplement may differ from the terms described below.

We will file the form of unit agreement (“**Unit Agreement**”), if any, between us and a unit agent that describes the terms and conditions of the series of Units we are offering, and any supplemental agreements, concurrently with the filing of the applicable Prospectus Supplement under which such series of Units are offered. The following summaries of material terms and provisions of the Units are subject to, and qualified in their entirety by reference to, all the provisions of the Unit Agreement, if any, and any supplemental agreements applicable to a particular series of Units. We urge you to read the applicable Prospectus Supplements related to the particular series of Units that we sell under this Prospectus, as well as the complete Unit Agreement, if any, and any supplemental agreements that contain the terms of the Units.

General

We may issue Units comprising one or more of the Securities described herein in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The Unit Agreement under which a Unit may be

issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe in the applicable Prospectus Supplement the terms of the series of Units, including:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- provisions of the governing Unit Agreement, if any; and
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the securities comprising the Units.

Any Units or Debt Securities will not be specified derivatives or asset-backed securities.

The provisions described in this section, as well as those described under “*Description of Share Capital*”, “*Description of Debt Securities*”, “*Description of Warrants*” and “*Description of Subscription Receipts*” will apply to each Unit and to any Security included in each Unit, respectively.

Issuance in Series

We may issue Units in such amounts and in numerous distinct series as we determine.

PRIOR SALES

Information in respect of prior sales of Common Shares or other Securities distributed under this Prospectus and for securities that are convertible or exchangeable into Common Shares or such other Securities within the previous 12-month period will be provided, as required, in a Prospectus Supplement with respect to the issuance of Common Shares or other Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

The Company’s outstanding Common Shares are listed for trading on the TSX under the symbol “EXRO” and on the OTCQB Venture Exchange under the symbol “EXROF”. Trading prices and volumes in respect of the Company’s listed Securities will be provided, as required, in each Prospectus Supplement.

PLAN OF DISTRIBUTION

General

We may offer and sell the Securities, separately or together: (a) to one or more underwriters; (b) through one or more agents; (c) directly to one or more other purchasers; or (d) through at-the-market offerings provided that the requirements of Part 9 of NI 44-102 are complied with in connection with the filing of a prospectus supplement for an at-the-market distribution. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at: (i) a fixed price or prices, which may be changed from time to time; (ii) market prices prevailing at the time of sale; (iii) prices related to such prevailing market prices; or (iv) other negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the Securities.

We may only offer and sell the Securities pursuant to a Prospectus Supplement during the period that this Prospectus, including any amendments hereto, remains effective. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters or agents, the initial offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the proceeds to us from such sale, any underwriting commissions or discounts and other items constituting underwriters’ compensation.

The agents and/or underwriters will contractually commit not to make any offers or sales of Securities in the Territories or in the Provinces of Québec. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby. If, in connection with the offering of Securities at the initial offering price or

prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, and have been unable to do so, the public offering price may be decreased and thereafter further changed from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers is less than the gross proceeds paid by the underwriters to us. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

Underwriters and agents may, from time to time, purchase and sell the Securities described in this Prospectus and the relevant Prospectus Supplement in the secondary market, but are not obligated to do so. No assurance can be given that there will be a secondary market for the Securities or liquidity on the secondary market if one develops. From time to time, underwriters and agents may make a market in the Securities.

By Underwriters

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of underwriters to purchase the Securities will be subject to certain conditions, but the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any of such Securities are purchased. We may offer the Securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The Company may agree to pay the underwriters a fee or commission for various services relating to the offering of any Securities. Any such fee or commission will be paid out of our general corporate funds. We may use underwriters with whom we have a material relationship. We will describe in the Prospectus Supplement, naming the underwriter, the nature of any such relationship.

By Agents

The Securities may also be sold through agents designated by us. Any agent involved will be named, and any fees or commissions payable by us to such agent will be set forth in the applicable Prospectus Supplement. Any such fees or commissions will be paid out of our general corporate funds. Unless otherwise indicated in the Prospectus Supplement, any agent will be acting on a best-efforts basis for the period of its appointment.

Direct Sales

Securities may also be sold directly by us at such prices and upon such terms as agreed to by us and the purchaser. In this case, no underwriters or agents would be involved in the offering.

General Information

Underwriters or agents who participate in the distribution of Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian provincial, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof. Such underwriters or agents may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

We may enter into derivative transactions with third parties, or sell securities not covered by this Prospectus to third parties in privately negotiated transactions. If the applicable Prospectus Supplement indicates, in connection with those derivatives, the third parties may sell Securities covered by this Prospectus and the applicable Prospectus Supplement, including in short sale transactions. If so, the third parties may use Securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use Securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be identified in the applicable Prospectus Supplement.

