

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Exro Technologies Inc. (the "Issuer").

Trading Symbol: XRO

Number of Outstanding Listed Securities: 97,239,990 (as at August 31, 2020)

Date: **September 2, 2020**

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**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**Exro continues to commercialize its first product derived from its technology, the "Electric Gearbox". (formerly Electronic Transmission Replacement). The Electric Gearbox allows a variable motor to switch coil configurations to permit increased torque or increased speed, negating the need for a separate gear box. This product could have utility in many applications, particularly in transportation sectors.**

**Exro currently has six partnerships underway for commercializing its technology: Motorino Electric Bike for e-bike applications; Potencia for automotive; Templar Marine for electric boats; Aurora Power Trains for recreational vehicle applications, Clean Seed Capital Group for agricultural products, SEA Electric for heavy duty vehicles and finally Zero Motorcycles for electric motor bikes.**

**The Issuer is also utilizing machine learning to develop new battery management ("BMS") software technology, which it is calling the "intelligent battery management system" ("IBMS"), which should provide an improvement over existing BMS applications. Exro expects that the new IBMS being developed, when fully commercialized, will allow for constant monitoring and manipulation of energy inflows and outflows, at rates of up to 100k manipulations per second. The goal is total control of the flow of energy, in effect allowing better, more balanced storage of energy, especially under changing conditions, while also making battery banks of any size inherently electrically safe.**

**The Issuer is also continuing to explore other potential collaborations.**

2. Provide a general overview and discussion of the activities of management.

**On August 5, 2020 the Issuer provided an update on its Partnership with Potencia.**

**Exro and Potencia are working together to accelerate the transition to commercial electric vehicles with novel new powertrain technologies. The motor driver integration program is a multi-stage project where Exro is providing the Motor Driver to be tested and validated in Potencia's world class facility in Mexico City. The first stage of the project has now been delivered. The Exro Customized Driver will be used as the inverter for the Pronto Power Flexible Powertrain. Once this phase is validated, Exro will then supply a Coil Switching Driver in November of this year that will enable maximum efficiency and powertrain performance for the application. This Coil Driver supports Potencia's growing position in the commercial fleet and government vehicle electrification programs.**

**The Customized Driver was delivered at the end of June and is now undergoing rigorous testing at Potencia. "We're excited to confirm that the driver has been received and testing has begun on the unit. Our expectation is to complete testing by the end of October. Exro has delivered and we look forward to continuing to strengthen our relationship." Tomas Gottfried, Technical Director at Potencia. After**

Potencia's internal testing is complete, the driver will be installed in a vehicle and road tested. This will provide the first on road application for Exro.

Potencia is dedicated to enabling Mexico's transition to electric vehicles. They design and manufacture special application, high efficiency electrical motors and generators. Specializing in creative solutions and applications, the new Pronto Power division is a vertically integrated business unit supported by Potencia's more than fifty years of manufacturing background. With over one million miles of driving distance, the flexible powertrain is leading the transition of fleet and municipal vehicles in Latin America.

On August 13, 2020 the Issuer announced that Gary Mar, an accomplished and respected leader in government and business, has joined the Exro Business Advisory Board ("Advisory Board"). Mar will provide guidance as Exro develops its technology into the marketplace and innovates solutions to support Net Zero Initiatives globally.

Mar has broad experience in government having served as a Member of the Legislative Assembly in the Province of Alberta from 1993-2007. During his time as an elected official, Gary held several Cabinet portfolios: Community Development; Health and Wellness; Education; Environment; and International and Intergovernmental Relations. Gary subsequently served as President and CEO of the Petroleum Services Association of Canada (PSAC), the national trade association representing the service, supply, and manufacturing sectors within the upstream petroleum industry.

Mar was named President and CEO of the Canada West Foundation (CWF) in April 2020 and established expertise in key policy areas including: natural resources; trade and investment; and human capital. Gary brings deep experience in both government and business to Exro, where he will support our efforts to make an impact in the energy sector with Net Zero opportunities and environmental sustainability.

On August 20, 2020 its CEO Sue Ozdemir to sit as chair of the newly formed NEMA Automotive Component Council (ACC).

