

2024 ANNUAL REPORT

PREPARED PURSUANT TO THE

***FIGHTING AGAINST FORCED
LABOUR AND CHILD LABOUR IN
SUPPLY CHAINS ACT***



Introduction

Exro Technologies Inc. (“Exro” or the “Company”), and each of our subsidiaries, are committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect that our suppliers share our commitment to ethical and responsible business practices and support our values.

This report (the “Report”) has been prepared pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and outlines the actions we have taken during the year ended December 31, 2024, to prevent and reduce the risk of forced labour or child labour occurring in our business. We are also subject to reporting requirements under California’s Transparency in Supply Chains Act.

This Report has been prepared as a joint report and applies to Exro Technologies Inc. and all our subsidiaries that are listed on Schedule A. The use of the words “we”, “us” and “our” refers to Exro Technologies, Inc. and the other reporting entities included in this Report.

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should review the disclaimers beginning on page 5 of the Report.

Our Structure, Business Activities and Supply chain

Exro Technologies Inc. is a clean-technology company developing new generation power-control electronics that expand the capabilities of electric motors and batteries. The Company’s innovative motor control and electric propulsion technologies, Coil Driver® and SEA Drive® are designed to bridge the performance-cost gap in e-mobility, while its patented battery control technology, Cell Driver® supports stationary energy storage for commercial and industrial applications. Together, these accelerate the transition to a circular electrified economy by delivering maximum results with minimal energy consumption.

Exro Technologies, Inc. is incorporated in British Columbia and headquartered in Calgary, Alberta, Canada. The Company’s head office is at 12–21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6, with operations across Canada, United States of America (US) and Asia Pacific Regions. As of December 31, 2024, the Company employed 160 people across its operating locations.

The Company’s shares are listed on the TSX Exchange (“TSX”) and trades under the symbol “EXRO”, and the OTCQB under the symbol “EXROF”.



The Company's business activities primarily involve engineering design, manufacturing and sale of automotive power electronic and e-propulsion systems, and battery storage systems. In connection with its business activities, the Company produces goods in Canada and imports goods produced outside Canada into Canada. The Company's supply chain comprises suppliers of goods and services involved in various stages of production- from sourcing raw materials to the final Sea Drive®, Coil Driver™ and Cell Driver™ products that are sold and distributed. This supply chain includes direct and indirect suppliers and service providers located both in Canada and outside Canada.

Exro has over 75 suppliers across 25 countries providing goods and services to support operations. Top supplier countries by spend for the year ended December 31, 2024, are China, followed by the United States, Canada, Australia and the United Kingdom. Key commodity groups sourced from suppliers include printed circuit boards (PCBs), integrated circuits (ICs), lithium-ion batteries, aluminium stampings and casings and other automotive power electronic components, while services include transportation and freight, facilities maintenance, and corporate services such as information technology, legal, accounting amongst many others.

Gary Wohlgemuth (Senior Director, Supply Chain) and Matthew Jenkins (Senior Director, Strategic Sourcing and Cost Control) are responsible for overseeing our supply chain.

Our Policies and Due Diligence Processes

Exro is committed to upholding the highest ethical standards and ensuring our operations are free from forced labour or child labour. We have implemented policies that potentially address instances of such practices within our supply chain, including

- **Supplier Code of Conduct:** Our Supplier Code of Conduct reflects the high standards of professional conduct to which the Company is firmly committed. As we continue to build relationships with our goods and services suppliers, we aim to operate in a manner that is respectful, transparent, and cooperative. We also strive to ensure our suppliers clearly understand that the use of child labor, forced labor, or any other kind of human exploitation or abuse is strictly prohibited. The Code is available on Exro's website at: <https://www.exro.com/investors/leadership-and-governance>
- **Code of Business Conduct and Ethics:** Our long-standing Code of Business Conduct and Ethics sets forth standards of conduct for all Company directors, officers, and employees. In addition to these standards, each director, officer, and employee is expected to comply with the laws, rules, and regulations now or



subsequently adopted that pertain to their conduct as an agent/fiduciary of the Company and additional policies or laws specific to their position. Failure to comply with these policies, rules, and procedures may subject personnel to disciplinary action, up to and including immediate dismissal.