One or more firms, referred to as "remarketing firms," may also offer or sell the Securities, if the Prospectus Supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us. These remarketing firms will offer or sell the Securities in accordance with the terms of the Securities. The Prospectus Supplement will identify any remarketing firm and the terms of its agreement, if

any, with us and will describe the remarketing firm's compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket.

In connection with any offering of Securities, other than an "at-the-market" distribution, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an "at-the-market" offering, as defined under applicable Canadian securities laws, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer may enter into any transaction that is intended to stabilize or maintain the market price of the Securities or Securities of the same class as the Securities distributed under the applicable prospectus supplement, including selling an aggregate number or principal amount of Securities that would result in the underwriter or dealer creating an over-allocation position in the Securities.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

There have been no material changes in the consolidated share and loan capital of the Company from September 30, 2023, the date of its most recently filed condensed consolidated interim financial statements, to the date of this Prospectus other than the issuance of 679,544 Common Shares on December 31, 2023.

USE OF PROCEEDS

The applicable Prospectus Supplement will describe the use of the proceeds raised from the issuance of Securities pursuant to such Prospectus Supplement.

While the Company will not know the amount of such proceeds and the specifics of their intended use until the Company undertakes such financing, as a general statement, the Company anticipates applying the proceeds of future financings for purposes including, but not limited to:

- constructing and equipping manufacturing production facilities and preparing for the commencement of production activities;
- purchasing additional equipment to enhance the Company's research & development capabilities;
- expanding the Company's business into the USA and Europe;
- funding ongoing research and development activities to further validate and enhance the Company's technologies;
- sales and marketing activities; and
- potential acquisitions of complementary intellectual property and/or businesses if suitable opportunities are identified.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

The following directors of the Company reside outside of Canada and have appointed the following agent(s) for service of process:

Name	Name and Address of Agent
Sue Ozdemir Terence Johnsson Rod Copes Aleksandra Miziolek Frank Simpkins Anita Ganti	152928 Canada Inc. c/o Stikeman Elliott LLP Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

EARNINGS COVERAGE

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada of acquiring any Securities offered thereunder, including whether the payments of distributions on the Securities will be subject to Canadian non-resident withholding tax.

LEGAL MATTERS

Unless otherwise specified in the applicable Prospectus Supplement, certain legal matters relating to the Canadian law will be passed upon on our behalf by Stikeman Elliott LLP. As at the date of this Prospectus, the partners and associates of Stikeman Elliott LLP beneficially own, directly and indirectly, less than 1% of any class of our issued and outstanding securities or securities of our affiliates or associates.

If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities offered thereunder, such counsel will be named in such Prospectus Supplement.

AUDITOR, TRANSFER AGENT AND REGISTRAR

As of the date of this Prospectus, the auditor of the Company is PricewaterhouseCoopers LLP at its office in 111 – 5th Avenue S.W., Calgary, Alberta T2P 5L3. PricewaterhouseCoopers LLP has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

PricewaterhouseCoopers LLP has prepared an independent auditor's report dated March 30, 2023, in respect of the consolidated financial statements of the Company for the years ended December 31, 2022, and December 31, 2021.

Our transfer agent and registrar is Odyssey Trust Company at its office in Calgary at Stock Exchange Tower, 1230 – 300 5th Avenue SW Calgary AB T2P 3C4.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. However, purchasers of the Securities distributed under an "at-the-market distribution" by the Company do not have the right to withdraw from an agreement to purchase the Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102 – *Shelf Distributions*. Any remedies under securities legislation that a purchaser of the Securities distributed under an "at-the-market distribution" by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory, if applicable, for the particulars of these rights or consult with a legal advisor. Rights and remedies may also be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. lawyer for particulars of these rights.

Original purchasers of Warrants (if offered separately) or Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Warrant or Subscription Receipt.

The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant or Subscription Receipt, the amount paid upon conversion, exchange or exercise upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers of Warrants, Subscription Receipts or other convertible, exchangeable or exercisable securities are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE ISSUER

Dated: January 15, 2024

This amended and restated short form base shelf prospectus, together with the documents incorporated by reference, will, as of the date of a particular distribution under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

EXRO TECHNOLOGIES INC.

(signed) "Sue Ozdemir"
Sue Ozdemir
Chief Executive Officer

(signed) "John Meekison"
John Meekison
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Rod Copes"
Rod Copes
Director

(signed) "Frank Simpkins"
Frank Simpkins
Director