The National Electrical Manufacturers Association (NEMA) announced the establishment of its Automotive Component Council (ACC) to increase manufacturer collaboration in the changing and expanding automotive component market – one that traditionally has been a closed industry. Specifically, the Council will develop a deeper understanding of the automotive supply chain market, advocate for policies and regulations that will impact it, and develop baseline standards for qualification programs in key aspects. The ACC will enlist NEMA Members, other organizations and interested parties that share its goals for broader collaboration in a market that is increasing in sensor technology, component electronics, and the transition to Electric Vehicles.

"The automotive landscape is undergoing a transformation to one that is increasingly connected, electrified, and eventually autonomous. Key aspects of this are the components, products, and systems that constitute a vehicle whether its power driven via an Internal Combustion Engine, Electric power, or a Hybrid of power sources. Our members represent an integral part of the supply chain." said NEMA President and CEO Kevin Cosgriff. "This council will advance industry interests in a changing market and explore how these changes can impact the manufacture of electrical products and systems."

"NEMA and its Member companies have devoted months to investigating opportunities in the space," said NEMA Industry Director for Transportation Systems Division Steve Griffith. "Creating this Council provides a great opportunity to establish a venue for collaboration, networking, and partnering with auto manufacturers and their associations on relevant companies. I encourage manufacturing and technology firms to join the ACC in this effort, an integral part of the overall automotive sector."

“I am eager to apply my more than two decades of experience in the electric motor industry with the new NEMA Council” added Sue Ozdemir the CEO of Exro Technologies, who is working with Griffith to establish the ACC and will serve as chair of the council. “Having previously worked at General Electric, I have obtained a wealth of knowledge in motor design, automation equipment, and market trends. Transportation electrification is happening, and it will have profound effects on the automotive component market. It is important to stay aligned with this rapidly growing landscape and NEMA is an ideal location for this undertaking.”

**On August 28, 2020 the Issuer announced its second quarter financial results.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**None.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None.**

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**None.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None.**

8. Describe the acquisition of new customers or loss of customers.

**None.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**Not applicable.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**Not applicable.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None.**

14. Provide details of any securities issued and options or warrants granted.

**On various dates in August 2020, a total of 420,195 common shares were issued pursuant to the exercise of warrants and 787,500 common shares were issued pursuant to the exercise of stock options.**

**On August 31, 2020, 1,692,000 stock options were issued to certain officers, consultants and employees of the Issuer at an exercise price of \$1.00 per option and valid for a period of five years from issuance. Options are subject to vesting provisions.**

15. Provide details of any loans to or by Related Persons.

**None.**

16. Provide details of any changes in directors, officers or committee members.

**None.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The outbreak of the coronavirus ("COVID-19") pandemic is likely to impact the Issuer's plans and activities. The Issuer may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a health-care challenge for the Issuer. There can be no assurance that the Issuer's personnel will not be impacted by these pandemic diseases and ultimately that the Issuer would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. Additional cybersecurity risks exist due to personnel working remotely. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Issuer's operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, may reduce share prices and financial liquidity and thereby that may severely limit the financing capital available.**

The Issuer continues to monitor developments and innovations related to motor and generator systems technology to operate more efficiently, providing benefit to sustainable and renewable electricity generation markets, as well as variable load industrial and commercial applications for motors.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 2, 2020.

John Meekison  
Name of Director or Senior Officer

"John Meekison"  
Signature  
CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Exro Technologies Inc.</b>	For Month End <b>August 2020</b>	Date of Report YY/MM/D <b>20/09/02</b>
Issuer Address <b>2300 – 1177 West Hastings Street</b>		
City/Province/Postal Code <b>Vancouver BC, V6E 2X3</b>	Issuer Fax No. <b>N/A</b>	Issuer Telephone No. <b>(604) 674 7746</b>
Contact Name <b>John Meekison</b>	Contact Position <b>CFO</b>	Contact Telephone No. <b>(604) 649 8778</b>
Contact Email Address <b>jmeekison@exro.com</b>	Web Site Address <b>www.exro.com</b>	