Exro Announces Closing of Cdn $42 Million Prospectus Offering of Common Shares

written by Raj Shah | December 14, 2020
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- Exro closes marketed public offering of common shares issuing 12,915,384 shares at a price of $3.25 per share for gross proceeds of Cdn $41,974,998.
- The net proceeds will be used for battery research and development, electric vehicle programs, marketing, capital investments and general working capital.

Exro Technologies Inc. (TSXV: EXRO) (the "Company" or "Exro") is pleased to announce the closing of its marketed public offering (the "Offering") of common shares (the "Shares") pursuant to which the Company issued 12,915,384 Shares at a price of $3.25 per Share for gross proceeds of Cdn $41,974,998.

The Offering was conducted on a "best efforts" agency basis by a syndicate of agents led by Raymond James Ltd. and Gravitas Securities Inc., as co-lead agents and bookrunners, and Eight Capital and Haywood Securities Inc. (collectively, the "Agents"). The Company agreed to grant the Agents an option (the "Over-Allotment Option"), exercisable in whole or in part at the sole discretion of the Agents, at any time for a period of 30 days from and including the closing of the Offering, to purchase from the Company up to an additional 15% of the Shares sold under the Offering, on the same terms and conditions of the Offering to cover over-allotments, if any, and for market

stabilization purposes. The Over-Allotment Option was exercised by the Agents concurrently with closing of the Offering, and the issuance of the 12,915,384 Shares under the Offering includes the 1,684,615 Shares issued pursuant to the exercise of the Over-Allotment Option.

The net proceeds from the Offering will be used for further research and development of the Company's intelligent battery management system, micro, light and commercial electric vehicle programs, marketing, capital investments and general working capital requirements.

The Company's short form prospectus for the Offering dated December 8, 2020 (the "Prospectus") was filed with the securities commissions in each of the Provinces of Canada (other than Quebec). The Prospectus incorporates by reference important information about the securities that were offered, and copies of the agency agreement and Prospectus are available on the Company's profile at www.sedar.com.

The Company paid the Agents a cash commission equal to 6.5% of the gross proceeds of the Offering, issued 839,500 non-transferable warrants of the Company ("Broker Warrants") to the Agents equal to 6.5% of the number of Shares issued under the Offering, and issued 645,769 Shares to the Lead Agents as a corporate finance fee equal to 5% of the number of Shares issued under the Offering. Each Broker Warrant entitles the holder thereof to acquire one Share of the Company at $3.25 until the date that is 24 months from the date hereof.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration

requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Exro Technologies Inc.

Exro is a Clean Tech company that has developed a new class of control technology for electric powertrains. Exro's advanced motor control technology, our "Coil Driver", expands the capabilities of electric motors and powertrains. The Coil Driver enables two separate torque profiles within a given motor. The first is calibrated for low speed and high torque, while the second provides expanded operation at high speed. The ability to change configuration allows efficiency optimization for each operating mode, resulting in overall reductions in energy consumption. The controller automatically and seamlessly selects the appropriate configuration in real time so that torque demand and efficiency are optimized.

The limitations of traditional electric machines and power technology are becoming more evident. In many increasingly prominent applications, traditional methods cannot meet the required performance. This means either oversizing the equipment, adding additional motors, or implementing heavy mechanical geared solutions. Exro offers a new solution for system optimization through implementation of its technology which can yield the following results: increased drive cycle efficiency, reduced system volume, reduced weight, expanded torque and speed capabilities. Exro allows the application to achieve more with less energy consumed.

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

LinkedIn https://www.linkedin.com/company/exro-technologies-inc

Twitter https://twitter.com/exrotech

Facebook https://www.facebook.com/exrotech/

ON BEHALF OF THE BOARD OF DIRECTORS

Sue Ozdemir, Chief Executive Officer

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information (together, “forward-looking statements”) within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes” or variations of such words, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will be taken”, “occur” or “be achieved”. Forward looking statements involve risks, uncertainties and other factors disclosed under the heading “Risk Factors” and elsewhere in the Company’s filings with Canadian securities regulators, that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company believes that the assumptions and factors used in preparing these forward-looking statements are reasonable based upon the information currently available to management as of the date hereof, actual results and developments may differ materially from those contemplated by these statements. Readers are therefore cautioned not to place undue reliance on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by applicable law, the Company disclaims any intention

or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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