

Surge in electric vehicle sales, has investors eyeing Exro Technologies

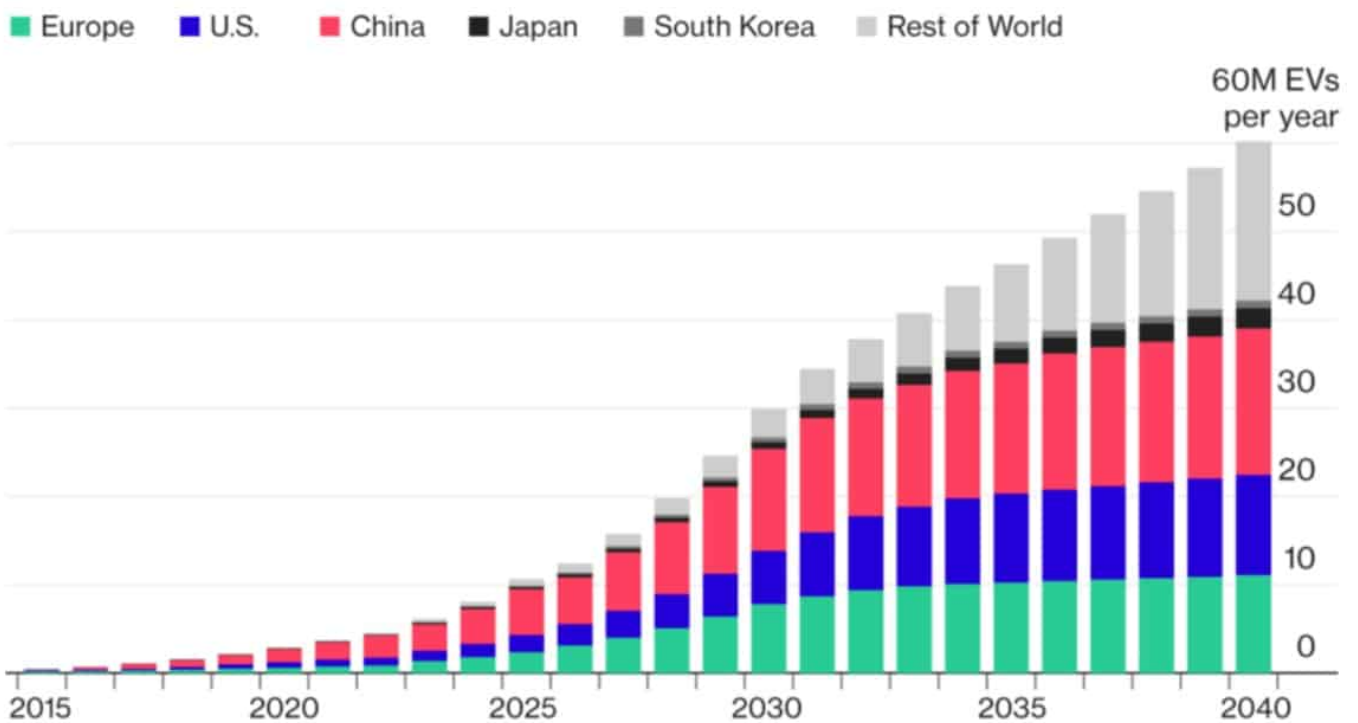
With the electric vehicle (EV) boom picking up pace recently investors are looking at EV related stocks that can benefit from the forecast surge in electric vehicle sales. Below I discuss a unique EV technology company that may well be at the center of the boom.

BloombergNEF 2020 forecast for annual electric vehicle sales give investors an idea of the tsunami that is on the way. BNEF forecasts annual electric car sales to rise from 2.2 million in 2019 (2.5% market share) to ~9 million by 2025 (10% share), 24 million by 2030 (28% share), and to a massive 54 million by 2040 (58% share). Added to this will be hundreds of millions of combined sales when including e-bikes, e-buses, e-semis, e-boats, e-trains, and some e-planes. The opportunity is enormous as shown in the chart below.

Global electric-car revolution set to take off – BNEF forecast

Global Electric-Car Revolution Set to Take Off

China set to lead EV market



Source

Exro Technologies Inc. (CSE: XR0 | OTCQB: EXROF) is a software design technology and smart energy company that creates an electric program module that uses Artificial Intelligence to make electric motors function better. The module integrates into the power electronics adjusting the output of the electric motor when needed, just like gears in a conventional car.

