Boosting electric vehicles with artificial intelligence and leadership, a powerful combination for Exro Technologies

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Two of the biggest trends this decade are electric vehicles (EVs) and artificial intelligence (AI). Together they make a powerful combination. Just take a look at the chart below for Exro Technologies Inc. (CSE: XRO | OTCQB: EXROF) ("Exro"). Exro's stock price is up over 400% in the past year, which coincides with the time that CEO Sue Ozdemir has been with the company.

Exro Technologies (CSE: XRO) stock price is up 413% over the past 1 year

Source

Exro Technologies is a software design technology and smart energy company that creates a software module called a "Coil Driver" that uses AI to make electric motors function better. In an electric car, the Coil Driver acts like gears do on a conventional car, boosting an EV motor's range and performance by using two separate torque profiles for a motor. The first is calibrated for low speed and high torque, while the second provides expanded operation at high speed.

Reflecting on the past year and why Exro has done so well

Over the past year Exro has made very significant steps in commercializing their technology, securing several significant partnerships along the way. Here is a brief summary of Exro's partners/agreements:

- **SEA Electric Pty Ltd.** – In July 2020, Exro announced a partnership to enhance electric powertrain technology for heavy-duty trucks and delivery vehicles.
- **Zero Motorcycles ("Zero")** – In June 2020, Exro announced a collaboration agreement with Zero to evaluate Exro's patented Coil Drive technology using Zero's SR/S powertrain platform. Zero is a big name in electric motorbikes.
- **Clean Seed Capital Group Ltd.** – On April 28, 2020, Exro announced it has signed a collaboration and supply agreement with Clean Seed Capital Group Ltd. (TSX-V: 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.
- **Motorino Electric** – In December 2019, Exro partnered with Motorino Electric. Exro's engineered technology provided a torque and acceleration increase of 25% for the Motorino e-bike.
- **Templar Marine –** 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.
- **Aurora Powertrains –** Exro has partnered with Aurora to improve the Aurora's all-electric snowmobile.
- **Potencia Industrial –** Exro has contracts with Potencia Industrial, which is one of Mexico's leading motor manufacturers. Potencia designs and manufactures 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-wide initiative to green the city's 250,000 taxi fleet. Exro works to integrate its hardware and software technology into Potencia's motor drives. The Exro customized driver will be used as the inverter for Potencia's Pronto Power Flexible Powertrain.

"It's hard to believe that is has been a year since I joined Exro," said Exro CEO Sue Ozdemir. "The past 12 months has been so rewarding as we innovate and transform our business. We are positioning ourselves to become leaders as we use the power of our technology to transform the way the world looks at energy consumption. I believe we now have the ideal platform to be successful." As for future plans, Ozdemir said: "Our team is continuing to focus our attention on co-development with our partnerships. We have a strong pipeline and are optimistic in our ability to meet our commitment to eight deals by the end of 2020. Further, we are gaining global presence as our partners deliver applications in North America, Australia, and Europe."

As most experienced investors know it is one thing to have a good idea or product, but it is another thing to successfully market, commercialize, and make profits. Exro is already doing the first two, and revenue is forecast to soon follow in 2021, growing in 2022.

Exro Technologies financials and forecast financials

Source

Catalysts

In a September corporate update Exro set out the following near term events for the company:

> *"November 2020 – Delivery to Potencia (electric car application). This is an especially pivotal project for Exro as it will become the platform design, reducing design time for future partnerships. It also serves as our first in-car application, demonstrating our ability to transform the automotive power electronics industry.*
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> *December 2020 – the IBMS (Intelligent Battery Management System) proof of concept. With the research phase now behind us, this technology development will allow us to provide test bench data to support our simulations and confirm that we are able to provide a solution for first life batteries to be used in second life applications, such as stationary storage for example.*
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> *Q4 2020 – We expect the 8th deal will be yet another representation of the versatility and scope of our innovation. We put a lot of effort into how each partnership contributes towards our future growth plan. Finding partners that deliver a new segment, new geography or new application is part of securing our footprint in many market segments. This will position us for a robust and sustainable future.*
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> *Early 2021 (Q1) – Delivery to Zero Motorcycle ("Zero") (electric motorcycle application)."*
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> ***Closing remarks***

There is no doubt that Exro Technologies has had a busy year. Their technology is clearly being very well received by the market and the steps to commercialize the technology are now being put in place. When we consider the massive size of the

electric motor market, in particular the new and surging demand for EVs, it is not surprising when Exro CEO Sue Ozdemir says “we have a lot of room for growth”. I think that is a huge understatement.

For their investors it has been a great year. Given that Exro trades on a market cap of just C$114m, if they succeed in the next step of rapidly raising revenues, this could be just the beginning. I will be very interested to see how Exro Technologies goes over the year ahead.