- **Whistleblower Policy.** The Company has adopted a Whistleblower Policy which allows its directors, officers, and employees who feel that a violation of any of the Company's codes and policies has occurred, or who have concerns regarding corporate fraud, unethical business conduct, questionable accounting or auditing practices, or a violation of provincial or federal securities laws, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made to the Chair of the Audit Committee or via the Company's Whistleblower Hotline (www.integritycounts.ca/org/EXRO). Complaints may be investigated internally by management, by the Board, or by the appropriate committee or referred to the police or the appropriate regulatory authority. A copy of the Whistleblower Policy is provided to all directors, officers, employees, and consultants of Exro, and is available on Exro's website at <https://www.exro.com/investors/leadership-and-governance>.

The Company's due diligence processes in relation to forced labour and child labour include:

- Implementation of standard supplier agreement templates that include a clause requiring suppliers to adhere to Exro Supplier Code of Conduct, to be communicated and complied with by its personnel.
- Utilization of the Silicon Expert (www.siliconexpert.com) BOM (Bill of Materials) Management and SCRM (Supply Chain Risk Management) software tools. Both tools are currently used by the Company's supply chain management employees and provide a deeper layer of insights into the factory sites of parts, and risk factors associated with global events.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

With respect to our Sea Driver™, Coil Driver™ and Cell Driver™ products, the Company divides the supply chains into two areas to assess and manage the risk of forced or child labour. These areas are electrical components and mechanical components:



- Exro utilizes the Silicon Expert tool to track and manage our supply chain's compliance with the European Union's REACH and RoHS regulations, but also for forced/slave labour and conflict mineral status for all our electric components.
- For all mechanical components, the Company's suppliers are required to provide a signed statement ensuring they do not utilize forced or child labour.

The status of all our suppliers is reviewed semi-annually to ensure compliance.

Measures Taken to Remediate Forced or Child Labour

As of the date of this Report, we have not identified any instances of forced or child labour being used within our activities and supply chains. Consequently, remediation measures are not applicable, and the Company has not taken any measures to remediate the loss of income to the most vulnerable families resulting from any measures taken to eliminate forced and child labour in its activities and supply chains.

Employee Training

While we are yet to introduce training that specifically addresses forced and child labour, our employee training includes topics that generally address fair labour practices including standards of integrity and ethical behaviour, and respectful treatment of employees, which underscores our commitment to fostering a safe, fair and equitable work environment.

Measuring Our Effectiveness

Exro's supply chain management reviews the supply chain semi-annually to ensure the Company's supply chain is free from forced and child labour. To date, no specific actions have been taken by the Company to assess its effectiveness in preventing and reducing risks of forced and child labour in its activities and supply chains.

Disclaimers

This Report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

Any references in this Report to dollars or "\$" are to Canadian dollars.



Forward-Looking Information

This Report may contain certain 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 using 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, which 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 Report, and no assurance can be given that such events will occur in the disclosed time 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.

This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by the Company with the Canadian securities regulators, including the Company's annual information form for the financial year ended December 31, 2024, and financial statements and related MD&A for the financial year ended December 31, 2024, filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected. Although the Company has attempted to identify important risks, uncertainties, and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated, or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Neither the Toronto Stock Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this Report.



Market and Industry Data

This Report may include or rely on market and industry data that was obtained from third-party sources, industry publications, and publicly available information, as well as industry data prepared by us or on our behalf based on knowledge of the sector in which we operate. We believe that the market and industry data is accurate and that any estimates and assumptions are reasonable but there can be no assurance as to the accuracy or completeness of this data as it has not been independently verified by us.

Board Approval

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Exro Technologies Inc.

In my capacity as a Chair of the Board of Directors of Exro Technologies Inc., and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Dated this 29th day of May 2025.

BY ORDER OF THE BOARD OF DIRECTORS

"Rodney Copes"

Rodney Copes

Chair



SCHEDULE A

Exro Subsidiaries

Subsidiary	Location of Operations
DPM Technologies Inc.	Vancouver, Canada
Exro Technologies USA, Inc.	Arizona, USA
Exro Vehicle Systems Inc.	Michigan, USA
SEA Electric Inc.	California, USA
SEA Electric LLC	California, USA
SEA Electric Holdings Pty Ltd	Melbourne, Australia
SEA Automotive Pty Ltd	Melbourne, Australia
SEA Electric Pty Ltd	Melbourne, Australia
SEA Electric ASIA Ltd	Bangkok, Thailand
SEA Electric Ltd	Auckland, New Zealand
SEA Electric GmbH	Vienna, Austria
SEA Electric Limited	London, United Kingdom
Cellex Energy Inc.	Arizona, USA
Cellex Energy IP Inc.	Vancouver, Canada