Exro's patented technology allows for multiple power settings in a single motor. This helps maximize the motors performance in terms of output and efficiency, thereby boosting a motors output and thereby performance and range. The technology enables 2 separate torque profiles within a single motor, hence the comparison with 'gears' on a conventional car. All this is done using a software module.

Exro's coil driver technology – 'Software with hardware solutions'

EXRO COIL DRIVER TECHNOLOGY

“SOFTWARE WITH HARDWARE SOLUTIONS”



Technology



CoilDriver

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Following a string of new partnerships across a range of different types of EVs over the past 2 years, Exro has recently succeeded again with a partnership to enhance electric powertrain technology for **heavy-duty trucks and delivery vehicles**. The partnership is with Australia's SEA Electric Pty Ltd. SEA Electric is recognized as a global leader in the electrification of commercial vehicles.

The news release states: “SEA Electric products are now deployed in 5 countries, with collectively more than 1.6 million kms (1 million miles) of independently OEM tested and in-service operation, making it widely recognised as the market leader in the electrification of commercial vehicles.”

Prior to this latest success, Exro has also achieved the following partnerships:

- **Electric motorcycles and bikes** – In June 2020 Exro announced a collaboration agreement (the “Agreement”) with Zero Motorcycles (“Zero”) to evaluate Exro's patented coil drive technology using Zero's SR/S powertrain platform. Zero are a big name in electric

motorbikes. Last year in December, Exro partnered with Motorino Electric. Exro's engineered technology provided a torque and acceleration **increase of 25%** for the Motorino e-bike.

- **Electric boats** – Exro has a pilot project running with Templar Marine's water taxis. The marine sector is a multi-billion dollar industry that can stand to benefit enormously from Exro's technology as they increasingly switch across to electric motors for a cleaner environment.
- **Electric snow mobiles** – Exro has partnered with Aurora Powertrains to improve the Aurora's e-sled all-electric snowmobile.
- **Electric motors/generators** – Exro has contracts with Potencia Industrial who design and manufacture special application, high efficiency, electrical motors and generators. One of their projects involves converting internal combustion engines in Mexico City's taxis to electric motors, as part of a city initiative to green the city's 250,000 taxi fleet. Exro jointly works to integrate its hardware and software technology into Potencia's motor drives.
- **Electric farm equipment** – On April 28, 2020, Exro announced it has signed a collaboration and supply agreement with Clean Seed Capital Group Ltd. (TSXV: CSX) to integrate Exro's technology into Clean Seed's high-tech agricultural seeder and planter platforms, advancing the electrification of the world's heavy-farm equipment.

Exro Technologies growing list of partners

EXRO'S PARTNERS

"My commitment is to close 8 strategic partnerships by the end of 2020." - Sue Ozdemir, CEO of Exro Technologies



Source: Exro Technologies Company presentation

Exro states: "Exro is set to close on 8 strategic partnerships and licencing agreements in 2020 that will position it for high volume manufacturing in the future. Currently, Exro has capacity for a low volume of manufacturing projects....The Company's commercialization and licensing strategy is centered around its Partner Development Phase, which incorporates partnerships with leading innovative motor companies in the industry."

Exro recently raised C\$8 million of new capital at C\$0.70 per share (plus a warrant exercisable at C\$0.90). The capital will be used for further research and development of the Company's coil switching technology for commercialization in the mobility segment including micro, light and commercial electric vehicle programs; marketing; capital investments and general working capital requirements.

Closing remarks

Exro Technologies has a tremendous opportunity ahead boosted by the impending EV boom led by Tesla. BNEF forecasts annual passenger electric sales to increase to 24 million by 2030,

which would be a ~11 fold increase on 2019 sales. What's even better for Exro is that they focus on improving the electric motor output and performance, so their technology is applicable across the entire range of EVs that will be coming.

Exro already has numerous agreements and contracts in place in electric motorcycles & bikes, electric boats, electric snow mobiles, electric motors/generators (being used for electric cars including e-taxis), electric farm equipment, and now electric heavy-duty trucks and delivery vehicles. As these partnerships mature, investors can reasonably expect Exro's revenues to rapidly increase. Their soon to open Calgary Innovation Centre should also boost future partnerships and sales.

Exro is now fully funded following an C\$8 million raise, so things can really speed up from here towards mass commercialization and revenues across all of the above sectors. Exro is still trading cheaply given their massive potential with a market cap of just C\$74 million. Stay tuned to Exro Technologies Inc.