

Corporate Update in a Letter From the CEO to its Shareholders

written by Raj Shah | April 8, 2020

April 8, 2020 ([Source](#)) – Exro Technologies Inc. (CSE:XRO)(OTCQB:EXROF) (the “Company”) is providing a Corporate update in a letter from the CEO to its shareholders.

Dear Fellow Shareholders:

This week marks six months as Exro’s new CEO. These past few months have been exciting and rewarding as we have seen many developments as we execute in our commercialization phase. The team and I are very excited about our future, and I would like to thank you all for your continued support.

During the past months, I have had the pleasure of meeting many of you, our business partners, and key customers and getting to know our key employees. Also, I have spent time learning about our technology and how we move Exro to the next level.

As you all know, my commitment is to close 8 strategic partnerships by the end of 2020. We have four key projects ongoing at Exro.

1. Motorino Electric Bike- we delivered the first proof of concept in December with outstanding results of exceeding speed and torque by 25%. This was an important project for Exro as it demonstrates the potential of our technology. The patented coil switching algorithms are entirely scalable, so we can take this proof of concept and apply it to cars, trucks, and larger equipment.
2. Potencia – our project was a multi-stage delivery that

started with the Exro motor driver. This driver is delayed due to parts from China; we anticipate delivery in June. In the meantime, we, with the agreement of our customer, have moved ahead to stage 2, which is our coil switching module. Now, both stages will deliver together in June, giving Exro its first proof of concept in an electric vehicle.

3. Templar Marine – this project is to optimize the powertrain in an electric water taxi. The initial development time was approx. four months, and we expect only a small delay of a few weeks. We are working with Templar on how to most effectively optimize the system, and while the coronavirus has slowed communications with European suppliers, it has not stopped. We are continuing our development and will have results in Q3.
4. Aurora Snowmobile – is a very exciting partnership for us as there are several opportunities to both integrate our technology into the Aurora powertrain and work with electric motor suppliers in their supply chain. We will start with the 100 volts driver and look to deliver in the third quarter at their request. This project remains on time.

These are four key partnerships as they demonstrate the scalability and versatility of the Exro technology. We are now working with bikes, cars, boats, and snowmobiles. The next four deals are on the horizon, and I am very confident that we will close all 8 deals this year. The team is working hard to ensure the agreements are strategic and the best fit for our resources and financing. There are ongoing discussions with customers small and large in a variety of mobility applications. We continue to evaluate customer provided data which helps us to determine the best fit for Exro and our partners. While there is no guarantee, I am very confident in the current stages of negotiation and to meeting our commitment to these eight deals.

We have also begun a robust rebranding program. I realize this comes on the heels of another rebrand as we moved from DPM (Dynamic Power Management) to ETR (Electronic Transmission) early in 2019. Still, it was a necessary strategic move to align us to the marketplace better.

We remain focused on the commercialization of our Patented Coil Switching Technology but are also continuing to innovate. Our technology roadmap continues to evolve; here are some highlights:

- EPM – Electric Program Module (previously ETR). This is a module that integrates our coil switching technology, allowing us to broaden our potential customer base and offer a proof of concept much more rapidly. Our first proof of concept will deliver in June to Potencia.
- Integrated Coil Switching Drive – This is a generic integrated driver which incorporates our algorithms. The voice of the customer was loud and clear, and we listened. This built-in coil switching drive will provide a 400 Volt, 150 KW inverter with our technology already integrated inside. This proof of concept will be ready in November 2020
- Battery Management – we have had promising results with our AI system and are excited about the future. The team continues with the development, and I have engaged an industry expert to help us to align with the market. We will update these results later in Q2.
- Generators – utilizing our coil switching technology in generators will bring efficiency gains to a new group of prospective partners, including the wind industry. We are in discussions with potential partners to bring a proof of concept to market by the end of this year, where we expect to be able to demonstrate the value of integrating our technologies into generators.

Lots is going on; we are listening to the feedback of our partnerships. The basis of our roadmap and our branding reflects our alignment with the market. I assure each and everyone one of you that we are committed to the commercialization of our products that will bring future revenue for the business.

Our Calgary Innovation Center remains on schedule, and I cannot wait to host you all there. We will continue the transition of our Victoria lab, which will continue to operate until the fall of this year-enabling us to execute on our current and upcoming projects while preparing for the growth ahead of us.

Today's environment is unprecedented, and I remain focused on the health and well being of our employees and their families. We have taken many precautions, and while there are some delays, we do not see any risks to existing or upcoming projects. Our bank account is strong, and we are financially prudent with our spending to best execute the business strategy. While this is a turbulent market, I am not shaken and remain very committed and optimistic about the future of Exro.

I am very proud to serve as Exro's CEO. As both the CEO and as a shareholder, I am here to continue building Exro and our future value.

Kind regards,

Sue Ozdemir

About Exro Technologies Inc.

Exro facilitates the transition to clean energy by providing products and services to manufacturers to increase the efficiency and reliability of power systems, including electric motors, generators and batteries. Exro's patented technology enhances energy systems by dynamically sensing and adapting

variable inputs and optimally matching them to desired outputs, creating measurable performance gains and extended lifespan. The widespread applications of the technology apply to optimizing the performance of electric vehicles, UAVs, and ship drives, as well as pumps, industrial motors, and energy capture from wind and tides.

Forward Looking Statements

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words “believe”, “may”, “would”, “could”, “will” and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward-looking statements and information concerning the Company’s intention to commercialize its product in the near term. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not assume any obligation to update these forward-looking statements, except as required by law.

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